



Integrated annual report
2019



We nourish and nurture more lives every day



TIGER BRANDS



WHO WE ARE

Tiger Brands is one of Africa's largest, listed manufacturers of fast-moving consumer goods (FMCG). Our core business is manufacturing, marketing and distributing everyday branded food products to middle-income consumers. We also distribute leading brands in the Home, Personal Care and Baby sectors.



OUR STRATEGY

OUR STRATEGY FOR SUSTAINABLE PROFITABLE GROWTH IS SUPPORTED BY FOUR STRATEGIC PILLARS, UNDERPINNED BY OUR CORE VALUES.



OUR VALUES



WINNING BEHAVIOURS



CONTENTS

TIGER BRANDS' 2019 INTEGRATED REPORTING SUITE

Our 2019 integrated reporting process comprises the following reports:

- > Integrated annual report 2019
- > Consolidated annual financial statements 2019
- > Sustainable development report 2019

These are all available at www.tigerbrands.com



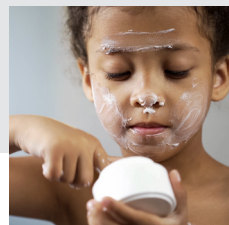
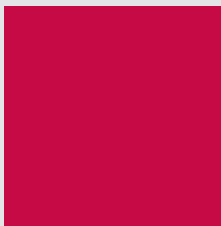
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Further reading within this report



Reference to further online disclosure



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UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The United Nations Sustainable Development Goals (UN SDGs) set a long-term agenda to end poverty, protect the planet and ensure prosperity for all by 2030. In fulfilling our core purpose – to nourish and nurture more lives every day – Tiger Brands is committed to playing its role in delivering on these goals. As part of our strategic pillar on Sustainable Future (see page 34), we have developed a set of commitments and targets relating to three key focus areas: health and nutrition, enhanced livelihoods, and environmental stewardship. In meeting these commitments and targets we believe we will provide a meaningful contribution to the following eleven SDGs:



Our approach to responding to these goals is reviewed in our accompanying sustainable development report 2019.

ABOUT THIS REPORT

REPORT BOUNDARY AND AUDIENCE

This integrated report reviews Tiger Brands' business model and strategy, the risks and opportunities in our operating environment, and our operational and governance performance for the financial year ended 30 September 2019. This is our primary annual report, written for investors and any other stakeholder who has an interest in our ability to create value over the short, medium and long term. This report should be read in conjunction with the supplementary sustainable development report and our annual financial statements, published on our website, www.tigerbrands.com.



REPORTING FRAMEWORKS

Our reporting process has been guided by the principles and requirements contained in the International Financial Reporting Standards (IFRS), the International Integrated Reporting Council's (IIRC) International <IR> Framework, the King Code on Corporate Governance 2016 (King IV™*), the JSE Listings Requirements, the South African Companies Act No 71 of 2008 as amended, and the GRI's Sustainability Reporting Standards.

MATERIALITY AND SCOPE

This report provides information aimed at assisting readers to make an informed assessment of Tiger Brands' capacity to create value over time. To enable this assessment, we believe that all of the following information is material: who we are and what we do (pages IFC to 4); how we create value (pages 3 to 13); our interaction with the six capitals (pages 14 to 17); our external environment (pages 18 and 19); the interests of our key stakeholders (pages 20 to 22); the top 10 risks that have a significant impact on value (pages 23 to 25); and our strategy, performance and governance practices (pages 26 to 85). Additional information not material to this report, but of interest for other purposes, is provided in other reports on our website. In assessing those issues that materially impact value creation we have looked beyond the



conventional financial reporting boundary to provide for the relevant interests of key stakeholders; we have also considered the most significant risks, opportunities and impacts associated with our activities over the short term (less than 12 months), medium term (one to three years) and long term (beyond three years).

COMBINED ASSURANCE

We have adopted a combined assurance model comprising assurance obtained from management and from internal and external assurance providers:

- › Ernst & Young Inc. audited our consolidated annual financial statements; from which extracts have been included in this integrated report. The auditor's audit report does not necessarily report on all the information included in this integrated report.
- › EmpowerLogic Proprietary Limited provided external verification of our BBBEE activities.
- › The group's internal audit team, overseen by the audit committee, provides annual assurance to the board on the execution of the combined assurance plan.

BOARD APPROVAL

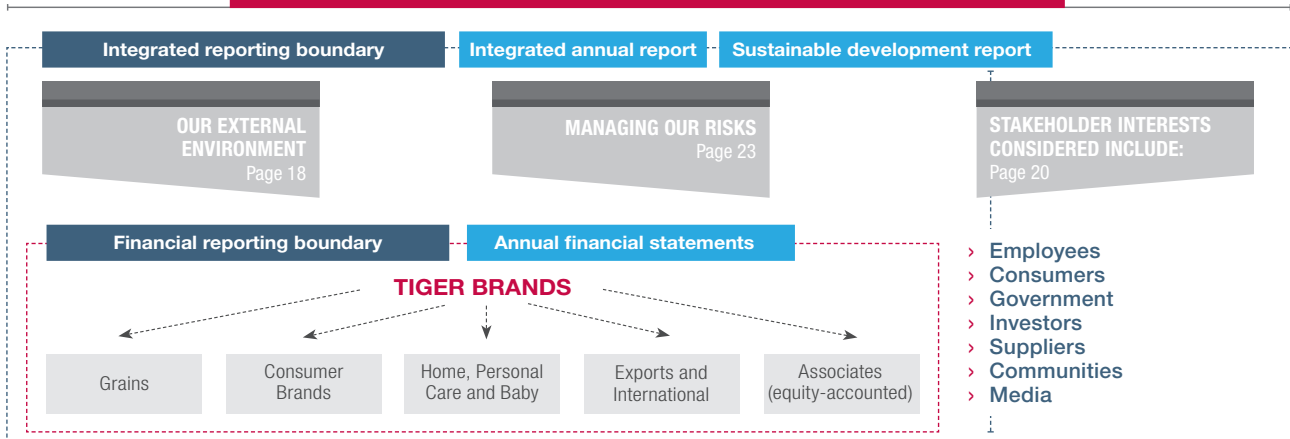
As a board, we have applied our collective mind to the preparation and presentation of the information in this report. We believe that the report addresses all material matters and that it presents a balanced and fair account of Tiger Brands' performance for the financial year ended 30 September 2019, as well as an accurate reflection of our strategic commitments. On the advice of the audit committee, the board approved the integrated report and the consolidated annual financial statements on 21 November 2019.


Khotso Mokhele


Emma Mashilwane

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OUR REPORTING BOUNDARIES



OUR VALUE CONTRIBUTION IN 2019

Revenue

R29,2 billion ▲ 3%

(2018: R28,4 billion)

Group operating income

R2,6 billion ▼ 20%

(2018: R3,3 billion)

Group operating margin

9,0% ▼ 260 basis points

(2018: 11,6%)

Total dividend**

1 061cps ▼ 2%

(2018: 1 080 cents per share)

HEPS

1 349cps ▼ 17%

(2018: 1 633 cents per share)

** Includes special dividend of 306 cents per share declared on 22 May 2019.



PROVIDERS OF FINANCIAL CAPITAL

> R2,3 billion paid in dividends includes, R581 million in special dividends, ▲ 23% (2018: R1,9 billion)



EMPLOYEES

> R4,2 billion paid in salaries and benefits to 10 543 permanent employees (2018: R3,9 billion to 11 348 permanent employees)

> R127 million invested in employee training and development (2018: R61 million)

> Recognised by Top Employers Institute as a Top Employer 2019

> One work-related employee fatality (2018: one)



CONSUMERS

> 100% penetration in South Africa; every household buys at least one Tiger Brands product

> 31% of net sales fortified with micronutrient enrichment

> 100% compliance with current sodium targets

> 11% reduction in sugar across the portfolio in past five years

> 25% of net sales from wholegrain, fibre-rich grains, vegetables and fruit



SUPPLIERS

> R21,3 billion total spend on suppliers

> R14,3 billion spent with BBBEE-verified suppliers (2018: R12 billion)

> R3,5 billion spent with black-owned enterprises (2018: R2 billion)

> R1,9 billion spent with black women-owned suppliers (2018: R1,5 billion)



COMMUNITIES AND ENVIRONMENT

> R27,4 million total socio-economic development spend (2018: R32 million)

> 72 000 learners provided with breakfast meals by Tiger Brands Foundation (2018: 67 500)

All results are from continuing operations.

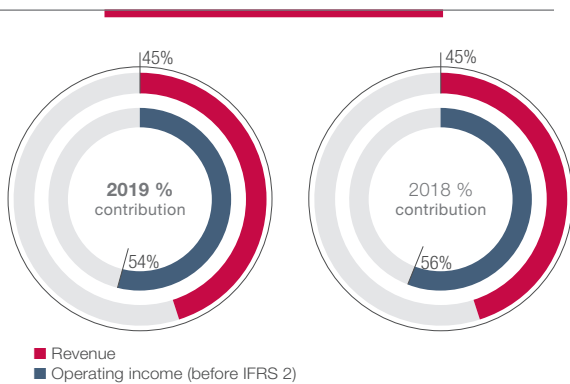
GROUP PROFILE

Our core business is providing everyday branded food to large and growing markets through a unified customer sales team and integrated supply chain that leverages the group's scale.

We target best-in-class profitability, underpinned by a cost-conscious culture and environmental, social and governance principles to create and share value.



Grains



■ Revenue
■ Operating income (before IFRS 2)

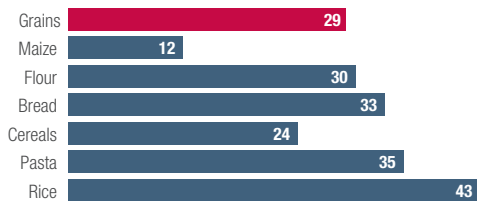
Revenue
R13,2bn ▲ 4%
(2018: R12,8 billion)

Operating income
R1,4bn ▼ 24%
(2018: R1,9 billion)

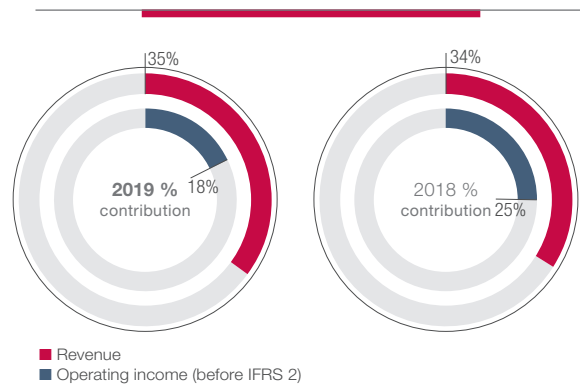
Milling and baking	Other grains
Baking Milling: <ul style="list-style-type: none"> > Flour > Maize > Sorghum* 	Pasta Breakfast Rice

* Includes breakfast and beverages

Market share (%)



Consumer Brands – food



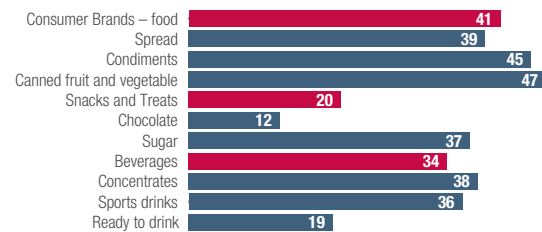
■ Revenue
■ Operating income (before IFRS 2)

Revenue
R10,1bn ▲ 4%
(2018: R9,7 billion)

Operating income
R494m ▼ 40%
(2018: R828 million)

Groceries	Snacks and Treats	Beverages	Value Added Meat Products (VAMP)
Condiments and ingredients Spreads Canned fruit and vegetables	Sugar Chocolate	Concentrates Sports drinks Ready-to-drink	

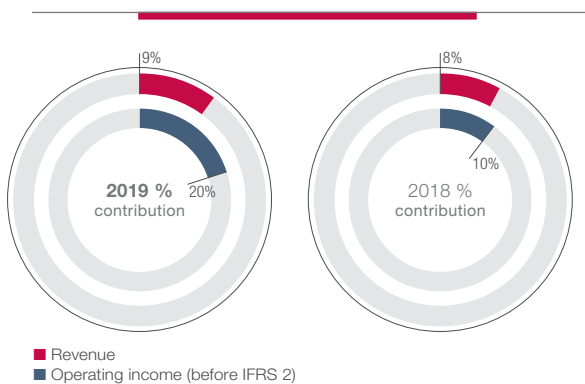
Market share (%)



We have leading positions in most categories and our iconic brands are well-entrenched across consumers in South Africa, as illustrated by the percentage share of market.



