



GRAND PARADE

INVESTMENTS LIMITED

2021

**INTEGRATED
ANNUAL
REPORT**



About this report	2
About GPI	4
Chairman's review	5
Board of directors	6
OUR STRATEGIC BUSINESS CONTEXT	8
Guiding principles	9
Material risks	10
Critical relationships and risk management	12
OUR INVESTMENT PERFORMANCE	14
Chief Executive Officer's review	16
Group Financial Director's review	20
Food and Gaming	24
CORPORATE GOVERNANCE	32
Corporate Governance Report	34
Board committees and reports	38
Audit and Risk Committee Report	38
Remuneration and Nomination Committee Report	40
Remuneration Report	41
Implementation Report	42
Directors' emoluments	44
Social and Ethics Committee Report	47
General information relating to shareholders	48
Glossary of terms	49
Corporate information	50





ABOUT THIS REPORT

REPORT SCOPE, BOUNDARY

Grand Parade Investments Ltd's ("GPI" or "the Group") integrated annual report 2021 ("this report") provides a succinct review of our strategy and business model, operating context, material stakeholder interests, key risks, and performance and governance practices, covering the financial year ending 30 June 2021. This report is supplemented by our separate Consolidated Annual Financial Statements 2021 ("AFS"). The report focuses on the activities of GPI as an investment holding company, and includes an analysis of our underlying investments, both in the Executive Reviews section (pages 16 – 23) and the Investment Reviews section (pages 24 – 31), focusing on the most material investments only. Since last year there have been no significant changes to the Group's organisational structure, and no material restatements of data during the year.

TARGET AUDIENCE AND MATERIALITY

This report has been prepared primarily for current and prospective investors, although it is also relevant for any other stakeholder who has an interest in GPI's performance and prospects. This report focuses on those issues that we have identified as being most material to our capacity to create value and deliver on our strategic growth objectives. In addressing these material issues, we review what we do (page 4), identify the material interests of priority stakeholders (page 13), assess the principal risks and opportunities arising from the operating context and review our performance and governance practices (pages 34 – 47) aimed at ensuring value.

EXTERNAL ASSURANCES

Independent external auditors, Ernst & Young, audited the AFS in accordance with the International Standards on Auditing. The opinion of the external auditors is provided in the full AFS. The Group has not sought external assurance on the contents of this report.

REPORTING PRINCIPLES TARGET

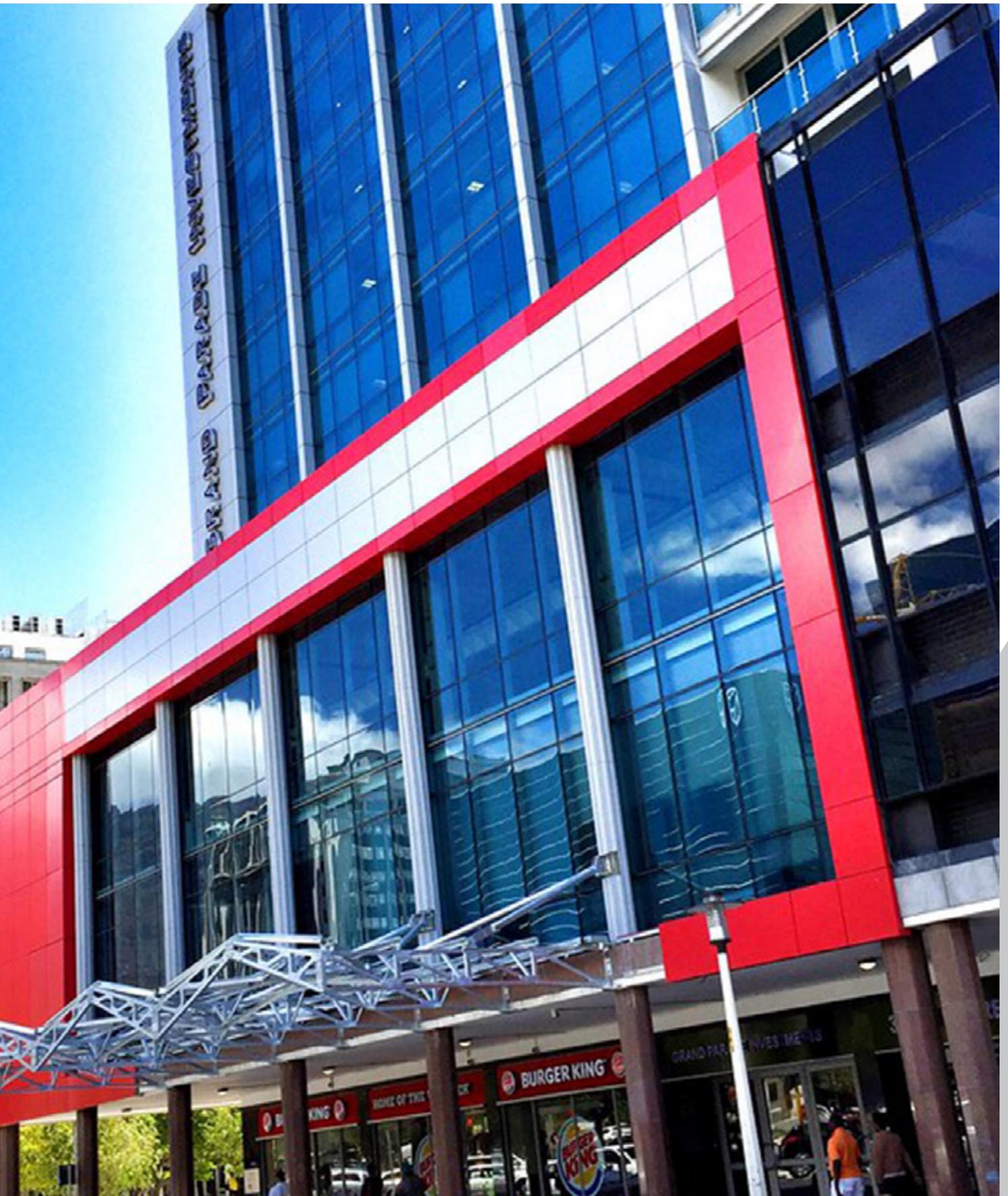
This report was prepared in accordance with International Financial Reporting Standards ("IFRS"), the JSE Listings Requirements and the Companies Act, No. 71 of 2008, as amended ("the Companies Act"), where relevant. The report has sought to apply the International <IR> Framework of the International Integrated Reporting Council ("IIRC"). GPI has applied the majority of the principles and recommendations outlined in the King IV Report on Governance™ for South Africa 2016 (King IV™); a summary of those principles that were not fully applied is presented on the Company's website at www.grandparade.co.za.

FORWARD-LOOKING STATEMENT

This report contains certain forward-looking statements that relate to the financial position and results of the operations of GPI and its investments. These statements, by their very nature, involve risk and uncertainty as they relate to future events and depend on circumstances that may or may not occur in the future. Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, global and national economic conditions, interest rates, exchange rates and regulatory delays or changes. The forward-looking statements have not been reviewed or reported on by the Group's external auditors.

APPROVAL OF THE INTEGRATED ANNUAL REPORT

The Board acknowledges its responsibility to ensure the integrity of the integrated annual report. The directors confirm they have collectively assessed the content of the report and believe that it is a fair representation of the Group's material issues, performance and prospects. The Board has therefore approved the integrated annual report 2021 for release to stakeholders.



ABOUT GPI

Grand Parade Investments ("GPI") is an empowering investment holding company that actively manages investments in its current focus areas of food and gaming.

The Company was founded in 1997 for the purpose of partnering with Sun International South Africa (Pty) Ltd as its primary black economic empowerment partner in the Western Cape. R28 million was raised from over 10 000 previously disadvantaged community members.

Since then we have grown our investment portfolio within the gaming industry, and in recent years have diversified into food, having acquired the South African master franchise licences for BURGER KING®. GPI listed on the main board of the JSE Limited ("JSE") in 2008.



**BURGER KING
SOUTH AFRICA**

INVESTMENT & EFFECTIVE HOLDING

91.1%



GRAND PARADE
FOODS
MEAT PLANT

**GRAND FOODS
MEAT PLANT**

INVESTMENT & EFFECTIVE HOLDING

100%

SUNWEST

INVESTMENT & EFFECTIVE HOLDING

15.1%



**WORCESTER
CASINO**

INVESTMENT & EFFECTIVE HOLDING

15.1%



**MAC BROTHERS CATERING
EQUIPMENT**

INVESTMENT & EFFECTIVE HOLDING

100%



SPUR CORPORATION

INVESTMENT & EFFECTIVE HOLDING

9.3%



SUN SLOTS

INVESTMENT & EFFECTIVE HOLDING

30%



INFINITI GAMING AFRICA

INVESTMENT & EFFECTIVE HOLDING

26%

CHAIRMAN'S REVIEW 2021



ALEXANDER ABERCROMBIE

Notwithstanding the difficult economic trading conditions, we have been hard at work in making sure that we add value for our shareholders.

The year under review has, like the previous year, been a tough one once again. For GPI the primary challenges have remained the restricted trading conditions in the economic arena in which we are invested (Slots, Casinos and food outlets) due to the lockdown regulations promulgated from time to time. In addition to the direct impact of COVID-19, the pandemic also resulted in widespread unemployment which has impacted the economy generally and our investments specifically.

The ordinary person in the street – most of our population – could no longer afford to visit our outlets. The plight of the poor came under the spotlight very sharply when poorer communities used an unrelated event to trigger a spree of looting to get essential foodstuffs and appliances for their households. This was a build-up of anger in response to unemployment, lack of housing and poor service delivery. Hopefully the upcoming Local Authority Elections will ensure that people elected to serve the communities will work towards eradicating these shortcomings.

In addition, the business community must work with the health authorities to ensure that the vaccination programme is accelerated to achieve herd immunity as quickly as possible. It appears, by all accounts, that the vaccine is safe, and I encourage all our shareholders and their families and friends to take the jab.

Notwithstanding the difficult economic trading conditions, we have been hard at work in making sure that we add value for our shareholders. The sale of Burger King is nearing completion and we are looking to finalise the sale of other non-core assets. In this regard we will convene a strategic session shortly, to deal with the way forward.

One of the items to be discussed will be the utilisation of the proceeds from the sale of Burger King. In accordance with the Companies Act the Board will consider the solvency and liquidity of the company when considering the declaration of a dividend, reduction of debt and or the repurchase of shares amongst others.

Once again, our Investments in Burger King and Sun Slots have showed great resilience following the hard lockdown and have recovered to pre-COVID levels and are performing well against budget. We are confident that our gaming assets will continue this upward trajectory provided that we avoid another wave of COVID 19 and further trading restrictions.

The CEO, Mohsin Tajbhai and the CFO Jason October will deal with the financial matters in their respective reports.

Once again, I am satisfied that we have adhered to all our compliance obligations relating to food production, gambling legislation, labour matters, tax issues, JSE requirements and the prescripts of King IV, and that the reporting mechanisms put in place will ensure that we continue to do so.

I wish to thank the CEO, Mohsin Tajbhai and his management team as well as our Company Secretary, Amber Hensberg for ensuring compliance in this regard.

Finally, I must say a big thank you to my fellow Board members for their huge contribution to ensuring that we maintain good corporate governance and that a virtuous cycle of respect, trust and candor exists on the Board.

Thank You.

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS



**MOHSIN
TAJBHAI
(41)**

GROUP CEO

Appointed to the Board on 28 November 2018
Appointed as CEO on 1 July 2019

Mohsin is a professional structural engineer with a Master's degree in engineering from the University of Cape Town ("UCT") and also holds a Master's degree in Business Administration (MBA) from the Graduate School of Business at UCT. He started his career at GPI as the chief operating officer ("COO") of manufacturing and properties and progressed to group COO. Prior to his career at GPI, he served as the chief executive officer of Nadeson Consulting Services, a Cape Town-based civil engineering company.



**JAYSON
OCTOBER
(40)**

**FINANCIAL
DIRECTOR**

Appointed to the Board on 1 April 2020
Appointed as Financial Director on 1 April 2020

Jayson holds the qualifications BCompt (Hons), and CA(SA). He has over 14 years' professional experience including serving as Group management accountant, Group financial manager, and deputy chief financial officer during his time with the Company. Prior to joining GPI, Mr October served as an audit supervisor at Mazars.