Home, Personal Care and Baby

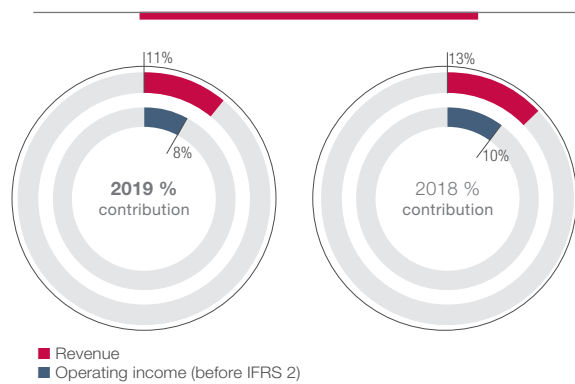


Revenue
R2,7bn ▲ 20%
(2018: R2,2 billion)

Operating income
R546m ▲ 60%
(2018: R341 million)

Home Care Sanitary cleaners Insecticides	Personal Care Camphor cream and lotions Hair care	Baby Nutrition and wellbeing
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Exports and International

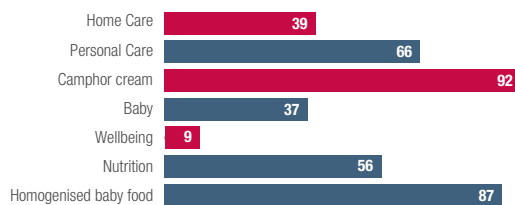


Revenue
R3,2bn ▼ 11%
(2018: R3,7 billion)

Operating income
R212m ▼ 34%
(2018: R320 million)

Exports	International operations Central Africa (Chococam)	Deciduous fruit Langeberg and Ashton Food (LAF)
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Market share (%)



Market share: Nielsen value share 12-month moving as at September 2019 (South Africa only).

* From continuing operations.



CHAIRMAN'S REVIEW



“The headwinds faced this year have highlighted the need for a sustained focus on driving efficiencies and focusing the product portfolio, maintaining the strength of existing brands and key relationships underpinned by a clear commitment to delivering broader societal value. These are all key elements of Tiger Brands’ strategy, which I believe lays a strong foundation for the company’s ability to deliver long-term value.” *Khotso Mokhele > Chairman*

A CHALLENGING OPERATING ENVIRONMENT

This has been a particularly tough year for consumers and retailers in South Africa and across our markets. In South Africa, consumer spending has been constrained by lacklustre GDP and wage growth, high unemployment and debt levels, and increasing fuel, transport and utility costs, with the South African consumer spending less, consuming less, and shopping smarter. Although we have seen higher levels of economic growth in most of our markets across Africa, consumers have faced similar constraints as a result of volatile exchange rates, subdued commodity markets and the impacts of political uncertainty and extreme weather patterns in certain regions.

This reduced consumer spend has been accompanied by rising input costs and heightened competition among food producers and retailers, all of which are placing strong pressure on both margins and volumes. Not surprisingly, the impact of this very challenging context is reflected in Tiger Brands’ results. Although group revenue from continuing operations was up 3%, group operating income

before impairments and abnormal items was down 20%, with rising input costs and declining volumes outweighing any efficiency gains in supply chain management.

Collectively, these headwinds have highlighted the need for a sustained focus on driving efficiencies and focusing the product portfolio, delivering product and process innovation, maintaining the strength of existing brands and key relationships, and ensuring a fit-for-purpose organisational culture, underpinned by a clear commitment to delivering broader societal value. These are all key elements of Tiger Brands’ strategy, which I believe lays a strong foundation for the company’s ability to deliver long-term value.

CLASS ACTION UPDATE

As has been previously disclosed, the class action against the company arising from the outbreak of listeriosis was certified by the High Court on 3 December 2018 and a summons was issued on 16 April 2019. A plea was filed by Tiger Brands on 8 August 2019. The parties are now engaged in pre-trial preparation while subpoenas have been issued for the disclosure of information by third parties,

which is pertinent to the outbreak. Tiger Brands remains committed to the matter being resolved as soon as possible and will continue to conduct its defence in a responsible manner.

STRENGTHENING OUR FOCUS ON FOOD SAFETY

Last year in my annual statement, and in response to the tragic listeriosis incident, I highlighted the need to improve the central oversight of food safety and quality, and to further enhance the quality of risk reporting to the board and its committees. Food safety is a standing item on the risk and sustainability committee's agenda, underpinned by clear reporting lines and regular internal assessments and data management processes aligned with the Global Food Safety Initiative (GFSI). We also introduced an integrated short-term incentive scorecard – applicable to the CEO, CFO, executive directors and prescribed officers – that makes specific provision for food safety and quality as a key performance indicator.

This year, external food safety and quality audits were undertaken at selected high-risk sites by an independent international auditing body, with all of Tiger Brands' manufacturing sites achieving a GFSI-aligned external certification. In addition, quarterly self-assessments and gap closeouts were completed across the company's operations, and unannounced hygiene audits were undertaken by the group's microbiologist to ensure compliance and embed the company's newly introduced standards. All new raw material and packaging suppliers are now subject to supplier quality assurance processes, and relevant factory teams at all high-risk sites have been provided with training, including in basic microbiology and sampling techniques. We have also been leveraging our partnership with the University of Stellenbosch through the Centre for Food Safety, particularly in terms of microbiological investigations and research.

Although this renewed effort has contributed to a significant reduction in marketplace incidents and ensured that there were zero public product recalls over the year, we recognise the need to maintain an unrelenting focus on food safety and quality. Tiger Brands has defined and will be implementing a centralised food safety and quality verification schedule for manufacturing units. We will be driving self-assessments to deliver a step-change improvement in performance, using international hygienic engineering and design guidelines as a manufacturing hygiene standard, and developing and implementing metrics and processes for supplier performance measurement. We will continue to engage actively with regulatory authorities to enhance the development and implementation of industry standards for food safety.

MAINTAINING GOOD GOVERNANCE

My role as chairman is to ensure that as a board, we provide an independent oversight function, ensuring that the management team delivers on its responsibilities to use the resources entrusted to it to protect the best interests of the company. Our job on the board is to foster accountability and ethical conduct, engaging with the executive team on its strategic decisions, approving the capital and resources needed to achieve the identified strategic objectives, and holding them to account in ensuring the most efficient and effective execution of strategy.

In fulfilling this function, it is important that the board maintains its independence, and that we bring sufficient diversity of opinion and perspective, finding the right balance between depth of industry and company experience, and the benefits of new insight. We have made some important new appointments to the board this year that have assisted us in meeting this responsibility. In November 2018, Yunus Suleman resigned as non-executive director after four years of service. In March 2019, Cora Fernandez joined the board as an independent non-executive director, with Donald Wilson and Monwabisi Fandeso appointed to the board in June and July 2019 respectively. Subsequent to year end, the board appointed Advocate Mahlape Sello with effect from 1 October 2019. These new appointments bring valuable new skills and perspectives, further strengthening both the board's diversity and its levels of independence.

This year, we commissioned an independent external effectiveness review that assessed the board's overall performance in 2019 and identified strengths and improvement areas. The overall feedback was generally positive, with the board assessed as having skilled, professional and experienced members, good levels of diversity, and a culture of frank discussion in addressing the company's various recent challenges, supported by strong leadership and effective board processes and structures. The review identified various opportunities for improvement. These include strengthening the board's support of current efforts to build a performance-based culture with more robust accountability mechanisms, improving clarity on Tiger Brands' long-term strategic goals with more ambition in driving innovation, and increasing oversight of the company's talent management activities, at and below executive level. We have taken these various recommendations on board and are implementing appropriate measures to address these improvement areas.

CHAIRMAN'S REVIEW CONTINUED

DEFINING AN AMBITIOUS GROWTH STRATEGY

Following feedback from our stakeholders, this year's integrated report includes a more explicit review of Tiger Brands' strategy, outlining the company's various commitments and reviewing the progress it has made within each of its four strategic focus areas: Drive Growth, Be Efficient, Great People and Sustainable Future.

In September this year, the board spent two days with the executive team reviewing the company's updated strategic roadmap. Developed in response to the challenging operating environment – which is seeing dynamic changes in consumer behaviour, heightened competition, and the potentially disruptive impacts of digital technology – the board believes that this revised roadmap sets the company up well to deliver on its growth ambitions.

To realise its vision of **driving growth** through winning category, channel and customer strategies, the company has identified, and begun to deliver on, clear commitments to optimise its product portfolio, deliver innovations to meet changing consumer needs and expectations, and drive growth at the point of purchase. In response to the increasing competitive pressure from private label, Tiger Brands has been working to reinforce the strength of its existing brands, leveraging its position as category leader in more than half of the categories it operates in, and evaluating opportunities to stretch its brands within and across product categories. Our recent decisions on optimising the product portfolio are reviewed further below.

In terms of Tiger Brands' **Africa growth strategy**, following a very challenging year in Mozambique, Nigeria and Zimbabwe, the company is looking to deliver organic growth by driving category growth through targeted brand investments, developing superior routes to markets and investing in necessary capabilities. The strategy is defined by a clear approach to market segmentation in our established and untested markets, and a structured approach to winning in trade in prioritised product categories in our identified key markets.

In an effort to expand and protect margins in the subdued market, there is a heightened focus on **being efficient**, with specific commitments to drive productivity and secure cost efficiencies across its value chain through improved procurement and logistics practices, various plant and process improvements, and the development of integrated IT and information solutions. To maintain the capacity for long-term growth, various capital expenditure projects have been approved to upgrade older facilities, improve production capacity, and provide for product and process innovations, safety and sustainability.

The strategic growth initiatives are underpinned by the company's undertaking to develop **great people**, by deepening the skills set and diversity of its talent base, strengthening the leadership and commercial capabilities across the organisation and creating a strong performance-based, purpose-driven culture that inspires innovation and enables the company to attract and retain talent. As part of this commitment, the board has agreed a robust succession plan for key leadership positions, including the CEO, with clear development plans in place that are regularly reviewed at board level.