NON-EXECUTIVE DIRECTORS



ALEXANDER ABERCROMBIE (70)

NON-EXECUTIVE CHAIRMAN

Appointed to the Board on 20 October 1997
Appointed as Chairman on 1 February 2020

Alex is an attorney by profession and a consultant to the national law firm Cliffe Dekker Hofmeyr. Alex is a former Acting Judge of the Cape High Court and a qualified International Commercial Mediator.

His association with GPI dates back to the inception of the Company in 1997 when he was appointed as a non-executive director. On 11 June 2012, he was appointed as the executive director responsible for the Group's gambling operations until his retirement from the executive role on 28 February 2015.

He remains on the Board as the non-executive chairman of GPI. Alex is chairperson of Sun Slots and its seven subsidiaries (the management company, the six slots routes owned by Sun Slots countrywide) and is a director of the Grand Gaming Corporate Social Investment Company.

In addition, Alex is the chairman of the board of Worcester Casino (Pty) Ltd and is a non-executive director of Sun West International (Pty) Ltd (incorporating Grand West Casino and the Table Bay Hotel). He is also a member of the GPI Board's Investment Committee, Social and Ethics Committee and the Remuneration and Nomination Committee.

He is well known in sports and community circles having been appointed by the Minister of Sport as Chair of the Appeal Board of the South African Institute for Drug-Free Sport (SAIDS). He was also Chairman of the Appeal Board of the South African Football Association and has received a Special State President's Award: "In Recognition of Services to South African Football" from then, former President, Nelson Mandela. He was also appointed by the Minister of Education as Deputy Chair of the Council of the College of Cape Town. He is currently the Integrity Officer of the South African Football Association.



MARK BOWMAN (55)

**INDEPENDENT NON-EXECUTIVE
DIRECTOR***

Appointed to the Board on 5 December 2018

Mark was until the end of 2016 Managing Director for Africa for SABMiller. He has spent the majority of his career with SABMiller in various leadership roles. Over the span of his career he managed ABL (the listed soft drinks division of SAB) in South Africa, and in Poland he was MD for Kompania Piwowarska a successful part of the SABMiller CEE business. From 2007 until his departure in late 2016 Mark managed SABMiller Africa, a business of over \$10bn in revenue, and \$1,8bn in EBIT, which represented a third of group earnings. His business experience lies in growing FMCG businesses in Africa. Mark is a non-executive director of Tiger Brands, Dischem, and Mr Price. He variously also sits on Remco, Audit/Risk, and Investment sub-committees of these boards.

EFFECTIVE GOVERNANCE AND CONTROL

OUR ORGANISATION IS BUILT ON A FIRM FOUNDATION ...

The Company's ethical values are based on integrity, transparency, fairness and trust and a commitment to making a meaningful contribution to broad-based black economic empowerment as inclusively as possible; to uphold the highest ethical and moral standards; and to invest in the finest people and promote their personal growth.

...THAT INFORMS HOW WE APPOINT OUR LEADERSHIP ...

Directors are appointed by the Board in a formal manner. The Remuneration and Nomination Committee, in consultation with the Chairman, considers suitable candidates and nominates persons for appointment as directors taking into account the requirements of the business. Proposals for election/re-election to the Board are, after review, recommended by the Nomination Committee and are considered by the Board, subject to the approval/ratification of shareholders.



RONEL VAN DIJK (49)

NON-EXECUTIVE DIRECTOR*

Appointed to the Board
5 December 2018

Ronel has a B.Rek (Hons) degree from the University of Stellenbosch. She qualified as a CA(SA) in December 1997 and thereafter spent a year working in the London office of Arthur Andersen & Co. She returned to Cape Town as audit manager with the firm and shortly thereafter joined Spur Corporation Limited as group financial manager in January 2003. In January 2005 she was appointed as chief financial officer and company secretary, and she was appointed to the board of directors in September 2006.

Ronel left Spur Corporation Limited in March 2018 and was appointed as a non-executive director and audit and risk committee member of GPI Limited and Adcorp Holdings Limited in December 2018 and June 2019 respectively. Ronel acted as CFO of PPC Limited from 1 November 2019 to 31 March 2021 and continues to consult with the company.

Ronel is an experienced CFO with exposure to corporate governance, internal controls and risk management, strategy development and implementation, and leadership development.

She is a founding Trustee of the Spur Foundation and is a founding member of the Western Cape Development Board of the Early Care Foundation.



ROZANNA KADER (37)

NON-EXECUTIVE DIRECTOR

Appointed 1 February 2020

Rozanna has extensive hospitality, casino and resort management experience from her time with the Sun International Group. She currently serves as a non-executive director on the boards of Nadeson Enterprises, Zevocept and Afriserv. Prior to her current role as a consultant focusing on management performance, Rozanna served as the chief operating officer of three of the GPI group companies, namely Grand Coffee House (Pty) Ltd (Dunkin' Donuts South Africa), Grand Bakery and Grand Ice Cream (Pty) Ltd (Baskin-Robbins South Africa); and as the Marketing Executive for the GPI group and Burger King South Africa, successfully launching the brand in the country.



MONDE NKOSI (31)

NON-EXECUTIVE DIRECTOR

Appointed 4 December 2019

Monde is an investment professional with experience in private and listed businesses in South Africa and the USA. He is currently an executive director of Value Capital Partners ("VCP"), an investment firm that acts as an engaged shareholder in several JSE-listed companies. Prior to VCP, Monde was on the investment team of FFL Partners, a San Francisco-based private equity firm managing over USD2 billion. Monde is currently a non-executive director of ADVTECH Limited, Adcorp Holdings Limited and Net 1 UEPS Technologies Inc. He holds a Bachelor of Business Science from the University of Cape Town, a Master of Arts from Stanford University and a Master of Business Administration from Stanford University.



WALTER GEACH (66)

LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR*

Appointed to Board on
17 September 2013
Appointed as Lead Independent Director on 9 September 2019

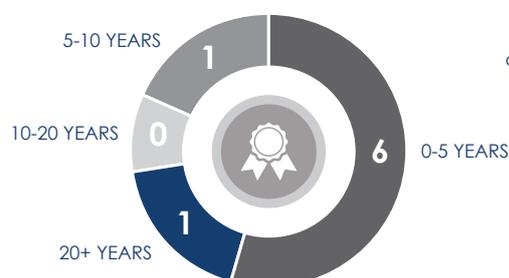
Walter is a chartered accountant (CA)(SA), an admitted advocate of the High Court of South Africa and a Professor at the University of the Western Cape. Among his many other academic achievements, he has authored/co-authored over 14 published books on a variety of subjects such as company law, corporate governance, financial accounting, taxation, financial planning and trusts. The books are used extensively in practice by accountants, consultants, lawyers and financial planners, an example of such is 'Companies and other Business Structures' published by Oxford University Press, which Walter co-authored with Judge Dennis Davis.

Walter previously served as a non-executive director on the boards of Grindrod Ltd and Grindrod Bank.

AND ULTIMATELY EVALUATE THEIR PERFORMANCE AND SUCCESSES

During the Reporting period the Chairman of the Remuneration and Nomination Committee, in consultation with the Executive Chairman, evaluated the effectiveness of the Board and the Board committees. The group obtained the services of an external firm to conduct board and committee member evaluations. This year, no issues of material concern were raised in the evaluations and the Board is satisfied with its performance and effectiveness.

TENURE AND SERVICE



One-third of the company's non-executive directors are required to retire by rotation at the Annual General Meeting (AGM) of shareholders.



OUR STRATEGIC

BUSINESS CONTEXT

GUIDING PRINCIPLES



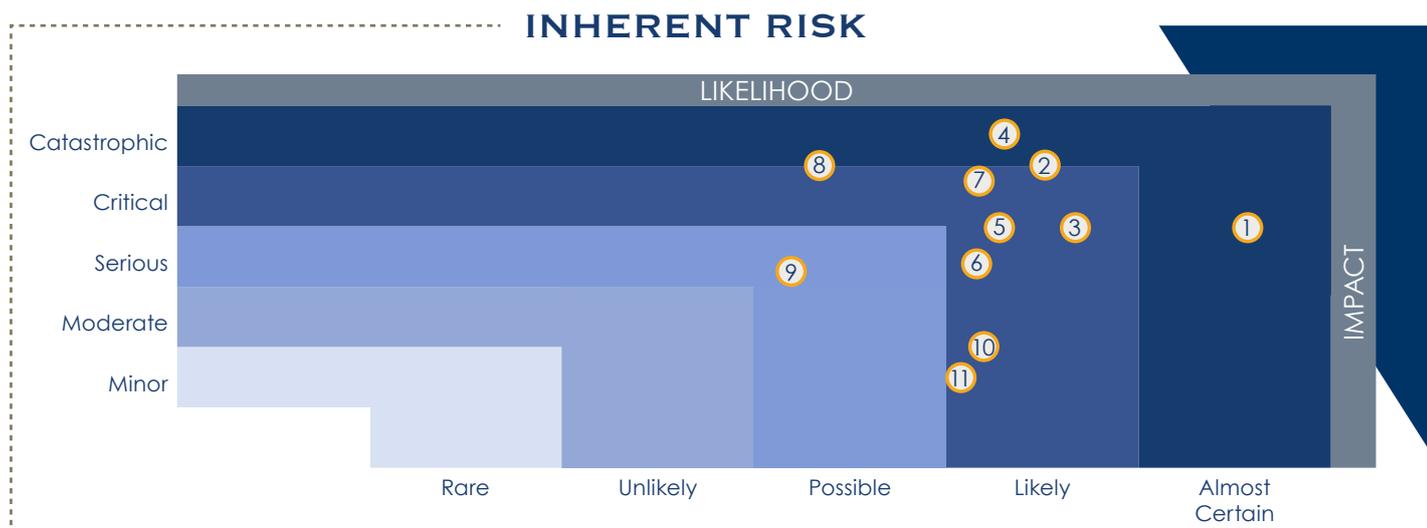
INVESTMENT PHILOSOPHY



STAKEHOLDER VALUE



MATERIAL RISK



RISK	RISK DESCRIPTION	PROBABILITY	IMPACT	RESIDUAL SEVERITY
Decline in value of gaming assets	COVID-19 has impacted the performance of the gaming assets which has had an impact on the valuations of these businesses	3. Possible	5. Catastrophic	15
Over reliance on gaming assets	The gaming assets consist of 72% of GPIs intrinsic NAV.	3. Possible	5. Catastrophic	15
Constrained liquidity	Due to the impact of COVID-19 on the gaming businesses have reduced dividend payments which has affected GPIs liquidity	3. Possible	5. Catastrophic	15
Loss of Grand West exclusivity	Period of exclusivity for Grand West has lapsed. Cape Town High Court has ordered the gaming board to consider relocation licences	3. Possible	4. Critical	12
Adverse impact of lockdown restrictions on operations	Covid 19 Trading restrictions – Social distancing, crowd restrictions and curfew, International travel restrictions	3. Possible	4. Critical	12
Delayed execution in relation to timing and value unlock of assets	COVID-19 has delayed the overall timing of the Groups strategy to unlock value through a controlled sale of assets	3. Possible	4. Critical	12
Non-compliance with gaming legislations	Lack of key employee licences for directors	2. Unlikely	5. Catastrophic	10
Data breach	Ineffective security controls	2. Unlikely	5. Catastrophic	10
Non-fulfilment of conditions related to Burger King Transaction.	Risk of CPs not being fulfilled or a breach of the terms of the agreement	3. Possible	3. Serious	9
Loan covenant breaches.	Loan covenants are linked to the performance of the gaming businesses. The decrease in earnings in these businesses have put loan covenants at risk.	3. Possible	3. Serious	9

RESIDUAL RISK



RISK STATUS	IMPACT(S) TO BUSINESS	MITIGATION ACTION
Stable	Unable to meet strategic objective of unlocking value	Delay sales until value normalises Proactive planning and iterative review of the Group strategy
Increasing	Inability to generate required income Unable to realise perceived value Reduced dividend flow/earnings	Investigate various scenarios to exit the gaming assets in order to create additional exit routes.
Stable	Restricted cashflow Possible covenant breaches	Liquidity plan completed for 2020 calendar year to understand cash requirements Close BKSA Sale Salary cuts Approaching additional financiers for re-financing/bridging finance – Approved on favourable terms.
Increasing	Profitability could be affected	Regular engagement with the Gaming Board during the implementation of legal framework
Stable	Decrease in profitability Decrease in operations	Adhere to Covid operational protocols to prevent increased negative impact
Stable	Extended time to complete asset sales reduces overall value	Proactive cost/overhead reduction Regular and constant re-evaluation of assets and general market
Increasing	Businesses could be denied gaming licenses	Relevant directors to apply for licenses. 1 Director complete 3 in progress
Stable	Reputational impact Loss of data Legal implications	Patch management Vulnerability management Configuration management Security management Change and release management Security parameters
Stable	Agreement falls through resulting in liquidity constraints.	Reps and Warranties insurance. Refinancing of debt approved by Standard bank and RMB.
Decreasing	Restriction on liquidity Forced sale of assets	Consider alternative financial institutions for re-financing/bridging finance facility Refinancing of existing debt facility.