This year, Tiger Brands has clarified its commitment to promoting a **sustainable future**, agreeing some ambitious targets in three priority focus areas: health and nutrition, enhanced livelihoods and environmental stewardship. Through this strategic pillar, Tiger Brands has detailed commitments to enable consumers to improve their health and wellbeing by developing best-in-class nutritional standards, providing more nutritious, affordable food products, and leveraging the company brand and marketing activities to promote consumer nutrition; to improve the livelihoods of thousands of people, by providing opportunities across our value chain for inclusive economic participation, including through a deliberate focus on supporting black/black-women farmers and enterprises; and to significantly reduce its environmental impact through innovative solutions. These three areas are where Tiger Brands believes it can meaningfully intervene, through its business activities as Africa's largest food company, in contributing to the UN Sustainable Development Goals and addressing some of the significant socio-economic and environmental challenges facing our markets.

OPTIMISING TIGER BRANDS' PRODUCT PORTFOLIO

During the year, following the strategic review conducted by the board in 2017, we approved several changes to the company's portfolio. In April 2019, Tiger Brands divested its entire interest in Oceana Group Limited (Oceana), then equating to approximately 42,1% of the issued share capital of Oceana. Following a thorough review of Deli Foods in Nigeria, and an assessment of all options for the loss-making company, the board approved the closure of the business; we expect the process to be concluded in the next few months.

As part of the same strategic review, the role of VAMP within the group's portfolio was earmarked for further evaluation. The unfortunate events of 2018, which led to the temporary closure of the manufacturing facilities, delayed this evaluation. Following the reopening of the VAMP business, the board initiated the review, which confirmed that the VAMP business was not an ideal fit

within the Tiger Brands portfolio, given the business's unique value chain and the perishable nature of its underlying products. In November 2019, following receipt of several indicative offers, the board approved commencement of a formal due diligence process. Upon completion of this process, all disposal options will be further evaluated. The company will be issuing further communication as the process reaches key milestones. This development does not, in any way, affect Tiger Brands' commitment to the class action process currently under way.

OUTLOOK

Addressing the profound economic challenges that South Africa faces will require resolute and committed leadership. The national general election that took place earlier this year raised great hopes that the political leadership would inject serious energy into confronting these challenges. Unfortunately, the political developments in the months that followed the election have not inspired much confidence that the sorely needed injection of energy will materialise as soon as is required. The challenge thus remains for all spheres of leadership, including within the private sector, to continue to engage to ensure an increased level of confidence in the future.

APPRECIATION

After what has been a challenging year for all of us, I would like to thank my colleagues on the board for their valuable support and insight in fulfilling our governance responsibilities. I also deeply appreciate the hard work and dedication of the Tiger Brands executive team, and all the company's employees, in striving to deliver value in this particularly trying environment. The ongoing engagement of our key stakeholders – including our shareholders, suppliers, customers and those in government and industry – continues to play a critically supportive role in our activities. Working together, I am confident that Tiger Brands will successfully execute its strategy for long-term growth and value creation and deliver on its purpose of nourishing and nurturing more lives every day.



Khotso Mokhele
Chairman

21 November 2019

CHIEF EXECUTIVE OFFICER'S REVIEW



“Our priority this year has been to continue work on our group strategic commitments and to accelerate the implementation of each of our four strategic focus areas, namely Drive Growth, Be Efficient, Great People and Sustainable Future.” **Lawrence Mac Dougall** > *Chief executive officer*

The company's performance this year reflects the impact of a challenging trading environment, characterised by a flat economy, significant pressure on consumer disposable income, and low levels of business and investor confidence. The combination of reduced consumer spend, rising input costs and increased competitive pressure, contributed to a 20% decline in group operating income before impairments and abnormal items, down from R3,3 billion to R2,6 billion. Total revenue was up by 3%, aided by price inflation of 5%, but offset by volume declines of 2% at a group level. The South African domestic business grew revenue by 5%. Excluding VAMP, domestic revenue grew by 7%, with a positive 2% volume growth and 5% price inflation. The international and VAMP businesses declined overall. The price inflation and valuable supply chain efficiencies achieved were not sufficient to counter above-inflation input costs and declining volumes, all of which negatively impacted margins.

Given these challenging market conditions, it was pleasing to see the strong performance delivered this year by Beverages, Snacks and Treats, Home, Personal Care and Baby, all of which saw growth in revenue and operating income, fuelled by strong volume growth and increased market share in key categories. This performance reflects the continuing strength of our brands, customer relationships and distribution capabilities, which together provide a critical foundation for long-term growth.

The performance in these divisions was unfortunately offset by the slow recovery of the VAMP division, margin compression across the Grains segment, and tough trading conditions in the group's primary export markets. Despite VAMP's strong brand equity and consistent improvements in brand health metrics, revenue was down 39% to R654 million, as a result of delays with the factories' reopening, lower factory throughput and higher raw material costs. In the Grains division, lower volumes

and margin pressure resulted in a disappointing year. Overall margins declined to 10,9%, reflecting increased pressure on Maize, Pasta and Rice volumes, aggressive pricing from competitors, and the impact in particular of low-price pasta imports. In the Exports and International businesses total revenue was down 11%, driven mainly by challenges in key export markets. Exports into Nigeria, Mozambique and Zimbabwe suffered from foreign currency shortages and slow economic recovery. This was partially offset by a significant recovery in the Deciduous Fruit business. Cameroon delivered another good year in very difficult political and economic conditions increasing revenue and operating margins.

A TOUGH MARKET ENVIRONMENT

Our performance needs to be seen in the context of the tough operating context, which has placed significant pressure on consumer-packaged goods companies and retailers across the region. Consumers generally are facing particularly tough times, with rising costs and high levels of consumer debt. In South Africa, an estimated 62% of South Africans live on less than R60/day, with many families trapped in poverty due to the high unemployment levels. We have also seen increasing levels of social unrest this year, with a further rise in service delivery protests and industrial action, and a regrettable return of violent instances of xenophobia. This rising social stress had a direct impact on our business activities, with industrial action in one of our grocery facilities and two of our Pretoria bakeries, attacks on retail stores and our delivery vehicles, and a backlash against South African retailers in some of our African markets.

In addition to reduced consumer spend, we are seeing some broader changes in consumer behaviour, including a growing focus on health and wellness, an increased focus on shopping on promotion, and greater consumer pressure for corporate transparency and improved social and environmental performance. Collectively, these developments increase the need to secure greater efficiencies and improved product and process innovation, while increasing our efforts to achieve our sustainability goals.

EXECUTING AN AMBITIOUS GROWTH STRATEGY

This year we undertook a comprehensive refresh and update of our five-year growth strategy, building on our activities last year in introducing a new operating model and implementing our culture development programmes. Our priority this year has been to continue work on our group strategic commitments and to accelerate the implementation of each of our four strategic focus areas,

namely Drive Growth, Be Efficient, Great People and Sustainable Future. We made good progress this year in each of these areas, laying the foundation for our longer-term growth ambitions.

As part of our strategic commitment to optimise our product portfolio, we have made various changes this year to the company's portfolio. In addition to divesting Tiger Brands' entire interest in Oceana Group Limited in April 2019, we have more recently approved the closure of the loss-making Deli Foods business in Nigeria. We expect the closure process to be concluded over the next couple of months. In November 2019, after a detailed evaluation of the VAMP business and following the receipt of several indicative offers, we approved a formal due diligence process for disposal of the business. This does not in any way affect our commitment to responding to the class action.

In response to changing consumer expectations for convenience, affordability and healthier foods, we have delivered some successful product innovations this year across our product portfolio, including in particular in health and nutrition where we foresee significant commercial opportunities. Many of our anticipated new product launches will extend into new categories and consumer spaces as we look to accelerate our overall innovation rate across the business.

Recognising the increasing pressure from private label, we are reinforcing the strength of our existing brands, maintaining our marketing spend and introducing targeted marketing strategies to build on our position as the category leader. In the context of the growing bargaining power of retailers and increasing competitive intensity, we are also taking measures to increase our product penetration and enhance on-shelf availability, including by strengthening our customer relationships.

In terms of our Africa growth strategy, we have identified opportunities to drive category growth through targeted brand investments, both in our existing markets and in prioritised new markets. This will be supported by superior routes to markets and local investment in key capabilities.

We have achieved some significant cost-saving targets this year across our value chain, delivering efficiencies in packaging and ingredients, centralised procurement, enhanced plant and process practices. We also made good progress against our customer service excellence targets, with an 18% reduction in consumer complaints.

I am particularly pleased with the progress made in delivering on our people strategy. The new appointments

CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED

to the executive and senior management team have brought valuable additional skills, experience and insights. We have introduced a standardised talent management framework, improved our succession planning, and invested in developing leadership and commercial capabilities. Although we have begun to make our reward mechanisms more competitive, instilling a purpose-led performance-based culture that inspires innovation and drives performance remains a top priority.

In terms of our recently revised Sustainable Future pillar – which includes ambitious commitments on health and nutrition, enhanced livelihoods, and environmental stewardship – we have seen some pleasing initial results. We have driven micronutrient enrichment across 30,7% of our net sales, fortifying staple foods such as bread, maize meal and cake flour with key vitamins and minerals, and certain breakfast cereals and instant porridges with micronutrients. This year, we set up a “market access accelerator” that has already successfully supported seven black-owned enterprises in logistics opportunities, trained more than 50 aspiring black entrepreneurs, and provided 58 black smallholder farmers with both financial and non-financial support. On our environmental performance, we have seen some positive initial results in addressing our most material environmental impacts, namely improving energy and water efficiency, reducing greenhouse gas emissions, and reducing operational as well as packaging waste.

MAINTAINING OUR STRATEGIC ENABLERS

Delivery of our priority focus areas is dependent on continuing strong performance in various strategic enablers, such as good governance practices, effective internal processes, food quality, occupational health and safety, and stakeholder responsiveness. Our activities in each of these areas are reviewed in more detail in this report. In these opening comments I wish to focus in particular on the issues of food safety and quality, as well as employee safety.

This year, we have placed a particular priority on driving the food safety and quality agenda across the company, investing heavily in ensuring that we have trained and talented people integrated across functions, a robust and integrated set of processes and tools, and a culture and passion for quality that permeates across the organisation. We have strengthened our internal and external audit and assessment processes, improved supplier quality assurance measures, and completed hazard analysis and critical control point (HACCP) training for all high-risk sites. Through our various quality initiatives, we have achieved external certification for all our manufacturing sites. We will

continue to build our focus on quality, with the aim of delivering a step-change improvement, accompanied by full transparency on our performance.

On employee safety, I am saddened to report that this year one of our employees was killed. In April 2019, Mr Aubrey Tornado Skosana, a driver at Albany Pretoria, died following a multi-collision vehicle accident while on a delivery. I extend my sincere condolences to Mr Skosana's family and friends. The family has been given support and counselling, and we have implemented appropriate response measures to minimise the potential for future such incidents. We continue to seek an industry solution for the concerning number of violent route-to-market incidents, while ensuring all our Bakery delivery routes are risk assessed and enabled with tailored response measures to enhance employee safety.