CRITICAL RELATIONSHIPS AND RISK MANAGEMENT

Our capacity to deliver value depends ultimately on the quality of our relationship with those stakeholders who are fundamental to our business model, and on our demonstrated ability to address their material interests.

Therefore, we track the varying quality of our stakeholder relationships closely in conjunction with anticipating and strategically responding to their material issues, needs and concerns.



MATERIAL ISSUES, NEEDS AND CONCERNS



**INVESTORS
AND ANALYSTS**

- Clarity on value creation strategy
- Detail on financial performance
- Candid communication that manages performance expectations
- Evidence of ability to effectively execute delivery on strategy
- Sound corporate governance
- Transparent executive remuneration



**COMMUNITY
AND NON-
GOVERNMENTAL**

- Evidence of good corporate citizenship, including water and waste management, recycling, supply chain and human rights
- Addressing negative social impacts associated with gaming
- Addressing negative social impacts associated with sugar, salt and fat content of quick service restaurant ("QSR") foods



**EMPLOYEES AND
REPRESENTATIVES**

- Appropriate remuneration
- Empowerment and employment equity issues
- Safe, healthy and congenial working conditions



**GOVERNMENT
AND REGULATIONS**

- Compliance with regulatory requirements
- Job creation, localisation, transformation and BBBEE delivery
- Sustained contribution to national tax base
- Transparency and clear communications



CUSTOMERS

- Positive customer experience
- Taste, quality, price, accessibility and food safety (food investments)
- Fair operating practices (gaming investments)



SUPPLIERS

- Timely payment and fair contract terms
- Localisation and support for enterprise development



MEDIA

- Transparency on strategy, performance and governance
- Evidence of responsiveness to material stakeholder interest



OUR
INVESTMENT
PERFORMANCE





MOHSIN TAJBHAI

CHIEF EXECUTIVE OFFICER'S REVIEW

The 2021 financial year has been another challenging year for GPI, its subsidiaries and underlying investments. Just as we successfully navigated through the 2020 financial year, we encountered the second and third COVID-19 waves which had a severe impact on the business and the South African economy as a whole. Despite these challenging conditions GPI posted an impressive set of results for the financial year, driven by a significant improvement in the losses from the foods businesses and an improvement in the earnings from the gaming businesses. Furthermore, the reduction in head office costs and finance costs due to a reduction in debt also led to improvement in the financial performance of the businesses.

The start of the financial year began with the easing of the government-imposed restrictions which were put in place to control the spread of COVID-19. This marked a welcome change for GPI's food and manufacturing businesses that started trading again after the shutdown. Burger King and Grand Foods Meat Plant proved to be resilient. The gaming assets on the other hand were forced to remain closed and only resumed trading in August 2020 under extremely strict operational protocols. The restrictions were gradually lifted over the first half of the financial year which assisted the recovery of the gaming business. This positive sentiment during the first half of the year ended abruptly as the 2nd COVID-19 wave spread through the country,

prompting government to reintroduce the prohibition of alcohol sales and impose an earlier 9 pm curfew. The reintroduction of these restrictions dampened the recovery of the gaming assets. SunWest in particular had a protracted recovery over the financial period, recovering to only 55% of pre-COVID revenues. Sun Slots on the other hand was resilient and recovered to 95% of prior year revenues and resumed dividend payments.

Over the year management focused on reducing the discount to the Intrinsic Net Asset Value (iNAV) by aligning objectives with the strategy to unlock value. The overall discount reducing by 19% points over the year. We have made progress on the BKSA transaction despite a few major setbacks. The transaction has now been approved by the Competitions Commission to reach financial close in November 2021. A detailed performance against our strategic objectives is detailed below.

FY 2021 Strategic Objectives:

1. Exit non-profitable businesses;
2. Restructure head office to reduce central costs;
3. Improve profitability of existing operational businesses;
4. Exit non-core assets and reduce debt;
5. Maximise value through the sale of assets; and
6. Building a high-performance culture.



Being part of high performance team gives you the confidence to tackle any challenge. The way in which the team has navigated through the last two years certainly bears testament to this.



Initiatives	Status	Impact
Exit all non-profitable businesses		
Exit Mac Brothers	Ongoing	Management have started a process to exit the business which we aim to complete during the next financial year
Restructure to reduce head office costs		
Reduced the size of the head office team	Complete	5% reduction in head office costs.
Optimised the central cost charge back model to a consumption-based model	Complete	Improvements allowed management to identify areas of efficiency
Improve profitability of operational foods businesses		
Focus on driving bottom line profitability of Burger King	Ongoing	Burger King has had impressive topline growth. However, the decrease in footfall from inline and food court stores and shift to home delivery has impacted gross margins which had an impact on profitability. Overall, the business improved loss contribution by R12 million over the year
Close unprofitable restaurants	Complete	Closed 2 poor performing restaurants over the period
Improve bottom line profitability of Meat Plant and reduce cash burden on the Group	Not achieved	During the year the business experienced a sharp increase in input costs which led to a deterioration of the gross margins and a decrease in profitability over the period
Improve Profitability of Mac Brothers	Achieved/ Ongoing	Over the year, headline losses reduced by R18 million
Exit non-core assets and reduce debt		
Sale of N1 City	Complete	Sale of N1 City for R26 million
Sale of No 6 Epping	Complete	Sale of No 6 Epping Circle R6 million
Sale of No 33 Heerengracht	Not Achieved/ Ongoing	Offer to purchase fell through
Sale of 25/27 Thor Circle (Bakery Property)	Not Achieved/ Ongoing	No suitable offers received over the period. We continue to market the building
Reduction of debt	Achieved/ Ongoing	Debt reduced by R26 million over the year
Maximise value through the sale of assets		
Sale of BKSA/GFMP	Not Achieved/ Ongoing	Transaction close has been delayed due to the prohibition of the transaction by the Competitions Commission. The transaction is expected to close in the next financial year
Building a high-performance culture		
Business unit objectives and KPIs aligned with Group objectives and KPIs	Complete	Alignment of KPIs improved motivation and overall performance
Rewards and recognition program	Ongoing	Aim is to drive objectives and KPIs of the group through the program and reduce staff turnover

THE WORK DONE BY MANAGEMENT OVER THE LAST THREE YEARS IN EXITING UNPROFITABLE BUSINESSES, REDUCING DEBT, IMPROVING THE PROFITABILITY OF OPERATIONAL BUSINESSES, AND REDUCING HEAD OFFICE COSTS HAS POSITIONED THE GROUP TO TAKE ADVANTAGE OF THE GRADUAL IMPROVEMENT IN THE ECONOMY AND TO DELIVER ON ITS OBJECTIVE OF UNLOCKING VALUE FOR SHAREHOLDERS.

INTRINSIC NET ASSET VALUE (iNAV)

Management's assessment of the iNAV puts the value of the Group at R4.51 a share including an allowance for head office costs of R75 million and excluding finance costs and capital gains tax implications. Based on this valuation GPI is trading at a 36% discount to the current share price, an improvement of 19% points over the year.

Company		Intrinsic NAV 2021 (R'000)	Intrinsic NAV 2020 (R'000)
Food investments		638 886	675 005
Gaming and leisure		1 216 389	1 123 116
GPI Properties		77 635	105 509
GPI Properties	Independent Appraisal	77 635	115 635
Value		1 932 910	1 903 630
Cash net of of anticipated head office cost		5 000	22 943
iNAV		1 937 910	1 926 573
Issued shares		429 718	429 486
iNAV per share (cents)		4.51	4.49
Current share price (cents)		2.89	2.04
Discount		(36%)	(55%)

The South African economy grew by a better than expected 1.2% in the second quarter of the financial year, growing for four consecutive quarters. The pace of growth accelerated from 1.0% in the first quarter, which was revised lower from 1.1%. Although the economy is 19.3% larger than a year ago, having recovered off a low base, overall economic activity is now only back to 2017 levels and expected to recover to pre-COVID levels by the end of 2022.

The work done by management over the last three years in exiting unprofitable businesses, reducing debt, improving the profitability of operational businesses, and reducing head office costs has positioned the group to take advantage of the gradual improvement in the economy and to deliver on its objective of unlocking value for shareholders. The imminent sale of Burger King South Africa and Grand Foods Meat plant will unlock more than R1.15 per share in value. Following the sale of BKSA, the way forward for GPI centres around three major themes:

1. To maximise the value of the business through the sale of the Group's property assets and exiting of MacBrothers.
2. To further reduce head office costs and reduce dividend leakage.
3. To return capital to shareholders by resuming dividend payments.

Appreciation

I would like to thank every one of the 3000 employees at GPI for the hard work and dedication over the last year. A special thanks to the GPI executive management team for their continued support. Being part of high performance team gives you the confidence to tackle any challenge. The way in which the team has navigated through the last two years certainly bears testament to this.

I thank our Chairman Mr Alex Abercrombie for his guidance and mentorship as well as the GPI Board for their effort in driving the strategic direction of the business and their support in our constant search for excellence.

SALIENT FEATURES

R363M

INCREASE IN
REVENUE

R70.9M

INCREASE IN
EBITDA

22.2c

INCREASE IN
BASIC EARNINGS PER SHARE

R26.2M

DECREASE IN
TOTAL DEBT

R34.6M

INCREASE IN
HEADLINE EARNINGS

10%

DECREASE IN CENTRAL COST

R34.6M

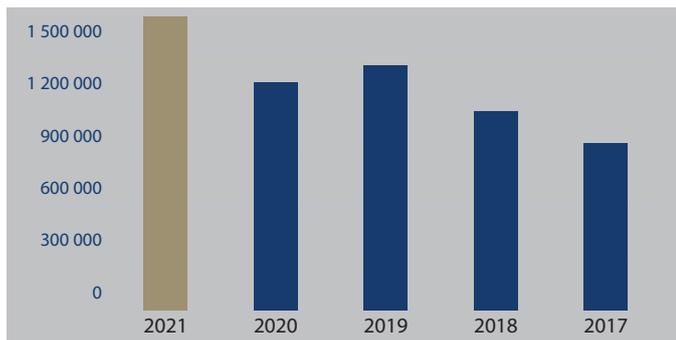
INCREASE IN
CASH GENERATED
FROM OPERATIONS

R72.0M

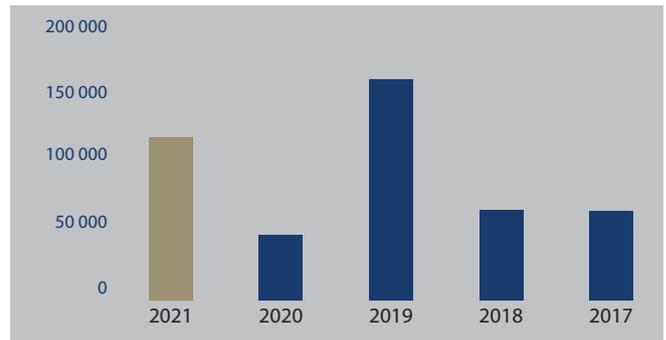
RECEIVED IN
DIVIDENDS

GROUP INFORMATION

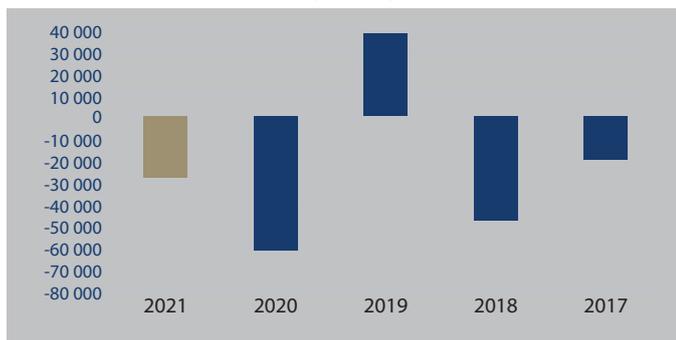
REVENUE



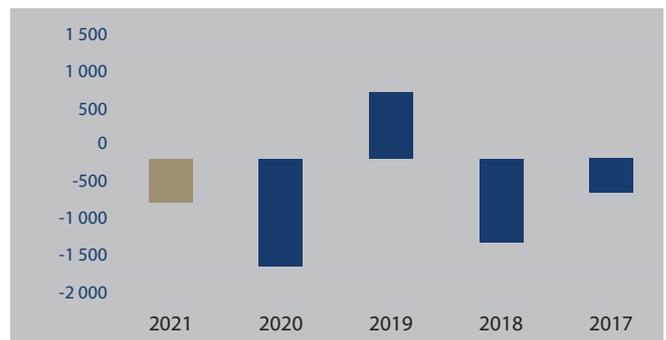
EBITDA



HEADLINE EARNINGS (R'000)



HEADLINE EARNINGS/PER SHARE (cents)





JAYSON OCTOBER

GROUP FINANCIAL DIRECTOR'S REVIEW

Introduction

The Group's revenue for the year increased by R363.5 million from R1 312.3 million to R1 675.8 million driven by strong performance by Burger King and Grand Foods Meat Plant this was offset by reduced revenues in MacBrothers. This resulted in a increase of R70.9 million in EBITDA which was largely driven cost savings and the increased revenue mentioned above.

The Group reported an overall headline loss for the year of R27.0 million which improved by R34.6 million from R61.7 million in the prior year.

Group financial review

The Group uses headline earnings to assess the underlying investment contributions to the Group's earnings. The reason for using headline earnings is that it eliminates the once-off effects of the Group's investment activities and therefore provides a comparable view of the Group's continuing earnings.

GPI reported a significant reduction in its headline loss of 56%. Headline loss decreased from a loss of R61.7 million in the prior year to a loss of R27.0 million at the end of June 2021.

The main contributors to the reduction in headline loss are:

- Burger King's headline contribution improved by R11.8 million during the year from a loss of R25.5 million in the prior period to a loss of R13.7 million in the current period.
- Mac Brothers' loss contribution for the period improved by R18.0 million from R41.0 million in the prior period to R23.0 million in the current period, despite a significant decrease in sales as a direct result of the COVID-19 pandemic. The improvement can be attributed to the sharp decrease in operating costs of R8.4 million compared to the prior period.
- The gaming assets' headline earnings contribution increased by R4.0 million from R69.0 million in the prior period to R73.0 million in the current period. The increase in earnings is largely due to the recovery of Sun Slots and Infinity Gaming in the current year against prior year which was offset by a deterioration of earnings from SunWest.
- The Investment in Spur accounted for a decline of R7.2 million during the current year. No dividends were received from Spur in the current year as they were preserving cash during this period.
- Grand Foods Meat plant increased its headline loss contribution by R5.6 million.
- The savings associated with the liquidation and subsequent closure of Dunkin' Donuts and Baskin-Robbins led to a reduction in the loss contribution of Dunkin' and Baskin-Robbins of R7.0 million.
- Central cost decreased by R6.6 million in the current period largely as a result of reduced finance cost and cost saving initiatives offset by higher transaction costs as a result of the Burger King transaction. Furthermore there was unrecognised tax amounting to R3.4 million in properties in the prior period.



The Group's revenue for the year increased by R363.5 million from R1 312.3 million to R1 675.8 million driven by strong performance by Burger King and Grand Foods Meat Plant



The table below reflects the contribution each investment made to Group headline earnings:

	30 June 2021 R'000s	30 June 2020 R'000s	Movement R'000s	%
Food	(43 241)	(60 256)	17 015	28
Burger King	(13 709)	(25 501)	11 792	46
Mac Brothers	(22 968)	(40 986)	18 018	44
Spur	(73)	7 077	(7 150)	(101)
Grand Foods Meat Plant	(6 491)	(846)	(5 645)	(667)
Gaming	72 978	68 954	4 024	6
SunWest	25 249	39 899	(14 650)	(37)
Sun Slots	44 770	30 744	14 026	46
Worcester Casino	1 389	(50)	1 439	–
Infinity Gaming Africa	1 570	(1 639)	3 209	–
Central costs	(56 765)	(63 396)	6 631	10
Corporate Costs (excl Transaction costs, legal fees, tax and finance cost)	(32 695)	(34 094)	1 399	4
Transaction costs, legal fees and taxation	(16 467)	(11 475)	(4 992)	(44)
Net corporate finance costs	(10 564)	(13 394)	2 830	21
GPI Properties	2 961	(4 433)	7 394	167
Continuing operations	(27 028)	(54 698)	27 670	51%
Discontinued operations	–	(6 963)	6 963	100%
Dunkin' Donuts	–	(3 549)	3 549	100%
Baskin-Robbins	–	(1 686)	1 686	100%
Grand Bakery	–	(1 728)	1 728	100%
Headline (loss)/earnings after tax	(27 028)	(61 661)	34 633	56%

GROUP FINANCIAL DIRECTOR'S REVIEW

(CONTINUED)

Dividends

No dividends were declared and paid during the financial year.

Capital structure

The Group reduced its debt by R26.3 million during the year due to a repayment of R16.1 million on its preference debt and R9.5 million on its term loan and finance leases. This excludes operating finance leases.

	30 June 2021 R'000s	30 June 2020 R'000s	Movement R'000s	%
Holding company facilities	186 971	203 095	(16 124)	8
SunWest and Sun Slots	186 971	203 095	(16 124)	8
Subsidiary facilities	44 846	54 972	(10 126)	18
GPI Properties	43 365	53 491	(10 126)	19
Mac Brothers	1 125	1 125	–	0
Burger King	356	356	–	0
Total Debt	231 817	258 067	(26 250)	10
Debt/EBITDA	1,81	5,19	(3,38)	(65)
Debt/Equity	13,8	15,3	1,50	9,80

Review of investment operations

Burger King

Burger King's total revenue for the year grew to R1.349 billion compared to R1.010 billion in the prior year.

Average monthly restaurant revenues (ARS) increased by 31% from R0.896 million last year to R1.171 million this year, largely as a result of the strong growth in Drive Through revenues.

The current financial period observed substantial changes in consumer traffic trends. Comparative (comparison of stores trading for a full 12 months) Traffic: 2021: (4.5%); 2020: (11.0%).

The changes in service mode mix towards Home Delivery (2021: 15.0% from 2020: 8.1%) and Drive Through sales (2021: 46.2% from 2020: 36.7%) have resulted in a net comparative sales gain of 11% for all our Drive Thru locations. Overall comparative sales growth in 2021 was 5.9%, excluding non trading months.

The reduction in traffic due to restrictions on Take Away & Dine In service modes coupled with the significant shift towards home delivery resulted in a 2% drop in gross margin which affected the profitability of the business. Burger King realised a Company EBITDA of R51.70 million during FY2021 compared to R34.62 million in the prior year.

Grand Foods Meat Plant

Grand Foods Meat Plant is directly influenced by Burger King's performance through their agreement with Burger King's main logistics partner, Digistics Proprietary Limited. Grand Foods Meat Plant's revenue increased by 44% to R204 million compared to prior year's R142 million.

Cost of sales outpaced revenue increasing by 53% from R129.1 million to R196.7 million, as a result of the higher input cost. Gross margin for the year decreased by 5% points from 9% to 4% due to higher beef prices in the second and third quarter of the year.

Grand Foods Meat Plant's earnings for the year resulted in a R6.5 million loss after tax, compared to the R1.65 million net loss after tax incurred in the prior year.

Mac Brothers Catering Equipment

The past financial year was unfortunately characterised by a long and protracted recovery from the COVID-19 pandemic and the slowdown in the local economy. The latter part of the year showed no improvement in global travel and further lock down restrictions hampered their core market in the leisure, hotel and gaming industry from gaining any real growth momentum which led to a lack luster second half performance due to capital budgets of key customers being frozen and projects delayed. This resulted in revenue decreasing by R30.5 million from R131.5 million to R101 million and gross profit decreasing by R3 million from R28 million to R25 million for the year.

Operating costs reduced by R4 million from R53 million to R49 million which includes R1 million in restructuring costs. Spending was curtailed to essential services only and research and development limited to critical projects. On a comparable basis (i.e. excluding the grant income); EBITDA loss improved by R15 million from R24 million in 2020 to R9 million in 2021 and net losses after tax were curtailed to R22 million in 2021 a significant improvement from R40 million in 2020.

OTHER

Central costs

The Group's net central costs (excluding funding cost) for the year amounted to R32.7 million, which is 4% lower than the central costs of R34.1 million last year. This is as a result of a restructure of the holding company which led to an improvement in efficiency. The overall savings were partially offset by once-off termination costs and additional transaction costs relating to the Burger King transaction incurred during the year.

Share capital

No new shares were issued or bought back during the period.

Treasury shares

At 30 June 2021 a total of 40.3 million GPI shares were held as treasury shares by the Grand Parade Share Incentive Trust, GPI Management Services and the GPI Women's BBBEE Empowerment Trust. These entities are controlled by the Group, with the Grand Parade Share Incentive Trust holding 1.49 million treasury shares, GPI Management Services holding 24 million shares and the GPI Women's' BBBEE Empowerment Trust holding 14.82 million treasury shares.

Preference shares

During the current year, the Group redeemed 631 redeemable preference shares (SunWest) to Standard Bank at an issue price of R25 400 per share, totaling R16.1 million.

Borrowings

The terms of Group's borrowings are fully disclosed in Note 23 of the Consolidated Annual Financial Statements. In terms of the Memorandum of Incorporation of the Company and its subsidiaries, the borrowing powers of the Directors of these companies are unlimited.

Related parties

The Group, in the ordinary course of business, entered into various transactions with related parties consistent with those as reported at 30 June 2020. Details of related parties and transactions are disclosed in Note 8 and Note 9 of the Consolidated Annual Financial Statements.

Subsequent events

Sale of Burger King and Grand Foods Meat Plant

In June 2021 the competition authorities prohibited the transaction due to public interest concerns and in particular the loss of Historical Disadvantaged Persons (HDP) ownership that would result from the transaction. Management have been in discussions with the buyer and the competition commissions and have now settled on a list of conditions that the competition commission has approved. Subsequently a request for reconsideration has been filed with the Competitions Tribunal, which resulted in the transaction being approved with conditions. As the major conditions precedent were not met as at 30 June 2021 and significant uncertainty existed around whether the transaction would be approved, these assets have not been classified as a discontinued operation.

Related party loan

In August 2021 Dr Adams loan, which was granted during his tenure for acquisition of shares, was repaid in full including accrued interest. Subsequently all security has been released over the shares pledged as security for this loan.