CLASS ACTION UPDATE

In April 2019, Tiger Brands received a class action summons following last year's tragic national listeriosis incident. In August, the company filed a plea in response to this summons. Tiger Brands remains committed to having the matter determined as soon as possible and will continue to conduct its defence in a responsible manner.

OUTLOOK

The sobering Medium-Term Budget Policy Statement, given by the South African Minister of Finance in October 2019, suggests that the country faces some significant macro-economic challenges for the foreseeable future. In the context of continuing policy and political uncertainty, structural unemployment, high debt levels, and ongoing concerns with state-owned enterprises, investor and business sentiment is understandably subdued.

I believe that the strength of our heritage brands, the diversity of our product portfolio across a range of income groups, our long-standing distribution networks and customer relationships, and our strong balance sheet, will enable us to absorb potential future headwinds. I am also confident that we have the right strategy in place to respond to these difficult and dynamic market conditions and ensure our long-term growth.

APPRECIATION

Our ability to deliver value in this tough year is thanks to the continuing energy and hard work that I have seen first-hand across the company. I would like to express my deep appreciation to all of Tiger Brands' employees for their contribution in working towards our strategic ambitions, as well as my colleagues on the executive team for their active support. The Tiger Brands' board, under the strong leadership of our chairman, Dr Khotso Mokhele, has once again been an invaluable source of advice and counsel as we have developed and implemented our strategic roadmap. Although we are not yet showing the levels of growth that we aspire to, I believe that the company is well positioned for the future.

**LC Mac Dougall***Chief executive officer*

21 November 2019

OUR BUSINESS MODEL

Tiger Brands creates value and delivers on its purpose by producing, marketing and distributing everyday branded food, home and personal care products, predominantly in South Africa with a growing market presence across Africa.

KEY CAPITAL INFLOWS

SOCIAL AND RELATIONSHIP

- Committed workforce
- Investor confidence
- Constructive relationship with government and regulators
- Positive supplier and customer relations
- Trusted brand and reputation with consumers and society
- Stable operating context contributing to sustained market demand

OUR PEOPLE

- Strong and diverse board
- Experienced executive team
- 10 543 employees (2018: 11 348 permanent)
- Enabling environment
- Adequate governance systems
- Improved reward and personal development opportunities

OUR BRAND AND REPUTATION

- Strong brand and reputation
- Unique product formulations and trusted recipes
- Research and development capacity
- Governance and business systems

MANUFACTURED CAPITAL

- 41 manufacturing facilities
- 160 packing lines
- 24 distribution centres

FINANCIAL CAPITAL

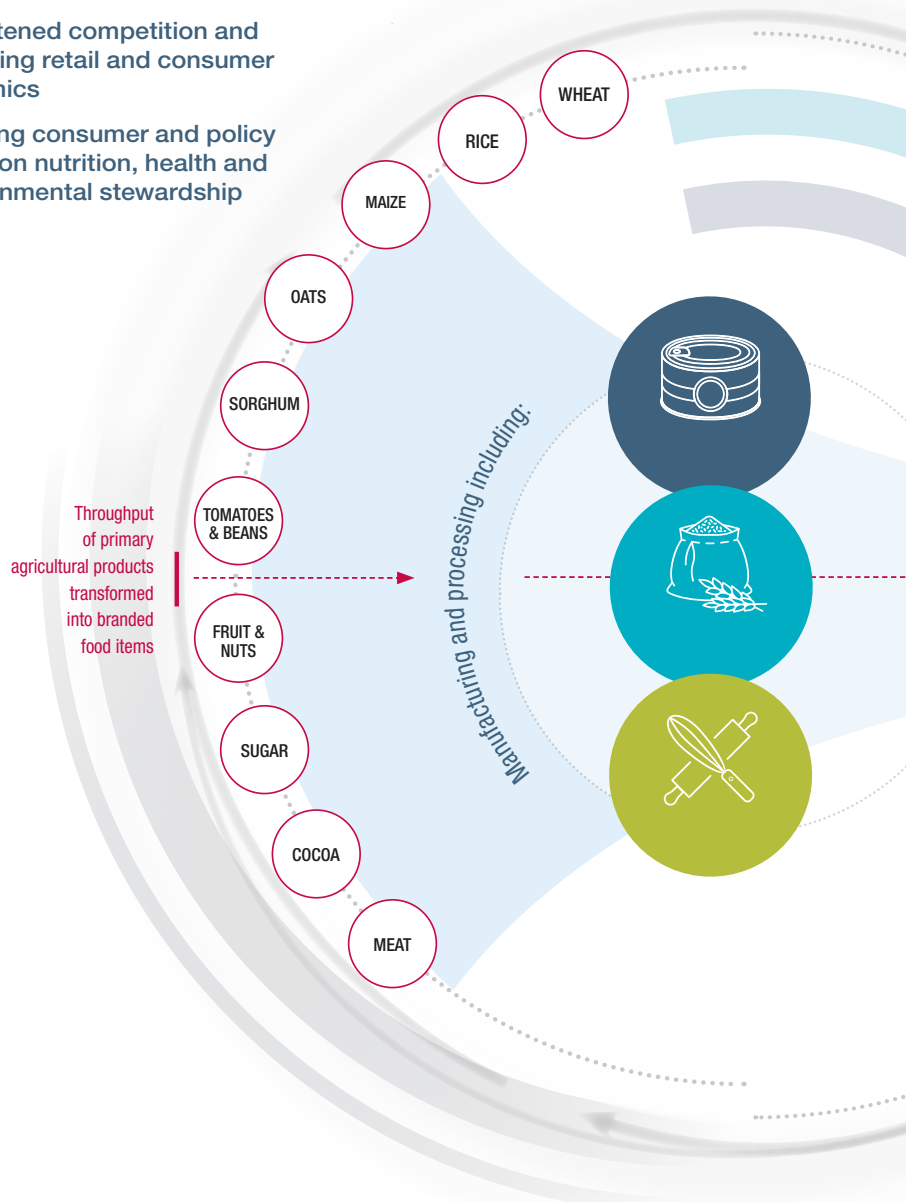
- Borrowings
- Low gearing levels and strong cash generation
- Cash generated from operations

NATURAL RESOURCES

- Local and imported raw material ingredients
- Water and energy for production
- Fuel (diesel and petrol) for distribution
- Fertile soil and conducive agricultural conditions

OUR EXTERNAL ENVIRONMENT

- Sustained macro-economic pressure on consumer spending
- Heightened competition and changing retail and consumer dynamics
- Growing consumer and policy focus on nutrition, health and environmental stewardship



OUR TOP 10 RISKS

1. Operating environment	2. Albany route-to-market	3. Food safety and product quality	4. Occupational health and safety	5. Cybercrime and information security	6. Business continuity vulnerabilities	7. Data and information risk
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Our core target consumers are middle-income consumers, the largest and fastest growing segment. Our core category is food with immediate adjacencies in beverages, snacks and treats.

OUR REVENUE STREAM

The majority of our revenue is generated in South Africa from our Grains (45%) and Consumer Brands (34%) divisions, with the balance coming from the Exports and International division (11%), followed by Home, Personal Care and Baby (9%).

Material revenue differentiators

- > The group's long-standing market-leading position in branded food and beverages
- > Our power brands, most of which are rated first or second in their product categories
- > A robust marketing strategy to ensure our brands remain relevant and top-of-mind
- > Far-reaching distribution capabilities
- > The strength and quality of our relationships with our customers

Milling and baking

- Baking
- Milling:**
 - Flour
 - Maize
 - Sorghum

Other grains

- Pasta
- Breakfast
- Rice

Groceries

- Condiments and ingredients
- Spreads
- Canned fruit and vegetables

Snacks and Treats

- Sugar
- Chocolate

Beverages

- Concentrates
- Sports drinks
- Ready-to-drink

Value Added Meat Products (VAMP)

Home, Personal Care and Baby

RETAILERS
WHOLESALE
GENERAL
TRADE

PACKAGING

DISTRIBUTION

- Economic/Process performance**
- Profitable operations
 - Efficient resource use
 - Financial resilience
 - Optimised product portfolio

Service providers/suppliers
PACKAGING • CONSUMABLES • OTHER

OUR COST STREAM

Our most significant cost streams include:

- > Raw material procurement
- > Employee wages and benefits
- > Sales and distribution expenses
- > Electricity and fuel
- > Marketing expenses
- > Regulatory compliance costs
- > Maintenance and upgrading of plant and equipment
- > Other administered costs

Most of these costs have been rising in recent years, many of them above inflation, driven by various external economic, social and environmental factors beyond our control. We have a strong focus on securing cost savings on those issues within our control, through our established cost-conscious culture and a track record of delivering procurement savings and supply chain efficiencies.

We are continuing to identify opportunities for further efficiencies in our manufacturing operations and our sales and administrative activities. In terms of exchange rate volatility, a substantial portion of our costs are directly or indirectly exposed to foreign exchange volatility.

Material cost differentiators

- > Our ability to leverage a centralised procurement hub
- > Standardisation and simplification of group processes, systems and practices

8. Attract and retain critical skills

9. Fraud, theft, crime and corruption

10. Ageing infrastructure

OUTFLOWS

SOCIAL AND RELATIONSHIP

- ✓ Provision of affordable nutrition
- ✓ Economic opportunities across value chain
- ✓ Community impact of operations
- ✗ Contribution to non-communicable disease
- ✗ Impact of unsafe food products

(outcomes on page 16)

OUR PEOPLE

- ✓ Investment in employee skills and motivation
- ✓ Investment in employee health and safety
- ✓ Enhanced employee and board diversity
- ✗ Some negative health and safety incidents

(outcomes on page 16)

OUR BRAND AND REPUTATION

- ✓ Investment in maintaining brand equity
- ✓ Innovation launches including in health and nutrition, value and convenience

(outcomes on page 16)

MANUFACTURED CAPITAL

- ✓ Investment in modernising plant and equipment
- ✗ General wear and tear/depreciation

(outcomes on page 17)

FINANCIAL CAPITAL

- ✓ Return on equity
- ✓ Return on invested capital (ROIC)
- ✓ Favourable funding terms

(outcomes on page 17)

NATURAL RESOURCES

- ✓ Investments in numerous mitigation measures
- ✓ Innovation in products, processes and consumption
- ✗ Raw material extraction
- ✗ Energy use and GHG emissions across value chain
- ✗ Water use and potential contamination
- ✗ Habitat impacts across supply chain
- ✗ Environmental incidents

(outcomes on page 17)

OUR BUSINESS MODEL CONTINUED



SOCIAL AND RELATIONSHIP

Material inputs

- Committed workforce
- Investor confidence
- Constructive relationship with government and regulators
- Positive supplier and customer relations
- Trusted brands and reputation with consumers and society
- Stable operating context contributing to sustained market demand

Our actions to sustain value

- › Strong drive on people strategy (see page 32), and on developing positive employee relations
- › Regular investor communication
- › Structured engagement with regulators, continued focus on compliance and ensuring a societal contribution
- › Active engagement with suppliers and customers (retailers and wholesalers)
- › Product and process innovation including on health, convenience and value
- › Delivering societal value through our core business, supported by Tiger Brands Foundation



Outcomes of our activities

- Generally positive relations across key stakeholder groups
- ✓ 18% reduction in consumer complaints and 35% reduction in marketplace incidents
 - ✓ 31% of net sales fortified with micronutrient enrichment
 - ✓ R14,3 billion BBEE supplier spend
 - ✓ R12,3 million spend to support black farmers and small businesses
- Continuing concerns in certain areas
- ✗ Concerns around the company's ability to recover cost push in a challenging consumer environment
 - ✗ Listeria class action lawsuit
 - ✗ Labour unrest (Groceries and Bakeries)

Capital trade-offs

- › Our success as a business depends ultimately on the quality of our relationships with key stakeholders. These stakeholders have different and sometimes conflicting priority interests (page 20); balancing these competing interests requires trade-offs as we prioritise certain investments over others.
- › Investing in social and relationship capital also often requires short to medium-term financial capital inputs, but generally generates positive return across most capitals over the longer term.