Sun
GrandWest

SUNWEST

OVERVIEW



15.1%
EFFECTIVE OWNERSHIP



R25.2M
CONTRIBUTION TO GPI
HEADLINE EARNINGS
(2020: R39.9M CONTRIBUTION)



ROM
DIVIDENDS RECEIVED
(2020: R30.2M)





Golden Valley



WORCESTER CASINO

OVERVIEW



15.1%

EFFECTIVE OWNERSHIP



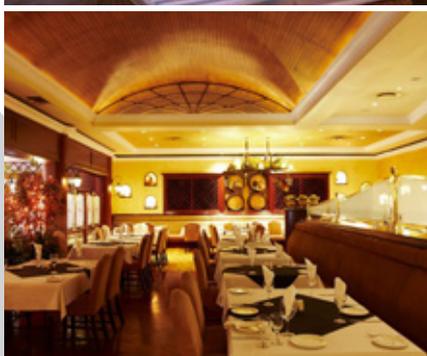
R1.4M

CONTRIBUTION TO GPI
HEADLINE EARNINGS
(2020: R50M LOSS)



ROM

DIVIDENDS RECEIVED
(2020: R4.6M)





Sun Slots

SUN SLOTS

OVERVIEW



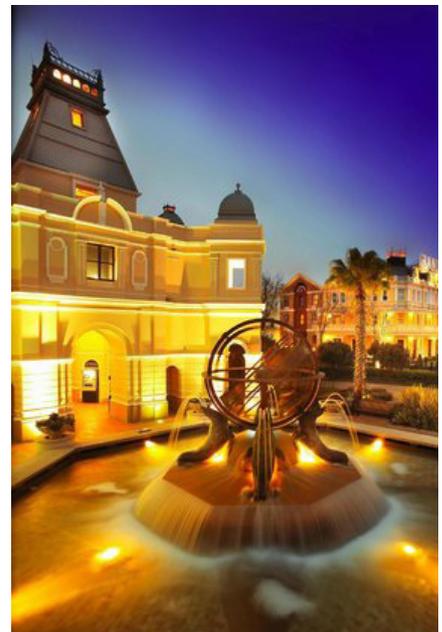
30%
EFFECTIVE OWNERSHIP



R44.8M
CONTRIBUTION TO GPI
HEADLINE EARNINGS
(2020: R30.7M CONTRIBUTION)



R72M
DIVIDENDS RECEIVED
(2020: R33M)





SPUR
CORP.



SPUR CORPORATION OVERVIEW



9.3%

EFFECTIVE OWNERSHIP



R0.1M

CONTRIBUTION TO GPI
HEADLINE EARNINGS
(2020: R7.1M CONTRIBUTION)



ROM

DIVIDENDS
(2020: R14.1M)



BURGER KING SOUTH AFRICA

OVERVIEW



R14M

CONTRIBUTION TO GPI HEPS
(2020: R26M CONTRIBUTION)



R1.3BN

REVENUE
(2020: R1.0BN CONTRIBUTION)



R52M

EBITDA
(2020: R35M)



3 169

EMPLOYEES
(2020: 2 905)





GRAND PARADE

FOODS
MEAT PLANT



GRAND FOODS MEAT PLANT

OVERVIEW



(R6.5M)

CONTRIBUTION TO GPI HEPs
(2020: R1.8M LOSS)



R203M

REVENUE
(2020: R142M CONTRIBUTION)



(R6.5M)

EBITDA
(2020: R0.7M)



68

EMPLOYEES
(2020: 39)



MAC BROTHERS CATERING EQUIPMENT

OVERVIEW



(R23.0M)
CONTRIBUTION TO GPI HEPS
(2020: R41.0M LOSS)



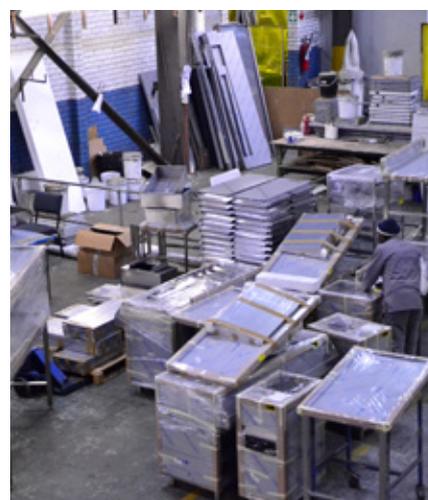
R104.2M
REVENUE
(2020: R125.6M CONTRIBUTION)



(R9M)
EBITDA
(2020: R26M LOSS)



134
EMPLOYEES
(2020: 197)





INFINITI GAMING OVERVIEW



R1.6M
CONTRIBUTION TO GPI HEPS
(2020: R1.6M LOSS)



R34M
REVENUE
(2020: R42M CONTRIBUTION)



R7.8M
EBITDA
(2020: R9.7M)



16
EMPLOYEES
(2020: 26)



CORPORATE

GOVERNANCE



CORPORATE GOVERNANCE REPORT



As a black economic empowerment company, GPI strives to ensure that its workforce and board composition is representative in terms of race and gender diversity.



As the ultimate governing body of the GPI Group, the Board is committed to providing ethical, accountable and effective leadership and to ensuring that the businesses and affairs of the Group are managed responsibly. The Board continued to practice corporate governance aimed at generating value creation to generate value and benefits for all stakeholders.

Responsibility for ensuring full and effective control of the Group's businesses, as well as the overall strategy, performance and governance of the Group, rests with the Board. The day-to-day responsibility for ensuring that the Group's businesses are managed appropriately rests with executive management who have clearly defined roles and reporting lines to the Board. The directors confirm that, to the best of their knowledge, during the 2021 reporting period the Group has in all material respects applied the principles and recommendations of the King IV Report on Corporate Governance™ for South Africa, 2016 ("King IV™") and where such application has not been complied with, explains the factors and circumstances resulting in an alternative application.

COMPLIANCE WITH LAWS AND REGULATIONS

The directors confirm that, to the best of their knowledge, GPI i) complied with the provisions of the Companies Act of South Africa, and ii) operated in accordance with its memorandum of incorporation, during the year under review.

King IV™

King IV™ came into operation on 1 November 2016 and on 19 June 2018 the JSE Listings Requirements ("Listings Requirements") were amended to include provision for the adoption of certain King IV™ recommendations and other governance arrangements. GPI's King IV application register and its material risk register are available on the GPI website www.grandparade.co.za.

THE BOARD OF DIRECTORS

The Board believes that its composition does reflect:

- a wide range of attributes and competencies (as opposed to similar overlapping qualities) that will position the Board to collectively provide good corporate governance and strategic oversight; and
- a diversity of perspective and views that will lead to more innovation, better risk management, and will better enable the Board to anticipate and consider the concerns and perspectives of all key stakeholders.

BOARD STRUCTURE

The Board provides direction and leadership to the Group and is ultimately accountable for the overall governance, performance, strategy and affairs of the Group. The Board delegates authority to the relevant Board Committees to ensure that all aspects of strategy, performance and governance are applied.

The roles of the Chairman and the Chief Executive Officer ("CEO") are clearly defined. The Chairman is responsible for leading the Board and ensuring that the Board and its committees are effective and act with integrity. The Chief Executive Officer is responsible for managing and running the Company's business effectively in accordance with the strategy and objectives approved by the Board.

Composition of the Board

The Group has a unitary Board structure and at the end of the Reporting period had six non-executive directors of which three were independent and two full-time salaried executive directors.

During the financial year and up until the date of this report there have been no changes to the Board.

The Board and Board members have clearly defined responsibilities, and this division of responsibilities ensures a balance of authority and power, with no individual director having unrestricted powers and decision-making authority.

The Board is of the view that it possesses the appropriate mix of knowledge, experience, skills, age and culture and that these attributes collectively contribute to better decision-making and effective governance at Board level.

Broader diversity policy

As a black economic empowerment company, GPI strives to ensure that its workforce and Board composition is always representative in terms of race and gender diversity. The Board has nevertheless adopted a broader diversity Policy at Board level to formalise its objectives for the continued achievement of diversity.

The Remuneration and Nomination Committee, in collaboration with the Social and Ethics Committee, consider and annually agree on measurable targets for achieving race and gender diversity at Board level. In identifying suitable candidates for appointment to the Board, the Nomination Committee will consider individuals on merit against objective criteria and with due regard for the potential benefits of race and gender diversity.

The Group has set a target to ensure that the Board composition remains at a minimum 20% female and 60% black representation and have complied with this during the reporting period to 30 June 2021.

Board appointments

Directors are appointed by the Board in a formal manner. The Remuneration and Nomination Committee, in consultation with the Chairman of the Board, considers suitable candidates and nominates persons for appointment as directors taking into account the requirements of the business. These include skills, qualifications and experience as well as race and gender diversity requirements to ensure that the Board and Committees' compositions are appropriately balanced.

Proposals for election/re-election to the Board are, after review, recommended by the Nomination Committee and are considered by the Board, subject to the approval/ratification of shareholders.

One-third of the company's non-executive directors are required to retire by rotation at the Annual General Meeting ("AGM") of shareholders. Retiring directors may offer themselves for re-election and directors appointed during the period are required to have their appointments ratified at the following AGM. Details of these directors are given in the Notice of AGM which is distributed to shareholders and is also available online on the Company's website www.grandparade.co.za.

At the AGM on 8 December 2021, by rotation Mr Alexander Abercrombie and Ms Ronel van Dijk will retire and offer themselves for re-election.

On appointment, a director receives a formal letter of appointment together with a pack of the relevant statutory information to ensure an understanding of the provisions of the Act and the obligations of directors. The director is also provided with information on the Group's strategy, operational activities, and the products and services offered by the various divisions. New directors are informed of the closed periods for dealing in the Company's securities, the procedure they are required to follow before dealing in securities as well as details pertaining to related party transactions.

Director independence

Professor Walter Geach, Mr Mark Bowman and Ms Ronel van Dijk are classified as independent non-executive directors. The Board is satisfied that these directors, through their conduct at Board and Committee meetings, have displayed independence of mind in their decision-making and that there are no relationships or circumstances which could affect, or could appear to affect, their independence.

Mr Alex Abercrombie has been a director of GPI since its inception 22 years ago. The Board is of the view that the historical knowledge that Mr Abercrombie has of the Company and its businesses, together with the specific skills he contributes, has contributed to the effectiveness of the Board and the committees on which they serve. The extended tenure of Mr Abercrombie is balanced by the remaining directors who have brought new perspectives and additional skills to the table.

Professor Walter Geach has been appointed by the Board to the role of Lead Independent Director to strengthen independence on the Board and to chair discussions and decision-making by the Board on matters where the chair has a conflict of interest.

Board Committee composition

Board Committees are constituted with due regard to the skills and experience required by each Committee in order to fulfil the relevant Committee's mandate and to ensure a balanced distribution of power. The Board Committees have clear terms of reference that define their powers and duties, and these are documented in Committee Charters which are regularly reviewed by each Committee and amended with the approval of the Board.

Management are invited to attend Board Committee meetings by way of standing invitations or on an ad hoc basis when specific contributions in their fields of expertise are required.

Further details about the Committee memberships and their terms of reference are given in the individual Committee reports on pages 38 to 47.

Board and Committee evaluations

During the Reporting period the Chairman of the Remuneration and Nomination Committee, in consultation with the Chairman and Company Secretary, evaluated the effectiveness of the Board and the Board Committees. The group obtained the services of an external firm to conduct board and committee member evaluations. This year, no issues of material concern were raised in the evaluations and the Board is satisfied with its performance and effectiveness.

The Board is similarly satisfied that all Board Committee members collectively have the skills and acumen to fulfil the respective committee's mandate and that all Committees have indeed performed their responsibilities in accordance with their terms of reference during the Reporting period.

Group Financial Director

The Audit and Risk Committee and the Board are satisfied that Mr Jayson October possesses the appropriate experience and qualifications for this position. A review of the effectiveness of the Group Financial Director and the Finance function has been undertaken by the Audit and Risk Committee and the Committee is satisfied as to their effectiveness and that appropriate financial reporting procedures are in place and are operating. In this regard refer to the report of the Audit and Risk Committee on page 46 of this report.

CORPORATE GOVERNANCE REPORT

(CONTINUED)

Company Secretary

All directors have access to the support and services of the Company Secretary, Statucor (Pty) Ltd who is responsible for the duties set out in section 89 of the Companies Act, No.71 of 2008, as amended, ("Companies Act") and for ensuring compliance with the Listings Requirements.

The Company Secretary has been appointed as secretary of the standing committees of the Board and coordinates the functioning of the Board and its committees. In addition, the Company Secretary also ensures that the appropriate statutory and other records are maintained.

The Board confirms that the Company Secretary maintains an arm's-length relationship with the Board and the directors and is not a director of the Company. The Board is of the opinion that the Company Secretary has the requisite competence, qualifications, knowledge and experience to carry out the duties of a secretary of a public company.

DEALING IN SECURITIES AND INSIDER TRADING

A policy on share dealings and insider trading is applied across the Group to all Company directors, the Company Secretary, prescribed officers and certain identified senior executives with access to financial results and other price-sensitive information. These individuals may not deal in shares of the Company during the "closed periods" as defined in the Listings Requirements or whilst in the possession of unpublished price sensitive information concerning the business and affairs of the Group and its subsidiaries. The policy prohibits the dissemination of price-sensitive information pertaining to the Company by employees.