OUR PEOPLE

Material inputs

- Strong and diverse board
- Experienced executive team
- 10 543 employees (2018: 11 348)
- Enabling environment
- Adequate governance systems
- Improved reward and personal development opportunities

Our actions to sustain value

- Three-pillar people strategy focusing on building a diverse talent base, developing leadership capacity, and creating a great place to work
- › Sustained focus on promoting diversity and employment equity
 - › Appropriate succession plans in place

Outcomes of our activities

- Generally improved employee skills and motivation
- ✓ 40% of leadership appointments were internal
 - ✓ Recognised as a Top Employer 2019
 - ✓ Management trainee programme ranked second in SA Graduate and Employee Association
 - ✓ R4,2 billion on wages and benefits
 - ✓ R127 million invested in skills development
- Board diversity:
- ✓ 62% black and 38% female
- Employee diversity:
- ✓ 93% black and 30% female
 - ✗ Industrial action at some of our operations
 - ✗ One fatality (2018: one)
 - ✗ 0,38 lost-time injury frequency rate (2018: 0.27)

Capital trade-offs

- › As labour is one of our most significant costs, there has been a strong drive to identify opportunities for further labour efficiencies and productivity gains across our operations. While reducing labour costs has benefits in terms of financial capital, it has potentially significant negative implications in human and social capital.
- › Investing, attracting, retaining and developing executive talent is a material cost, depleting financial capital in the short term, but resulting in returns in most capital stocks in the longer term.



OUR BRAND AND REPUTATION

Material inputs

- Strong brand and reputation
- Unique product formulations and trusted recipes
- Research and development capacity
- Governance and business systems

Our actions to sustain value

- › Strong focus on ensuring a clear purpose and strong personality behind our master brands
- › More diversified marketing spend across different media
- › Investment in innovation and R&D, including in health and wellness

Outcomes of our activities

- Sustained brand presence
- ✓ 100% penetration in South Africa, with every household having at least one Tiger Brands product
 - ✓ Category leader in over 50% of the categories we operate in from a brand equity perspective
 - ✓ Brands compete head-on with the leading brand in almost a third of categories
 - ✓ We can disrupt categories, being a challenger in over 15% remaining categories
- Innovation launches, including:
- ✓ Health and nutrition: Albany BoB Genius, Ace+Fibre, Jungle Plus+
 - ✓ Value: Tastic variants; Benny seasoning; Morvite strip pack
 - ✓ Convenience: Purity pouches
 - ✓ Other: 100% durum pasta; new Oros flavours

Capital trade-offs

- › Tiger Brands' legacy is built on the strength of our brands and the quality of our products, which in turn depends on our proprietary product recipes, our capacity to innovate in response to changing consumer preferences, our robust food quality and safety systems, and our innovative marketing and consumer engagement. Maintaining our leadership in these areas is key to long-term growth, but often has short-term cost implications.



MANUFACTURED CAPITAL

Material inputs

- 41 manufacturing facilities
- 160 packing lines
- 24 distribution centres

Our actions to sustain value

- › R1,1 billion capital expenditure in manufacturing and distribution capability and technology

Outcomes of our activities

- ✓ Investment in Oats Mill, Beverages
- ✓ 97% on-shelf availability
- Some challenges remain
- ✗ Supply chain difficulties at Groceries impacted profitability
- ✗ Higher conversion costs at Snacks and Treats

Capital trade-offs

- › Investing in plant and equipment is beneficial for longer-term growth but can impair short-term financial performance.
- › The modernising of facilities may also lead to job losses, negatively impacting social and human capital; any job losses generally contribute to reduced consumer spend and undermine market growth.



FINANCIAL CAPITAL

Material inputs

- Borrowings
- Low gearing and strong cash generation
- Cash generated from operations

Our actions to sustain value

- › Strategy supported by focused execution
- › Continued drive on operational efficiency
- › Prudent approach to capex approvals
- › Operating model embedded through revitalised ways of working
- › Strong corporate governance structures
- › Deliberate working capital management

Outcomes of our activities

- ✓ 21,6% return on net assets (RONA) (2018: 26,6%)
- ✓ Net interest paid R10,6 million (2018: R41,8 million)
- ✓ R3,5 billion cash generated from operations (2018: R3,3 billion)
- ✓ Savings of R616 million
- ✓ Working capital cents per R1 turnover 21,4 (2018: 21,6)
- ✗ Total dividend per share declared: 1 061 cents (1 080 cents)
- ✗ 14,1% return on equity (2018: 16,7%)
- ✗ ROIC 14,2% > weighted average cost of capital (WACC) 12,5% (2018: ROIC 17,3% > WACC 12,5%)

Capital trade-offs

- › Ensuring sustainable growth in financial capital often involves making significant capital investments in the short term.
- › Our strategic direction informs the allocation of capital to balance the short-term interests of certain stakeholders with long-term growth objectives.



NATURAL RESOURCES

Material inputs

- Local and imported raw material ingredients for our products
- Water for production facilities, comprising municipal supply and own borehole sources
- Energy to fuel our manufacturing, primarily Eskom electricity
- Fuel (diesel and petrol) for distribution
- Fertile soil and conducive agricultural conditions

Our actions to sustain value

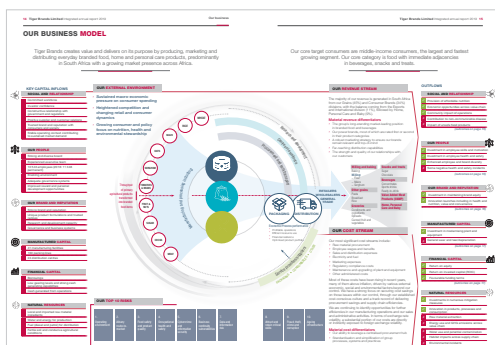
- › Continued energy and water efficiency measures, with supporting mitigating plans to ensure continuity of production
- › Investment in innovations to optimise packaging and reduce waste
- › Partnerships in place to reduce food waste and packaging waste

Outcomes of our activities

- Some progress in mitigating impacts
- ✓ Absolute water use down 7,2%; water intensity down 5,4%
- ✓ Total carbon emissions down 6,5% year-on-year
- ✓ Absolute energy use down 8,5%; energy intensity down 5,0%
- ✓ Achieved a 10% reduction in body plate thickness by light-weighting aerosol and food cans

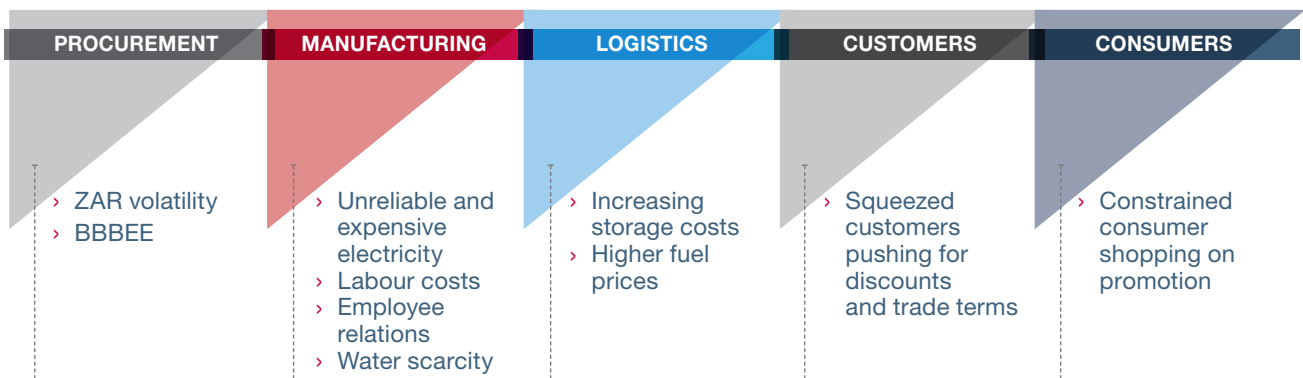
Capital trade-offs

- › Natural capital is a critical input for all of our activities. Generating value across all the other capitals often involves some negative impact on natural capital.
- › We strive to minimise these impacts across our value chain, by investing in mitigating measures in our processes, products and packaging.



OUR EXTERNAL ENVIRONMENT

This has been another dynamic year for consumer packaged goods (CPG) companies in South Africa, during which we have felt the impact of a very constrained consumer environment, an increasingly competitive food and retail environment, and changing consumer and regulatory expectations regarding nutrition, health and environmental responsibility. This challenging external context presents both risks and commercial opportunities, and has informed the development of our growth strategy.



SUSTAINED MACRO-ECONOMIC PRESSURE ON CONSUMER SPENDING

- > Consumer spending in South Africa continues to be constrained by lacklustre GDP and wage growth, high unemployment and high consumer debt, compounded by increasing fuel, transport and utility costs, and continuing rand/dollar volatility. An estimated 62% of South Africans live on less than R60/day, with many families trapped in poverty due to the 29% unemployment rate.
- > In August 2019, South Africa's consumer inflation rate reached 4,3%, driven by price increases in food and non-alcoholic beverages, fuel and electricity, and miscellaneous goods and services. Food inflation reached its highest levels in 18 months, off the back of increases in bread and cereal, maize meal prices and oil-based food items.
- > Consumers are buying less, spending less and shopping smarter: 65% of shoppers are actively comparing prices across brands, 57% are choosing retailers with better prices, and 70% trading up to bigger packs on promotion if value is offered.¹ Despite this tough environment, for the most part we have continued to benefit from our premium and heritage brands and the nature of our food basket, with our share of the market at 25,3%.²
- > The economic outlook in South Africa remains subdued for the foreseeable future, weighed down by continuing policy and political uncertainty, high unemployment and debt levels, and ongoing challenges with the bailout of state-owned enterprises.



Our response

- > Given the constrained consumer environment, and in an effort to expand and protect margins in the subdued market, we have placed a heightened focus on driving productivity and securing cost efficiencies across the value chain (page 30).
- > We continually review consumer trends to guide the optimisation of our product portfolio and to identify opportunities for product and process innovation. We have an exciting product pipeline across a range of categories that specifically includes innovations for value-seeking consumers (page 27).
- > Our recently approved sustainability strategy includes a strategic focus on improving the livelihoods of thousands of people by providing opportunities across our value chain for inclusive economic participation, including through a deliberate focus on supporting black/black-women farmers and owned enterprises in our value chain (page 34).

Strategy



¹ Nielsen Basket and Shoppergraphics F'19 Q1; In perspective for Tiger Brands March 2019.
² Nielsen 12mm volume share as at 30 September 2019.

HEIGHTENED COMPETITION AND CHANGING RETAIL AND CONSUMER DYNAMICS

- ▶ There have been new entrants in the food producer sector in South Africa, some of whom are building potential contender brands. This is contributing to excess capacity in a low volume growth environment, resulting in aggressive pricing strategies.
- ▶ Competition in food retail has also intensified, with the growth of e-commerce business and general traders, driving the rationalisation of SKUs*, the uptake of private labels and prompting more aggressive procurement, all of which is placing further pressure on food producers.
- ▶ Consumer behaviour generally is changing, driven by various trends including rapid urbanisation, an increasing number of single households, crowded transport, and greater digital connectivity. These trends have contributed to an uptake in convenient on-the-go meals and snacks, increased demand for purpose-led brands and greater corporate transparency, and a growing consumer focus on health and wellness.
- ▶ Cumulatively, the heightened competition and changing dynamics in the consumer and retail space, are challenging some of the traditional approaches that have driven top-line growth in CPG companies, driving innovation in products, sales and distribution.



Our response

- ▶ Our strategic commitment to drive growth has been developed to mitigate the risks and realise the opportunities associated with the changing retail and consumer dynamics. We have identified opportunities to optimise our product portfolio, respond to the growth in private label brands, and win at the point of purchase (page 27).
- ▶ We made further progress this year in new product launches to address consumer expectations for quality, convenience, healthier foods and affordable pack sizes. Despite the heightened competition we retained the lead in packaged food in 2019, with a 25,3% volume share.
- ▶ We have been implementing channel-specific category management methodologies and will be continuing to embed appropriate digital technologies that enhance the monitoring of the return on investment of our promotional activity, while meeting customers' needs, and we have been using new pricing expertise to help drive brand growth and customer support.
- ▶ Through the diversity of our portfolio we are able to address the full range of consumers' shopping needs, particularly those in the middle-income bracket (living standards measure 5 to 8).

Strategy

GROWING CONSUMER AND POLICY FOCUS ON NUTRITION, HEALTH AND ENVIRONMENTAL STEWARDSHIP



- ▶ South Africa has been assessed as one of the least healthy countries globally, with high levels of obesity and lifestyle-induced non-communicable disease. This has contributed to greater regulatory intervention in the food sector, with the introduction of a sugar tax and sodium regulations, as well as a rapidly growing appreciation among consumers of the benefits of healthier and more nutritious food products.
- ▶ There has similarly been an increased consumer and regulatory focus on environmental issues, with heightened activism in particular on issues such as climate change, plastics pollution, and increasing consumer demand for food products that are seen to be "green" and organic.
- ▶ Globally, there has been a significant uptake recently in plant-based protein, characterised by the marked success of recently listed companies in this area, and the growing adoption of alternative meat products in leading global quick service restaurants.

Our response

- ▶ We believe that there is a sizeable commercial opportunity in the health and nutrition sector, and have been driving innovation in nutrition, for example through our vitamin-enriched Best of Both Genius bread that adds nutrients for school children, adding fibre to Ace maize meal porridge that assists with a healthy gut, and launching new flavours in our Crunchalots breakfast that are low in sugar compared to competitors (page 28).
- ▶ In terms of our recently approved Sustainable Future strategy we have committed to enabling consumers to improve their health and well-being by developing best-in-class nutritional standards, providing more nutritious, affordable food products, and leveraging our brand and marketing activities to promote consumer nutrition and health (page 34).
- ▶ This year, we have invested in driving the quality agenda across the company. We completed quarterly self-assessments and gap closeouts across our operations, achieved external certification (FSC 22000) for all our manufacturing sites, implemented supplier quality assurance processes for all new raw material and packaging suppliers, and made new appointments to enhance our quality team (sustainable development report).
- ▶ We have also committed to significantly reduce our environmental impact through innovative solutions, including optimising energy and water usage, developing innovative products and packaging, leveraging our brand and marketing, and implementing circular economy initiatives that stimulate economic opportunities (sustainable development report).

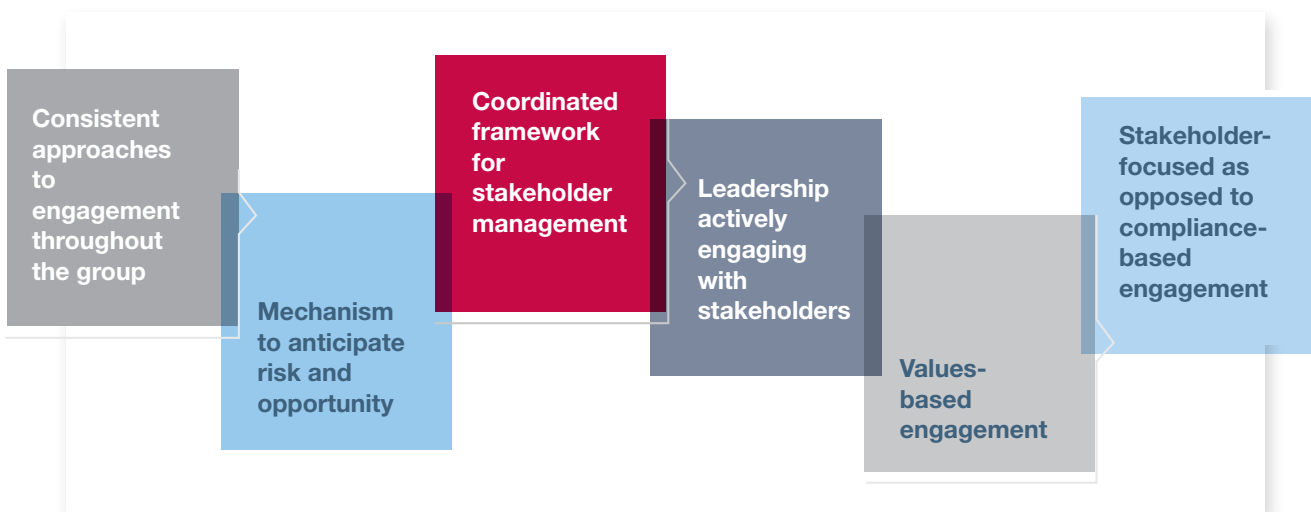
Strategy

* Stock keeping units

ADDRESSING MATERIAL STAKEHOLDER INTERESTS

This year has been an important milestone in our journey of promoting stakeholder inclusivity and ensuring effective management of material stakeholder interests as a means of promoting sustainable competitiveness.

KEY ELEMENTS OF OUR STAKEHOLDER RELATIONS STRATEGY INCLUDE:



Our journey began in 2017 where we undertook a dedicated engagement process to develop a baseline appreciation of how our stakeholders perceive our existing engagements, and to identify opportunities to foster increased inclusivity for sustainable competitiveness.

We have been encouraged by the positive response from various stakeholders who have supported us in our activities. Since October 2018, we have been working with various stakeholder groups within our host communities to develop and implement site-specific stakeholder engagement plans. During 2019, we spent more time in host communities undertaking social-mapping exercises, the results of which have allowed us to be responsive to specific community needs, and enabled us to co-create














impact programmes with communities to bring about the required change.

In the table on pages 21 and 22, we briefly identify those stakeholder groups that have a substantive impact on our ability to create value, outlining their contribution to value creation, our means of engaging with them, and each stakeholder group's primary interests relating to our business activities.

Although we appreciate that there is often substantial diversity of perspective and interest within each group, we believe that the interests listed below are a sufficiently accurate reflection of each group's most material interests regarding Tiger Brands' activities and performance.

HOW WE ENGAGE	MATERIAL INTERESTS	OUR ACTIVITIES	PAGE
 EMPLOYEES – provide the experience, productivity and skills that are the foundation for delivering our strategy			
<ul style="list-style-type: none"> › Internal website › Newsletters and email › Employee hotline › Employee engagement sessions and culture dialogues › One-on-one consultations 	<ul style="list-style-type: none"> › Remuneration and rewards › Talent and career development › Strong internal engagement › Teamwork and collaboration › Diversity and representativeness 	<ul style="list-style-type: none"> › Our recently revised people strategy and operating model seeks to directly address each of these issues › Employee experience improvement is managed through our culture transformation journey, talent development practices and through our employee engagement survey 	 32
 CONSUMERS – provide the basis for revenue growth by purchasing our products and believing in our brand			
<ul style="list-style-type: none"> › Dedicated media and consumer section on website for major issues › Packaging information › Consumer care line 	<ul style="list-style-type: none"> › Food safety 	<ul style="list-style-type: none"> › Robust systems in place to ensure that our food complies with all regulatory requirements › Founding member of Centre for Food Safety at University of Stellenbosch › Consumer awareness campaigns on food safety 	 Sustainable development report
	<ul style="list-style-type: none"> › Product quality 	<ul style="list-style-type: none"> › Strong focus on ensuring that product quality meets or exceeds consumer expectations 	 Sustainable development report
	<ul style="list-style-type: none"> › Product affordability 	<ul style="list-style-type: none"> › Strive to mitigate inflationary pressures through cost-saving initiatives and operational efficiencies › Alternative, more affordable packaging formats 	 27
	<ul style="list-style-type: none"> › Health and nutrition 	<ul style="list-style-type: none"> › Enable consumers to improve their health by providing affordable good nutrition and promoting consumer nutrition and health awareness 	 28
 GOVERNMENT – provides the regulatory framework and informs the socio-economic context essential for our activities			
<ul style="list-style-type: none"> › One-on-one engagements › Engagements on draft regulations › Public forums › Industry consultative bodies › Parliamentary processes 	<ul style="list-style-type: none"> › Food safety and quality 	<ul style="list-style-type: none"> › Robust safety systems in place supported by academic partnerships and consumer campaigns 	 Sustainable development report
	<ul style="list-style-type: none"> › Consumer nutrition and health › Regulations on sodium; tax on sugar-sweetened beverages 	<ul style="list-style-type: none"> › Engage on draft policy and legislation › Nutrition education programme with the Department of Basic Education › In-school breakfast programme in partnership with Tiger Brands Foundation 	 28
	<ul style="list-style-type: none"> › Growth and development of local agricultural sector 	<ul style="list-style-type: none"> › Active partnerships to promote agri-sector development and smallholder farmers 	 34