Directors, prescribed officers and the Company Secretary are obliged to obtain the Chairman's written clearance (or in his absence, the LIDs) prior to dealing in the Company's shares and all requests are referred through the Company Secretary for record-keeping purposes and to liaise with the Company's sponsors to disclose such dealings to shareholders on SENS.

During the Reporting period, the share trading policy was adhered to and the necessary clearance contemplated in the Listings Requirements was given prior to trading in GPI shares.

DISCLOSURES AND CONFLICTS OF INTEREST

Directors are obliged to avoid situations that may place them in conflict with the interests of the Company or the Group. In addition, interests must be declared before each Board meeting and procedures are in place for directors to provide the Company Secretary with full disclosure of any related-party transactions to which they or their immediate families may be party.

DIRECTORS' REMUNERATION

Details of the remuneration paid to directors in the Reporting period ended 30 June 2021 are contained in the financial

statements, the Notice of AGM posted to shareholders on 29 October 2021 and are included in the Remuneration and Nomination Committee Report on page 48.

Non-executive directors' remuneration is based on a scale that considers the director's role on the Board and on the various Board committees. Fees are accordingly not linked to the performance of the Group and non-executive directors do not participate in the Group share incentive scheme.

The fees paid to non-executive directors are benchmarked against fees paid to the non-executive directors by a JSE-listed peer group and similar small-cap Companies by market capitalisation. The Remuneration and Nomination Committee, with the Board's endorsement, have not proposed any increase or changes to the fees of non-executive directors for the ensuing year.

A special resolution to obtain shareholder approval for the change in remuneration for non-executive directors has been included (as special resolution number 1) in the Notice of AGM that was posted to shareholders on 29 October 2021.

At the 2020 AGM of the Company the shareholders votes indicated their endorsement of the Company's Remuneration Policy as well as the report of the implementation of the Remuneration Policy within the business with the votes cast on these resolutions in favour thereof at 90.5% and 91.42% respectively.

BOARD MEETINGS

As a rule, the Board meets quarterly to discharge its statutory obligations and to ensure adherence with the Company's strategic focus. Additional meetings were held during the reporting period to attend to other specific business as and when the need arose.

An overview of Board and Committee meeting attendances during the Reporting period is provided in table 1 on page 37.

GOVERNANCE PRACTICES

A schedule indicating how the Group is applying the King IV principles is available on the Company's website www.grandparade.co.za under the investor relations section.

An outline of the Board's approach to governance as well as the policies and processes that are aimed at protecting stakeholder value and achieving the King IV™ outcomes.

Values and ethics

The Company's ethical values are based on integrity, transparency, fairness and trust and a commitment to making a meaningful contribution to B-BBEE as inclusively as possible; to uphold the highest ethical and moral standards; and to invest in the finest people and promote their personal growth.

The Board expects all in the business to apply the above values in their personal conduct, ensuring that they are never compromised in favour of personal gain, or to benefit the business at the expense of the values. Directors of the Company and of the subsidiaries, as well as key

management, are required to disclose their directorships in other companies as well as any interests in contracts or related party transactions. These disclosures are updated and reviewed annually.

Oversight of risk

The Board assumes ultimate accountability for the risk management process and the Group's system of internal control. In collaboration with the Group Audit and Risk Committee, the Board has adopted a Risk Management Framework aimed at achieving the Group's overall strategic objectives and the creation of long-term value for shareholders.

A complete review of the Group's risk management processes and reporting framework has been completed and reviewed by the Audit and Risk Committee.

IT governance

The IT governance processes are continuously evaluated with the Group Technology Officer providing the Audit and Risk Committee with reports at all Committee meetings. The Audit and Risk Committee is responsible for considering the efficacy of IT controls, policies and processes to the extent that these pose a risk to the financial reporting process, the effectiveness of financial controls and the continuity of the Group's operations.

Table 1: Director Board and committee meeting attendance during the 2021 financial year

	Director designation	GPI Board	Audit and Risk Committee	Remuneration and Nomination Committee	Social and Ethics Committee	Investment Committee
A ABERCROMBIE	Non-executive Chairperson	8/10		1/2	1/1	3/3
M TAJBHAI	Chief Executive Officer	10/10			1/1	
J OCTOBER	Financial Director	10/10				
W GEACH	Lead Independent Director	10/10	4/4			
M BOWMAN	Independent non-executive director	10/10	4/4	2/2		2/3
R VAN DIJK	Independent non-executive director	10/10	4/4			
M NKOSI	Non-executive director	9/10		2/2		3/3
R KADER	Non-executive director	9/10		2/2	1/1	

BOARD COMMITTEES AND REPORTS

AUDIT AND RISK COMMITTEE REPORT

Membership

The Audit and Risk Committee is a formally constituted Committee of the Board. Its appointed by the shareholders to assist the Board with its corporate governance oversight duties. The Committee operates independently of management and acts in accordance with its statutory duties and the delegated authority of the Board as documented in formally approved terms of reference, reviewed and approved annually by the Board. The Committee comprises three independent non-executive directors whose collective relevant qualifications and experience are assessed by the Nomination Committee prior to their appointment by shareholders.

Members are elected or re-elected, by the shareholders at each Annual General Meeting of the Company and for the 2021 financial year the members were:

- Professor Walter Geach – Chairperson (Lead independent non-executive director)
- Ronel van Dijk (Independent non-executive director)
- Mark Bowman (Independent non-executive director)

There were no changes to the composition of the Committee during the financial year under review.

Whilst operating independently of management, the Chief Executive Officer, Financial Director, Group Internal Auditor and the external auditors attend meetings of the Committee by invitation. The Committee also holds confidential meetings, excluding management, with the internal and external auditors and is at liberty to hold meetings with management should the Committee so require. The external and internal auditors have unrestricted access to the members of the Committee.

The Audit and Risk Committee meets quarterly to attend to business and details of members' attendances at the meetings are included in the table on page 46.

Terms of reference

The Audit and Risk Committee performs its duties within clear terms of reference delegated to it by the Board. The terms of reference are aligned with the Companies Act, King IV™ and the Listings Requirements and include the following:

- Ensuring that adequate accounting records are maintained and that financial reporting and internal control systems are effective.
- Reviewing and recommending to the Board publicly disclosed information, and ensuring that published financial reports comply with relevant legislation, reporting standards, JSE Listings Requirements and good governance.
- Ensuring that Group assets are safeguarded by monitoring the implementation of effective systems of internal control to safeguard assets and support business sustainability.
- Maintaining oversight over information technology, governance and reporting.

- Confirming the nomination and appointment of the external auditor and ensuring that the appointment complies with relevant legislation.
- Reviewing and assessing the external auditor's workplan, staffing, independence, effectiveness, audit findings, key audit risks, and external audit report.
- Approving the terms of engagement and fees paid to the external auditor.
- Approving the provision of non-audit services by the external auditor and assessing whether any such work negatively impacts on the external auditor's independence.
- Considering the findings arising from the annual external audit.
- Monitoring the functioning and approval of the internal audit plan ensuring that there is adequate audit coverage in the Group.;
- Fulfilling the function of Audit Committee to Group subsidiaries.
- Reviewing the expertise, resources and experience of the Group's finance function and the expertise and experience of the Finance Director.
- Recommending for approval by the Board, the audited financial statements and results, as well as the integrated annual report.
- Ensuring the effectiveness and reliability of the group's risk management processes within the framework of a combined assurance model and ensuring that the assessment and disclosure regarding risk is comprehensive, timely and relevant.

During the reporting period, the Committee performed its duties within its terms of reference as described above, and specifically attended to the following:

Engagement with the external auditors

- Nominated and recommended to shareholders at the upcoming AGM, the appointment of a registered auditor as the external auditor of the Company and the Group.
- Satisfied itself that the external auditor is independent of the Company, as set out in section 94(8) of the Companies Act, and suitable for reappointment by considering, *inter alia*, paragraph 3.84(g)(iii) and the information stated in paragraph 22.15(h) of the JSE Limited Listings Requirements ("JSE Listings Requirements").
- Considered and approved the terms of engagement of the external auditor and the extent and scope of the audit and the timing thereof.
- In consultation with management, agreed to the engagement letter, terms, audit plan and budgeted audit fees for the 2021 financial year.
- Approved the nature and extent of non-audit services that the external auditor may provide.
- Reviewed and made recommendations to the Board in respect of the publicly disclosed financial information including the interim results for the six months ended 31 December 2020 and the audited annual results for the 2021 financial year;

Internal financial controls, and internal audit function

- Reviewed and approved the internal audit annual work plan, as well as the quarterly internal audit report.
- Reviewed the internal auditor's reports and noted the findings thereof and reported to the Board in connection therewith.
- Assessed internal financial controls and concluded that although there were deficiencies in the internal financial controls noted adequate measures have been taken where appropriate to provide reasonable assurance that the annual financial statements fairly present in all material respects the financial position, performance and cash flows of the Group.
- Considered and confirmed its satisfaction with the effectiveness of the internal audit function, as well as the expertise and experience of the internal auditor.

Oversight of risk management including IT

- Satisfied itself, based on the information and explanations supplied by management and obtained through discussions with the independent external auditor, that the risk management processes and systems of internal financial controls are effective and forms a basis for the preparation of reliable financial statements.
- Reviewed and considered the report by internal audit on the integrity and robustness of the Group's risk management processes.
- Reviewed and considered the status of financial, Information Technology and internal controls, for the year under review, and reviewed and accepted the reports relating thereto.
- Implemented POPIA Framework and associated policies across the business that promotes a robust level of protection and ethical use of Personal Data.

Complaints and concerns

The Committee did not receive any complaints or concerns from neither from within or outside the Company, or find any concerns on its own initiative, relating to the following:

- The accounting practices and internal audit of the Company.
- The content or auditing of the Company's financial statements.
- The internal financial controls of the Company.
- Any other matter.

Annual financial statements and reporting

- Satisfied itself, based on the information and explanations supplied by management and obtained through discussions with the external auditor, that the Company be regarded as a going concern.
- Reviewed the accounting policies and financial statements for the year ended 30 June 2021, and based on the information provided to the committee, considered that the Company and Group complies, in all material respects, with the requirements of International Financial Reporting Standards ("IFRS"); the SAICA Financial Reporting Guides, as issued by the Accounting Practices

Committee; the Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council; the manner required by the Companies Act and the JSE Listings Requirements.

- Considered and reviewed management implementation of the JSE Limited's ("JSE") latest report on the proactive monitoring of financial statements for compliance with IFRS and ensured that the listing requirements were complied with.
- Ensured that the appropriate financial reporting procedures exist and are operating as required by the JSE Listings Requirements paragraph 3.84(g)(ii).
- Satisfied itself in terms of paragraph 3.84(g)(i) of the JSE Listings Requirements that the Company's CFO, as well as the group finance function, has the appropriate expertise and experience and where weaknesses were identified that appropriate remedial action was put in place and have been communicated to the committee and its external auditors.
- Undertook the prescribed functions in terms of section 94(7) of the Companies Act, on behalf of the subsidiary companies of the group.

Key audit matters

The Committee considered the following areas of audit emphasis and key audit matters raised by the external auditors in relation to the audit of the consolidated financial statements:

- Recoverability of deferred tax assets on estimated and assessed losses.
- Significant components (SunWest and SunSlots) audited by Non-EY Audit Firm.

The Committee is satisfied that there have been no instances of material non-compliance with legislation and regulation, or non-adherence with codes of best practice, in relation to the areas within the Committee's mandate.

The Chairman of the Audit and Risk Committee, or in his absence the other members of the Audit and Risk Committee, will attend the Annual General Meeting to answer questions falling within the mandate of the Committee.

The Board is satisfied that the Committee has performed its responsibilities in compliance with its terms of reference for the period under review.



WALTER GEACH
Chairman: Audit and Risk Committee

BOARD COMMITTEES AND REPORTS

(CONTINUED)

REMUNERATION AND NOMINATION COMMITTEE REPORT

GPI's combined Remuneration and Nomination Committee ("Remco") assists the Board in ensuring that the remuneration policies and practices that are applied in the Group reflect a fair, responsible and transparent approach to remuneration to achieve the strategic objectives and positive outcomes in the short, medium and long terms.