ADDRESSING MATERIAL STAKEHOLDER INTERESTS CONTINUED

HOW WE ENGAGE	MATERIAL INTERESTS	OUR RESPONSE	PAGE
 INVESTORS – provide the financial capital needed for long-term growth			
<ul style="list-style-type: none"> > Annual and interim reports > One-on-one meetings, roadshows and conferences > SENS announcements > Dedicated investor relations > Website 	> Margin compression and earnings regression due to increased sector capacity in key segments	> Execution of strategic priorities; dedicated resource to drive strategic portfolio decisions	 27
	> Risk of private label	<ul style="list-style-type: none"> > Reinforcing the strength of our purpose-led brands through world-class marketing > Realising opportunities to stretch our brands within and across product categories > Driving product innovation including explicitly for value-seeking consumers 	 27
	> Remuneration policy and practice	<ul style="list-style-type: none"> > Improved percentage votes in favour of the remuneration policy > Board engagement with shareholders on remuneration 	 57
	> Succession pipeline	<ul style="list-style-type: none"> > Revised people strategy in place, prioritises succession and leadership capacity development > Robust succession plan for key leadership positions including the CEO with clear development plans; reviewed by the board at least twice a year 	 32
 SUPPLIERS – provide the services and raw materials that form the basis of our products and activities			
<ul style="list-style-type: none"> > Supplier forums > Site visits > Supplier assessments 	> Timely payment and fair terms	> Negotiate with strategic suppliers to secure requirements at reasonable cost	 34
	> BEE/SME supplier development	> Strong drive in place to promote supplier and enterprise development, investing in smaller suppliers to diversify the supply base	 34
	> Health and safety standards	> Engage with relevant suppliers on appropriate health and safety standards	 Sustainable development report
 COMMUNITIES – provide us with our social licence to operate, and with the social capital needed for business to flourish			
<ul style="list-style-type: none"> > Community social mapping to identify opportunities to share value > Community mobilisation and interaction on SED projects 	> Food security and related nutrition issues	> Partner with government and developmental agencies to promote nutrition, health and education, and contribute to community development and poverty eradication	 34
	> Stimulate economic activity to support and sustain community enterprise development and job creation	> Initiatives in place on enterprise and supplier development, and community investment	 34
 MEDIA – provide us with the reputation and stakeholder awareness of our products, services and performance			
<ul style="list-style-type: none"> > CEO/CFO engagement as appropriate > Dedicated media section on our website > Media releases > Social media presence 	> Increase access to management and information	> All queries on consumer-related enquiries addressed within specified timeframes	
	> Media governance	<ul style="list-style-type: none"> > Strengthened media governance and protocols > Enhanced media monitoring and analysis 	
	> Fair treatment of consumers	> See earlier responses on consumers on page 21	

MANAGING OUR RISKS

The board of Tiger Brands has ultimate responsibility for overseeing the group’s risk management processes. The board is assisted by the risk and sustainability committee who are responsible for ensuring that the risk management process complies with relevant standards and governance requirements. Senior management in each division and business unit is responsible for managing risks in their respective areas. Oversight of risk management at divisional level rests with the relevant executive committees. Divisional and business unit risk registers are updated quarterly and reviewed on an annual basis at the group executive committee risk workshop. The risk and sustainability committee meets three times a year.

RISK APPETITE AND TOLERANCE

Risk appetite refers to the level of risk that Tiger Brands’ management is prepared to absorb before mitigating actions are implemented; risk tolerance refers to the company’s strategic capacity to accept or absorb the risk. The operational risk committee will assess the risk management evaluation criteria on an annual basis. Any changes to the evaluation criteria, including the risk appetite and tolerance are recommended for adoption by the risk and sustainability committee.

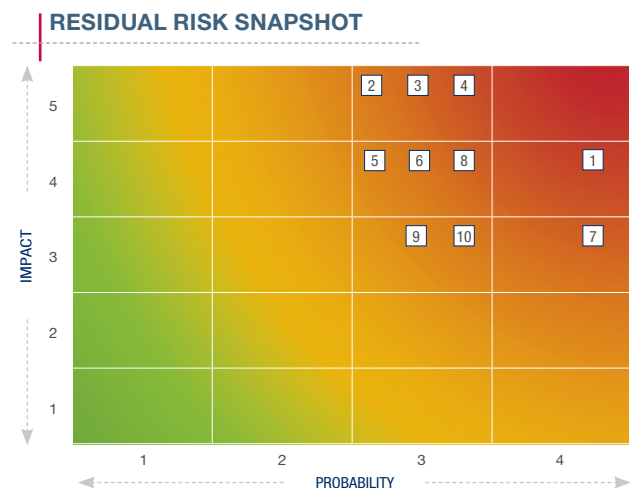
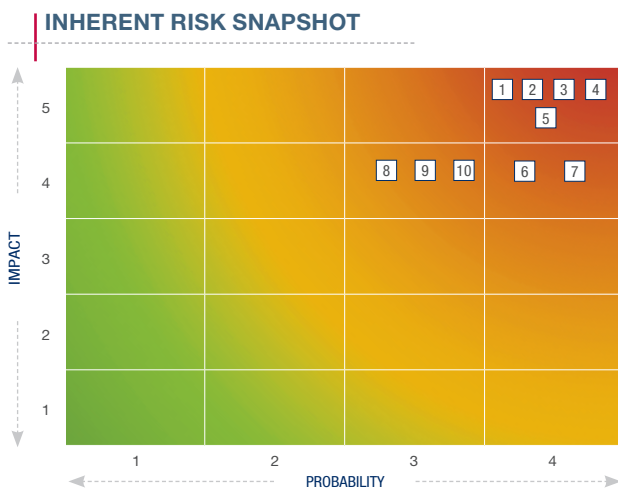
The group executive committee determines the risk appetite, tolerance evaluation criteria and velocity (the time taken to feel the impact of a risk after it materialises) and is

presented to the risk and sustainability committee for recommendation to the board. The board reviews and approves this annually, ensuring that the company effectively identifies, manages and reports on risk across all operations and all territories. The underlying reporting structure starts at site level and rolls up into the relevant business unit and division, culminating in risk reporting at a group level.

Each risk is evaluated in terms of its likelihood and impact, both on an inherent (actual impact) and residual (after mitigating action) basis. The current group residual risk tolerance score is set at nine, as highlighted in the heat maps below that reflect the scoring of our top 10 risks. The group risk profile is reviewed quarterly and may be revised after considering changes to the local and regional macro-economic environment, recent political and legislative developments, socio-economic challenges and technological advancements. Through our combined assurance model, the risk and sustainability committee evaluates and approves the level of assurance provided for all group risks.

OUR TOP 10 RISKS

The following heat maps reflect the top 10 inherent and residual risks for Tiger Brands in the 2019 financial year, identified as having the most material implications for Tiger Brands and its employees.



MANAGING OUR RISKS CONTINUED

The following table briefly reviews the implications and mitigation measures for each of the top 10 risks.

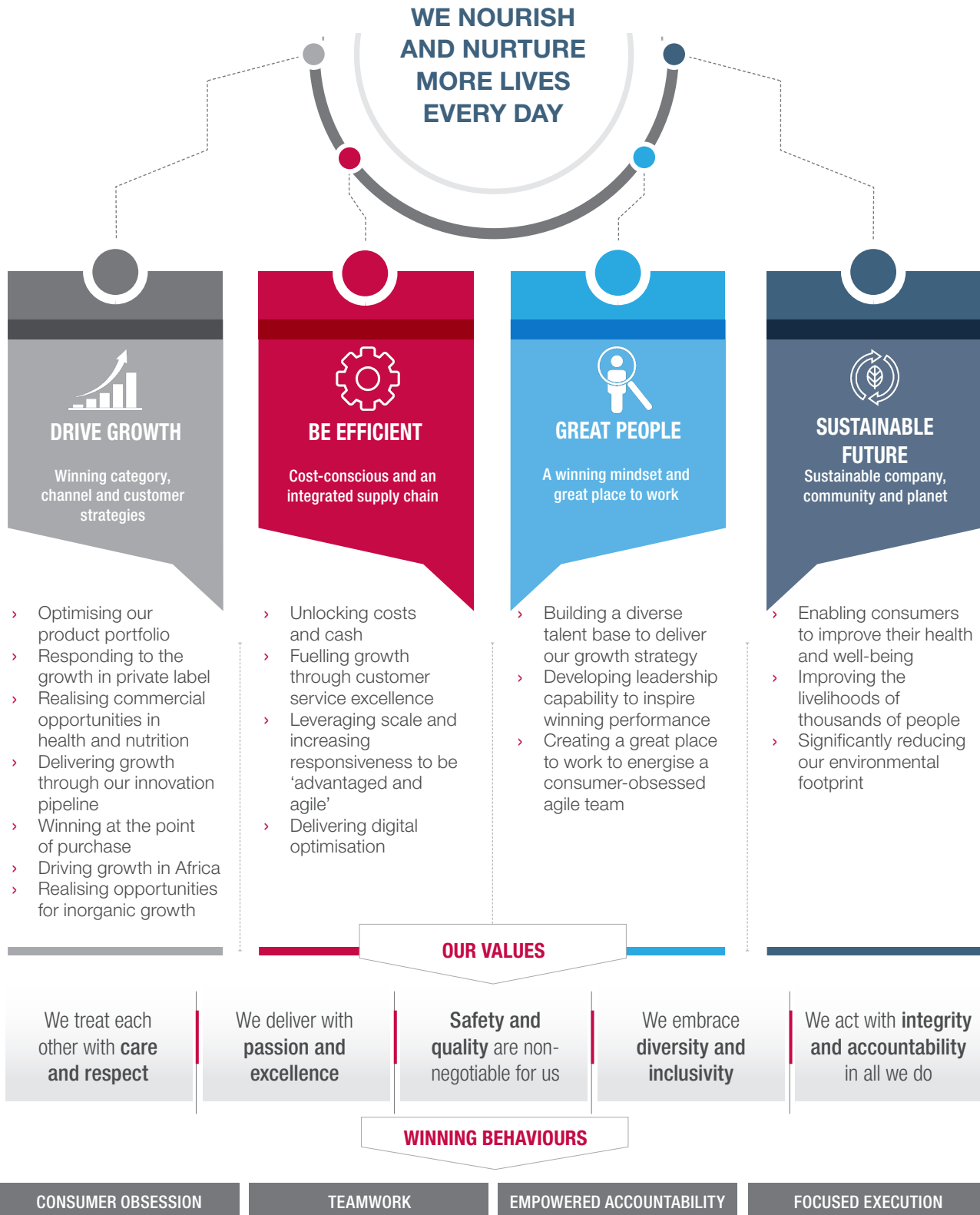
MATERIAL RISKS	IMPLICATIONS FOR VALUE	MITIGATING ACTIONS
1. Operating environment	<ul style="list-style-type: none"> › Weakened consumer demand off the back of lower economic growth negatively impacts volumes, and heightened consumer focus on shopping on promotion, negatively impacts profitability. › Similarly, the rising cost of utilities, labour, general input costs and regulatory requirements, is increasing the cost base at a higher rate than inflation, weighing on margins. 	<ul style="list-style-type: none"> › Driving growth through customer strategies focused on winning at the point of purchase. › Creation of a health and nutrition strategy. › Being efficient by unlocking costs and cash through incremental supply chain savings and driving continuous improvement efficiencies, fuelling growth and continuing to build an advantaged and agile supply chain. › A people strategy focused on talent, leadership and creating a great place to work. › A sustainability strategy is aimed at health and nutrition, enhanced livelihoods and environmental stewardship.
2. Albany route-to-market	<p>Increasing levels of violent crime against drivers in the bakery route-to-market can result in:</p> <ul style="list-style-type: none"> › employee and service provider loss of life › distribution disruptions › reputational and brand damage › potential loss of market share. 	<ul style="list-style-type: none"> › All delivery routes are risk assessed, and tailored response measures developed. › Security assessment reports have been compiled for all facilities to address security-related improvement opportunities. › Rationalisation of security service providers. › Exploring technological solutions for more effective security provision at a reduced cost.
3. Food safety and product quality	<p>Challenges with food safety and product quality can have significant implications in terms of:</p> <ul style="list-style-type: none"> › loss of life › reputational and brand damage › loss of market share › disruptions to production › expensive product recall › potential litigation. 	<ul style="list-style-type: none"> › Revised good manufacturing practice (GMP) standards and food safety system certification standard (FSSC 22000) implemented across the group, supported by standardised quality self-assessments for all our manufacturing sites, training of quality teams, and a robust supplier quality management process. › Manufacturing, group legal and regulatory compliance functions collaborate to ensure products comply with regulatory standards and meet consumer preferences. › Entrenched partnership with Stellenbosch University to remain at the forefront of scientific trends; through the Centre for Food Safety. › Adoption of European Hygienic Engineering and Design Guidelines (EHEDG) in terms of manufacturing hygiene standards.
4. Occupational health and safety	<p>Occupational health and safety incidents can result in:</p> <ul style="list-style-type: none"> › loss of life of employees and service providers › reputational and brand damage › regulatory non-compliance costs › loss of market share. 	<ul style="list-style-type: none"> › Robust safety programme implemented across the group, supported by self-audits, annual independent audits, and behavioural safety and awareness initiatives, reinforced with disciplinary action. › Safety improvement targets signed off annually for each division and manufacturing site. › Standardised occupational health and hygiene programme and fitness to work standards have been operationalised at all manufacturing sites. › An external support model is being evaluated to further strengthen compliance to occupational health and safety.
5. Cybercrime and information security	<p>Increasing interconnectivity, globalisation and “commercialisation” of cybercrime are driving greater frequency and severity of cyber incidents, including data breaches.</p> <ul style="list-style-type: none"> › This can compromise the confidentiality, integrity and availability of information and technology resources, leading to disclosure of commercially sensitive information, intellectual property and/or disruption to operations. › In addition to non-compliance risks, the release of any personal information also has negative reputational and brand implications. 	<ul style="list-style-type: none"> › Various external security specialist providers are utilised to ensure that we enhance our security posture. › Penetration testing is part of the standard project lifecycle approach. › The new Cyber Security Bill has been drafted and is out for public comment. The conditions and impact of the Bill need to be assessed against our current processes and controls. › IT policies have been established to support the group’s approach to managing information security. › The cybersecurity landscape is monitored with a view to implementing the latest security practices and revising existing controls to safeguard the group against cybercrime and maintaining cyber resilience.