To this end, Remco has oversight over the Group remuneration strategy and policy and is responsible for ensuring the ongoing application of a policy aligned with the Group strategic, operating and financial objectives and best practice remuneration principles. All elements of remuneration offered in the Group, and the mix of these, are set out in the Group policy.

Remco is also tasked with nominating candidates for appointment to the Board and for making recommendations to the Board on the re-election of directors retiring by rotation.

Membership

As at 30 June 2021, the Committee comprised of four non-executive directors and is chaired by an Independent non-executive director. During the 2021 financial year, the Committee was constituted as follows:

- Mark Bowman, Chairperson (independent non-executive director)
- Alex Abercrombie (non-executive director)
- Rozanna Kader (non-executive director)
- Monde Nkosi (non-executive director)

Remco operates independently of management but the Chief Executive Officer and Financial Director are invitees to meetings of the Committee and are recused from aspects of the committee's discussions when so required and are specifically excused from discussions that relate to their performance and remuneration.

The committee's annual meeting schedule makes provision for two meetings per year and provision is made for additional meetings to be held when the need arises. Details of the meetings held during the 2021 financial year and members' attendance at the meetings are included in the table on page 37.

Terms of reference

The Committee has clear terms of reference that are aligned with King IV™ and the Listings Requirements.

Within the context and framework of the above, the Committee is responsible for:

- the annual review of the remuneration policy and practices applied in the Group and reporting thereon to the Board or making recommendations to the Board for amendment of the policy and/or practices;
- reviewing and recommending (to the Board) the remuneration for executive directors, non-executive directors, divisional Company directors (where applicable) and/ or senior executives ensuring that the remuneration is fair and responsible in the context of overall employee remuneration (i.e. that the gap between the remuneration of executives and employees at the lower end of the pay scale is addressed);
- reviewing and approving the remuneration principles that are applied in respect of all other employee levels in the Group, including changes to the benchmarking methodology used for setting base salaries and incentive targets; the methodology to be applied in respect of performance-based rewards and/or incentive and retention bonuses;
- determining and recommending to the Board the terms and conditions of executive directors' employment agreements, including the performance criteria or metrics to be applied in setting the executive directors' and senior executives' remuneration levels;
- considering and measuring the individual performances of executive directors and senior executives against the criteria or metrics approved by the Board, ensuring performance aligns with positive outcomes relative to the Group strategic, operating and financial objectives and merits the rewards being recommended to the Board;
- considering management's proposals for annual salary adjustments for employees in the Group and making recommendations in this regard to the Board;
- overseeing the preparation of the annual remuneration report for approval by the Board and for consideration by shareholders by means of the non-binding shareholder vote at the Annual General Meeting. The Committee must ensure that the remuneration report provides the necessary level of disclosure set out in King IV™;

- engagement with Dissenting Shareholders and framing of measures that appropriately address such shareholders' legitimate and reasonable objections and concerns, including amendment of the remuneration policy or clarifying or adjusting remuneration governance processes;
- adopting a formal and transparent procedure for the nomination of candidates for appointment to the Board (including interviewing potential candidates) and subsequently, for referring recommendations for nominations to the Board;
- making recommendations to the Board on the re-election of directors retiring by rotation, taking into account governance requirements such as director independence, evaluation of the performance and attendance of such directors, and taking into account the director's past performance and contribution to the Board;
- overseeing the annual evaluation of the Board's effectiveness and that of the Committees of the Board according to a formal process (either externally facilitated or by means of an internal methodology approved by the Board). The evaluation must be performed at least every two years; and
- determining and recommending to the Board appropriate long-term succession plans for all key positions in the Group, particularly for the chairperson, executive directors and senior executives in the Group, and ensure implementation of approved succession plans.

The Chairman of the Committee or in his or her absence, another designated member of the Committee attends the Annual General Meeting of the Company to answer any remuneration related questions.

REMUNERATION REPORT

In accordance with King IV™ and in compliance with the JSE Listings Requirements, the GPI remuneration policy and implementation of the policy have been proposed for endorsement by shareholders at the Company's 2021 Annual General Meeting.

Background

GPI's remuneration philosophy is aimed at rewarding and retaining talent across the Group. One of the key objectives of the remuneration policy is to align the key decision makers in the Group with the expectations of shareholders in order to promote value creation. The GPI Board thus views its remuneration policy as a key enabler to affect this Group philosophy. In February 2020 GPI has shifted strategy to unlock value through a controlled sale of assets and, in doing so the remuneration policy has also been changed to align incentives with the proposed strategy.

Remuneration policy and approach

The remuneration of executive directors comprises a total guaranteed cost to company component and a wind-down incentive. The group has done away with both short term and long-term incentives and created a wind down incentive which is aligned with the group's strategy to unlock value through a controlled sale of assets. The group therefore no longer requires a minimum shareholding policy. The proposed incentive is aligned with the major objectives of the group which are:

1. Maximise value creation through asset sales;
2. Reduce time to complete asset sales;
3. Reduce central costs; and
4. Improve profitability of operational businesses.

Guaranteed pay

Guaranteed pay is benchmarked against the 25th percentile of the local salary survey. Benchmarking is intentionally aimed at the lower end of the scale with performance-based remuneration being weighted at the higher end of the scale. The table below outlines the total guaranteed pay for the CEO and CFO and a comparison against the benchmark.

Total guaranteed pay for the CEO and CFO and a comparison against the benchmark

Job Title	25th	50th	Total Guaranteed Pay	% Benchmark
Chief Executive Officer	2 825 724	3 415 956	2 200 000	(22%)
Chief Financial Officer	2 183 844	2 599 980	1 650 000	(24%)

Wind-down incentives

The wind-down incentives are calculated using a multiple of the total guaranteed package based on achieving a particular target. Key Performance Indicators ("KPIs") have been designed and aligned with the Groups strategy to unlock value through a controlled sale of assets and have been weighted in order of importance. The table below outlines the KPIs and associated weighting:

BOARD COMMITTEES AND REPORTS

(CONTINUED)

Wind-Down Incentive KPI	Weight
Time to complete asset sales	7.5%
Cumulative central costs and transaction costs	7.5%
Value realised – Burger King and Meat Plant	15%
Value realised – Spur	10%
Value realised – SunWest	20%
Value realised – Sun Slots	15%
Value realised – Golden Valley	5%
Value realised – GPI Properties	10%
Value realised – Mac Brothers	5%
Mac Brothers Headline Earnings	5%

Malus and Clawback

The Company has incorporated the Malus and Clawback principles into its Remuneration Policy.

"Malus" means the reduction and/or cancellation of unpaid, unvested or unsettled Remuneration benefits when a Trigger Event is discovered, and the Board seeks to fulfill its fiduciary duty to shareholders by invoking its discretion to reduce and/or cancel the benefits. "Clawback" means the recovery of settled and or paid remuneration benefits after a Trigger Event being discovered, and the Board seeks to fulfill its fiduciary duty to shareholders by invoking its discretion to recover settled or paid benefits.

Unvested remuneration benefits are subject to Malus while vested benefits are subject to Claw back if the following Trigger Events have occurred:

1. A material misstatement resulting in an adjustment in the audited consolidated accounts of the Company or the audited accounts of any member of the Group; and/or
2. The fact that any information used to determine the quantum of the remuneration benefit amount was based on error, or inaccurate or misleading information; and/or
3. Action or conduct of a Participant which, in the reasonable opinion of the Board, amounts to serious misconduct

IMPLEMENTATION REPORT

The Remuneration and Nomination Committee ("Remco") is satisfied that GPI complied with its remuneration policy in the 2021 financial year.

The annual salary increases were based on various factors, ranging from but not limited to the; company's performance including the impact of COVID-19 on the business, average CPI, market salary increase indicators, amongst other.

During the 2021 financial year, the Remco benchmarked the salaries against the PwC's report on executive directors' remuneration and trends.

Incentives for the 2021 financial year were calculated based on the group's results. The executives new KPI's, as detailed in the Remuneration Report above, have been designed and aligned with the Groups strategy to unlock value through a controlled sale of assets and have been weighted in order of importance.

Voting at upcoming Annual General Meeting

Both GPI's remuneration policy and its implementation report on the remuneration policy will be presented to shareholders for separate non-binding advisory votes thereon at GPI's upcoming Annual General Meeting to be held on 8 December 2021. In the event that 25% or more of shareholders vote against either or both the remuneration policy or the implementation report at the Annual General Meeting, GPI will engage with shareholders through dialogue, requesting written submissions or otherwise, in order to address shareholders concerns, always with due regard to meeting GPI's stated business objectives while being fair and responsible towards both the employee and shareholders.

Table 1: Non-executive directors' fees

	PROPOSED FEES 1 January 2022 to 31 December 2022			
	No of meetings per annum (indicative)	Base fee R's	Attendance fee R's	Attendance fee above minimum number of meetings R's
Non-executive Chairperson	4	658 580	19 855	11 495
Lead Independent Director	4	123 310	19 855	11 495
Non-executive Directors	4	81 510	19 855	11 495
Chairperson of the Audit & Risk Committee, Remuneration & Nomination Committee, Social & Ethics Committee and Investment Committee	4	45 980	31 350	
Members of the Audit & Risk Committee, Remuneration & Nomination Committee, Social & Ethics Committee and Investment Committee	4	31 350	16 198	

Note: All amounts are exclusive of VAT

Independent external advice

PwC provided benchmarking data for guidance on executive remuneration and the grading of various non-executive positions in the Group.

Remuneration received by directors in the 2021 financial year

Details of the remuneration, STIs and LTIs received by the executive and non-executive directors during the 2021 financial year can be found at Tables 2 and 3 on pages 44 and page 46 respectively.

Non-executive director remuneration

GPI's non-executive directors' remuneration is based on a scale that takes into account the director's role on the Board and on the various Board committees. Fees are accordingly not linked to the performance of the Group and neither do non-executive directors participate in the Group share incentive scheme.

The fees paid to non-executive directors are benchmarked against fees paid to non-executive directors by a JSE-listed peer group and similar small-cap Companies by market capitalisation. The fees are tabled annually for approval by GPI's shareholders and the fees paid to non-executive directors in the 2021 financial year are set out above.

The Remco, with the Board's endorsement, have proposed that there be no increase in the fees paid to non-executive directors for the ensuing year.

A special resolution to obtain shareholder approval for the remuneration of non-executive directors has been included (as special resolution number 1) in the notice of Annual General Meeting.

The fees currently paid to non-executive directors for their services as directors as well as the proposed fees to be paid from 1 January 2022 are contained in Table 1 above. The fees received by non-executive directors for the financial year ended 30 June 2021 is provided in Table 2 on pages 44.

BOARD COMMITTEES AND REPORTS

(CONTINUED)

Directors' emoluments

Table 2: Directors emoluments for the years ended 30 June 2020 and 30 June 2021

	Salary R'000	Long-term benefits ⁽¹⁾ R'000	Bonuses R'000	Severance pay R'000	Directors' fees R'000	Audit and Risk committee R'000
2021						
Executive directors						
M Tajbhai	1 868	202	914	–	–	–
J October	1 492	108	792	–	–	–
Sub-total	3 360	310	1 706	–	–	–
Non-executive directors						
A Abercrombie	–	–	–	–	904	–
W Geach	–	–	–	–	322	159
M Bowman	–	–	–	–	284	89
R van Dijk	–	–	–	–	284	89
M Nkosi	–	–	–	–	275	–
R Kader	–	–	–	–	273	–
Sub-total	–	–	–	–	2 342	337
Total	3 360	310	1 706	–	2 342	337

⁽¹⁾ Long-term benefits relate to defined retirement contributions.

	Salary R'000	Long-term benefits ⁽¹⁾ R'000	Bonuses R'000	Severance pay R'000	Directors' fees R'000	Audit and Risk committee R'000
2020						
Executive directors						
M Tajbhai	1 711	212	1 700	–	–	–
C Priem ⁽²⁾	1 141	146	1 500	733	–	–
J October ⁽³⁾	305	14	–	–	–	–
Sub-total	3 157	372	3 200	733	–	–
Non-executive directors						
H Adams ⁽⁴⁾	–	–	–	–	338	–
A Abercrombie ⁽⁵⁾	–	–	–	–	298	–
W Geach	–	–	–	–	298	150
M Bowman	–	–	–	–	250	70
R van Dijk	–	–	–	–	261	84
K Pillay ⁽⁶⁾	–	–	–	–	92	25
M Nkosi ⁽⁷⁾	–	–	–	–	155	–
R Kader ⁽⁸⁾	–	–	–	–	130	–
Sub-total	–	–	–	–	1 822	329
Total	3 157	372	3 200	733	1 822	329

⁽¹⁾ Long-term benefits relate to defined retirement contributions.

⁽²⁾ C Priem resigned as executive directors and financial director 31 March 2020, emoluments are for nine months.

⁽³⁾ J October was appointed financial director on 1 April 2020, emoluments are for three months.

⁽⁴⁾ H Adams resigned as executive director on 30 June 2019 and was appointed non-executive director and chairman on 1 July 2019 and resigned as chairman and

⁽⁵⁾ A Abercrombie was appointed chairman on 1 February 2020.

⁽⁶⁾ K Pillay resigned as non-executive director on 21 November 2019.

⁽⁷⁾ M Nkosi was appointed non-executive director on 3 December 2019.

⁽⁸⁾ R Kader was appointed non-executive director on 1 February 2020.

Remuneration and nomination committee R'000	Investment committee R'000	Social and ethics committee R'000	Total Remuneration R'000	Loans advanced R'000	Share-based payment expense R'000
-	-	-	2 984	-	748
-	-	-	2 392	-	-
-	-	-	5 376	-	748
43	74	66	1 087	-	-
-	-	-	481	-	-
86	58	-	517	-	-
-	-	-	373	-	-
58	109	-	442	-	-
58	-	45	376	-	-
245	241	111	3 276	-	-
245	241	111	8 652	-	748

Remuneration and nomination committee R'000	Investment committee R'000	Social and ethics committee R'000	Total Remuneration R'000	Loans advanced R'000	Share-based payment expense R'000
-	-	-	3 623	-	452
-	-	-	3 520	-	938
-	-	-	319	-	-
-	-	-	7 462	-	1 390
7	20	7	372	-	1 043
87	79	80	544	-	-
13	-	7	468	-	-
127	63	-	510	-	-
-	-	-	345	-	-
-	-	-	117	-	-
59	87	-	301	-	-
56	-	38	224	-	-
349	249	132	2 881	-	1 043
349	249	132	10 343	-	2 433

non-executive director on 31 January 2020.

BOARD COMMITTEES AND REPORTS

(CONTINUED)

Table 3: Directors' equity-based remuneration

Reconciliation of GPI share options granted in terms of the Grand Parade Share Incentive Trust

	Number of unvested share options 30 June 2020 '000	Granted during the year '000	Exercised during the year '000	Forfeited during the year '000	Lapsed during the year '000	Average market price per share on vesting date R	Vesting price per share R	Number of unvested share options 30 June 2021 '000
2021								
M Tajbhai	2 415	–	(53)	–	(323)	2.40	–	2 039
C Priem ⁽¹⁾	2 275	–	(317)	(1 958)	–	–	–	–
Sub-total	4 690	–	(370)	(1 958)	(323)			2 039

⁽¹⁾ C Priem resigned as executive and financial director on 31 March 2020 in terms of the mutual separation agreement he retained his share options which were exercised by 31 March 2021.

	Number of unvested share options 30 June 2019 '000	Granted during the year '000	Exercised during the year '000	Forfeited during the year '000	Average market price per share on vesting date R	Vesting price per share R	Number of unvested share options 30 June 2020 '000
2020							
H Adams	5 641	–	(3 263)	(2 378)	–	–	–
M Tajbhai	1 504	911	–	–	2	–	2 415
C Priem ⁽²⁾	1 471	804	–	–	2	–	2 275
Sub-total	8 616	1 715	(3 263)	(2 378)			4 690

⁽¹⁾ H Adams resigned as executive director on 30 June 2019. In terms of the mutual separation agreement he retained his share options which were to be exercised by 30 June 2020. H Adams exercised his share options in April 2020.

⁽²⁾ C Priem resigned as executive and financial director on 31 March 2020. In terms of the mutual separation agreement he retained his share options which are to be exercised by 31 March 2021.

SOCIAL AND ETHICS COMMITTEE REPORT

The Social and Ethics Committee ("the Committee") assists the Board in providing effective ethical leadership by monitoring the Group's performance as a good corporate citizen to ensure accountability from a financial perspective and in terms of the Group's social and environmental impact.

The Committee is constituted in terms of the Companies Act, No 71 of 2008, as amended and comprises of both non-executive and executive directors. During the 2021 financial year, the Committee was constituted as follows:

- Alex Abercrombie – Chairperson (non-executive director).
- Mohsin Tajbhai (executive director)
- Rozanna Kader (non-executive director)

The Committee's primary objective is to assist the Board in providing effective leadership and corporate citizenship and it performs statutory functions as prescribed in regulation 43(5) under the Companies Act as well as certain delegated functions derived from King IV™ and/or functions specifically delegated to the Committee by the Board namely:

- The Company's standing with regard to the 10 principles set out in the United Nations Global Compact Principles ("Principles");
- The Company's standing with regard to the recommendations of the Organisation for Economic Co-operation and Development ("OECD") regarding corruption;
- The Employment Equity Act (No 55 of 1998), the purpose of which is to achieve equity in the workplace;
- The Broad-Based Black Economic Empowerment Act (No 53 of 2003), the objectives of which are to facilitate B-BBEE;
- Environment, health and public safety including the impact of the company's activities and its products or services on the environment, health and public safety;
- Consumer relationships, including ethically founded advertising, public relations and compliance with consumer protection laws; and
- Labour and employment.

The Committee makes recommendations to the Board in relation to the above activities and, specifically, in relation to policies for fair labour practices, sustainable development, responsible product sourcing and social and ethics matters across the Group.

During the year the Committee considered the Group's employment policies to satisfy itself that appropriate provision is made for the promotion of employment equity and fair labour practices and that the Group's standing as a black economic empowerment Company continues to be upheld.

The Committee also considered a revised Code of Ethics and Conduct, and will monitor implementation thereof to ensure the development of a good performance and ethics culture across the Group. Steps have also been taken in the respective businesses to include the Company's Code of Ethics and Conduct in the service level agreements with suppliers and contractors. The Board is satisfied that the Committee has performed its responsibilities in compliance with its terms of reference for the period under review.

The Committee has fulfilled its mandate as prescribed by the Companies Regulations to the Companies Act, and to its knowledge, has complied with its mandate in all material respects.



ALEX ABERCROMBIE
Chairman: Social and Ethics Committee

GENERAL INFORMATION RELATING TO SHAREHOLDERS

Shareholder spread	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
1 – 1 000	1 284	17.51%	522 887	0.11%
1 001 – 10,000	4 250	57.97%	20 289 116	4.32%
10 001 – 100 000	1 578	21.52%	43 039 574	9.16%
100 001 – 1 000 000	165	2.25%	43 999 065	9.36%
Over 1 000 000	55	0.75%	362 172 099	77.05%
Total	7 332	100.00%	470 022 741	100.00%

Distribution of Shareholders	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Assurance Companies	9	0.12%	907 905	0.19%
Close Corporations	28	0.38%	1 596 903	0.34%
Collective Investment Schemes	26	0.35%	35 473 724	7.55%
Custodians	9	0.12%	562 856	0.12%
Foundations & Charitable Funds	3	0.04%	34 000	0.01%
Hedge Funds	8	0.11%	82 867 563	17.63%
Insurance Companies	3	0.04%	431 511	0.09%
Investment Partnerships	10	0.14%	1 661 958	0.35%
Managed Funds	1	0.01%	12 055 775	2.56%
Private Companies	85	1.16%	126 252 186	26.86%
Public Entities	1	0.01%	181 693	0.04%
Retail Shareholders	7 020	95.74%	108 956 314	23.18%
Retirement Benefit Funds	28	0.38%	63 373 521	13.48%
Share Schemes	2	0.03%	1 722 692	0.37%
Stockbrokers & Nominees	8	0.11%	5 321 985	1.13%
Trust	90	1.23%	28 622 154	6.09%
Unclaimed Scrip	1	0.01%	1	0.00%
	7 332	100.00%	470 022 741	100.00%

Shareholder type	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Non-public shareholders	19	0,26%	62 743 397	13,35%
Directors and Associates (Direct Holding)	6	0.08%	6 565 402	1.40%
Directors and Associates (Indirect Holding)	10	0.14%	39 640 488	8.43%
GPI Woman's BBBEE Empowerment Trust	1	0.01%	14 814 815	3.15%
Collective Investment Schemes	2	0.03%	1 722 692	0.37%
Public shareholders	7 313	99.74%	407 279 344	86.65%
Total	7 332	100.00%	470 022 741	100.00%

Fund managers with a holding greater than 3% of the issued shares	Number of shares	% of issued capital
Value Capital Partners	98 134 218	20.89%
Arakot	47 268 792	10.06%
Kagiso Asset Management	38 302 539	8.15%
GPI Management Services	24 000 000	5.11%
Rozendal Partners	15 416 622	3.28%
Total	223 122 171	47.49%

Beneficial shareholders with a holding greater than 3% of the issued shares	Number of shares	% of issued capital
Value Capital Partners H4 QI Hedge Fund	54 745 420	11.65%
Arakot	47 268 792	10.06%
Midnight Storm Investments Pty Ltd	24 248 649	5.16%
GPI Management Services Pty Ltd	24 000 000	5.11%
Eskom Pension and Provident Fund	18 581 342	3.95%
Rozendal Flexible Prescient QI Hedge Fund	15 416 622	3.28%
GPI Woman's BBBEE Empowerment Trust	14 814 815	3.15%
Total	199 075 640	42.35%

GLOSSARY OF TERMS

AFS	Consolidated Annual Financial Statements for 2021
AGM	Annual General Meeting
B-BBEE	Broad-based black economic empowerment
BEE	Black economic empowerment
Board	GPI Board of directors
Burger King South Africa/BKSA	Burger King (RF) South Africa (Pty) Ltd
CEO	Chief Executive Officer
Companies Act	Companies Act, No. 71 of 2008, as amended
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EY	Ernst & Young Inc.
GFMP	Grand Foods Meat Plant (Pty) Ltd
GPI	Grand Parade Investments Ltd
GPI Properties	GPI House Properties (Pty) Ltd
Grand Foods	Grand Foods (Pty) Ltd
GrandWest	GrandWest Casino and Entertainment World
Group	GPI and all its subsidiaries
HEPS	Headline earnings per share
IAR	Integrated annual report
IFRS	International Financial Reporting Standards
iNAV	Intrinsic net asset value
IT	Information technology
JSE	JSE Ltd
King IV™	King IV Report on Governance for South Africa, 2016
KPIs	Key performance indicators
LID	Lead Independent Director
Mac Brothers or MBCE	Mac Brothers Catering Equipment (Pty) Ltd
NAV	Net asset value
QSR	Quick service restaurant
Spur/Spur Corporation	Spur Corporation Ltd
Standard Bank	Standard Bank of South Africa Ltd
Sun International	Sun International Ltd
SunWest	SunWest International (Pty) Ltd
Worcester Casino	Worcester Casino (Pty) Ltd

CORPORATE INFORMATION

Directors

A Abercrombie (Non-executive Chairman)
M Tajbhai (Chief Executive Officer)
J October (Chief Financial Officer)
WD Geach (Lead independent)
MJ Bowman (Non-executive Director)
R van Dijk (Non-executive Director)
M Nkosi (Non-executive Director)
R Kader (Non-executive Director)

Public officer

J October CA(SA)

Registration number

1997/003548/06

Domicile and country of incorporation

South Africa

Nature of business

Investment Holding Company

Registered office

Grand Parade Investments
10th Floor, 33 on Heerengracht
Heerengracht Street, Cape Town, 8001

Company Secretary

Statucor Proprietary Limited
6th Floor
119-123 Hertzog Boulevard
Foreshore
Cape Town
8001

Transfer Secretaries

Computershare Investor Services
Proprietary Limited
Private Bag X9000
Saxonwold
2132

Sponsors

PSG Capital Proprietary Limited

Auditors

Ernst & Young Inc.

Attorneys

Cliffe Dekker Hofmeyr

Bankers

The Standard Bank of South Africa and Nedbank Limited



GRAND PARADE

INVESTMENTS LIMITED