MATERIAL RISKS	IMPLICATIONS FOR VALUE	MITIGATING ACTIONS
6. Business continuity vulnerabilities	<p>Disruption at our facilities – for example, following a significant technical breakdown, floods or fire, political or labour unrest, and/or interruption of IT services, energy or water supply – can lead to:</p> <ul style="list-style-type: none"> › interruptions in production, resulting in lost sales, and reduced market share and reputation › damage to plant and equipment › increased production costs. 	<ul style="list-style-type: none"> › Business continuity plans are in place for all high-priority packaging and raw materials across the business; a formal management process for the group's manufacturing facilities is in place. This includes IT business continuity and annual technical testing of the IT disaster recovery environment. › A network upgrade project is currently under way to implement secondary network links at all Tiger Brands sites. › Annual external risk, control and environmental audits inform improved business-continuity planning and disaster-recovery processes. › Appropriate insurance cover is reviewed annually, and disaster-recovery plans are in place.
7. Data and information risk	<ul style="list-style-type: none"> › Suboptimal information management could lead to inconsistent data quality, compromising decisions and contributing to privacy/identity management and information security risks. › Increased regulation is placing additional demand on system capabilities and IT teams and presents implications in terms of compliance and potential non-compliance costs. 	<ul style="list-style-type: none"> › A holistic data and information strategy is being developed in FY20 to manage this risk across the organisation. › Advanced information capabilities are being explored in a prioritised manner in order to ensure that Tiger Brands is able to take advantage of the upcoming data science and engineering capabilities which will result in proactive decision-making, efficient operations and lead to competitive advantage.
8. Attract and retain critical skills	<ul style="list-style-type: none"> › A loss of critical skills can negatively impact our ability to deliver our strategy and maintain business viability and profitability. › An inability to ensure sufficient level of diversity in the executive team and across the employee base also undermines our effectiveness and has reputational implications. 	<p>Comprehensive people strategy is in place to attract, develop, reward and retain talent, with provision for:</p> <ul style="list-style-type: none"> › performance management and incentive structures aligning performance to group objectives › proactive talent mapping and engagement plans by role and function to drive talent acquisition › skills development and leadership initiatives › robust induction and onboarding programme.
9. Fraud, theft, crime and corruption	<ul style="list-style-type: none"> › Instances of fraud, theft, crime and corruption can result in loss of life, financial loss, reduced profit margin and negative impact on reputation. 	<ul style="list-style-type: none"> › Internal controls are in place and are reviewed to guard against fraud and crime through employee awareness, strict access control, and working with local police in investigating syndicated crime. › Each business completes quarterly self-assessments, independently assessed by internal audit. › Tiger Brands' ethics line is available to employees, suppliers and customers to confidentially report unethical business practice; the ethics committee validates the close out of all ethics reports.
10. Ageing infrastructure	<ul style="list-style-type: none"> › Ageing plant and equipment has implications in terms of increased maintenance costs, inefficient operations and variable production quality, and cost of product recall and replacement. 	<ul style="list-style-type: none"> › Replacement and maintenance capital expenditure is implemented annually; this year R1,1 billion was disbursed in capital expenditure, with R1,5 billion planned for FY20. › A total productive maintenance system is in place to maintain and improve the integrity of production systems; a maintenance management system is in place at all sites across the group to ensure proper and consistent application of maintenance planning and scheduling.

OUR STRATEGY

Tiger Brands is one of Africa’s largest, listed manufacturers of fast-moving consumer goods (FMCG). Our core business is manufacturing, marketing and distributing everyday branded food products to middle-income consumers.

We also distribute leading brands in the Home, Personal Care and Baby sectors.



DRIVE GROWTH

WINNING CATEGORY, CHANNEL AND CUSTOMER STRATEGIES



To deliver on our growth ambition through winning category, channel and customer strategies, we will be optimising our product portfolio, driving an innovation pipeline, realising commercial opportunities in health and nutrition, and winning at the point of purchase. This will be accompanied by our strategy to drive growth in Africa and to realise opportunities for mergers and acquisitions.

Performance summary 2019

- > Strong performance in Snacks and Treats, Beverages and HPCB
- > Innovation launches, including: extending the variants in Purity pouches; Albany Best-of-Both Genius; Ace + Fibre; Tastic variants; new Oros flavours; and the introduction of 100% Durum pasta in Fattis & Monis – Bellissimo range
- > Share gains in Sugar lines, Chocolate, Baby Nutrition, Flour, Maize, Beverages, Jam
- > Portfolio optimisation progressed – Deli Foods, Oceana and VAMP



OPTIMISING OUR PRODUCT PORTFOLIO

Over the last three years, despite some top-line growth, we have seen margin contraction across many of our product lines. To deliver longer-term growth we have followed a structured approach to evaluate and optimise our product portfolio, identifying those categories with high attractiveness and competitive strength that should be protected, invested in and grown, and those to be evaluated further for possible exit through a carefully structured process. Informed by this assessment we see particular potential for further growth and profitability in Baby (Food and Wellbeing), Breakfast (Jungle and King Food), Snacks and Treats, Beverages and Home Care, Baked Goods, Rice, Pasta, Condiments and Spreads. These are areas in which we are investing in product and process innovation, driving further process efficiencies and/or expand production capacity.

Similarly, firm decisions have been made in respect of VAMP and Deli Foods. Following a thorough evaluation of all alternatives, the board approved the cessation of operations at Deli Foods, which are expected to be concluded within the next few months. In terms of VAMP, following receipt of several indicative offers for the business, the board approved commencement of a formal due diligence process. Upon completion of this process, including the submission of binding offers by potential buyers, all disposal options will be further evaluated. Further updates will be given as key milestones are reached.

DELIVER GROWTH THROUGH OUR INNOVATION PIPELINE



Product and process innovation lies at the heart of our growth agenda. Robust innovations were launched in the second half of FY19. Successful examples of these product innovations include: Albany Best-of-Both Genius nutrient-enriched bread; extending Purity pouches variants, containing top-selling jar variants of Purity baby food; Purity instant cream of maize porridge in two flavour variants; our nutritionally enhanced maize meal (Ace + Fibre); new flavours in KOO beans in tomato sauce as well as a new range of KOO black beans and expanding our Oros range of flavours.

Building on the early success of these offerings we have an exciting product pipeline across a range of categories, including in health and nutrition, on-the-go, and value. Many of the anticipated product launches will extend into new categories and consumer spaces as we look to accelerate our overall innovation rate across the business.

DRIVE GROWTH CONTINUED

REALISING THE COMMERCIAL OPPORTUNITIES IN HEALTH AND NUTRITION

Recent studies suggest that there is a sizeable commercial opportunity in the health and nutrition sector. Globally, health and nutrition packaged foods are growing faster than other packaged foods, and some estimates suggest that the sector is worth R65 billion in South Africa¹. Our recently agreed health and nutrition strategy seeks to realise these significant commercial opportunities, and deliver on our core purpose of nourishing and nurturing more lives every day. We will renovate our existing product range to make more of our products compliant with our Eat Well Live Well standards, while striving towards global best practice. We will be driving innovation within our existing brands and categories to develop more nutritious, affordable food products, and we will be working in partnership with government, academia and NGOs, through Eat Well Live Well, to educate consumers in a manner that allows them to make better informed decisions about their well-being.

We have already made progress in our product portfolio in line with this strategy. In addition to ensuring full compliance with government’s 2019 targets for sodium reduction:



LEVERAGING THE STRENGTH OF OUR BRANDS

In the context of the challenging market conditions, we have seen material growth in sales of private label products in South Africa, including in some of our priority product categories. We have developed a strategic response to the competitive threat of private label that builds explicitly on the strength of our existing brands. From a brand equity perspective, Tiger Brands is the category leader in more than half of the categories we operate in. Recent studies show that historically strong brands consistently outperform other brands over time, and that after tough times they return to growth faster².



We will be reinforcing the strength of our existing brands through world-class marketing, leveraging technology to measure our marketing effectiveness, ensuring that we become closer to individual consumers by focusing on their specific individual interests, and that our brands are more clearly imbued with purpose. In addition, we will realise opportunities to stretch our brands within and across product categories, as well as implementing price-ladder opportunities within specific brands and categories. To consolidate our leadership position, we will be aggressively driving continuous improvement of existing products and processes, by fostering a culture of “value improvement projects” within R&D, and fast-tracking these projects for priority categories, with the aim of reducing wastage, driving down costs and optimising packaging. Given the very constrained consumer environment, we are developing and will provide products explicitly for value-seeking consumers, using a bottom-up target-costing methodology to value engineer low-cost products and capture market share in identified priority categories.

¹ Euromonitor 2017.

² https://brandz.com/admin/uploads/files/BZ_Global_2019_WPP.pdf.

WINNING AT THE POINT OF PURCHASE



During the year we made some progress in driving growth at the point of purchase in a very tough operating environment. We reviewed our sales structure, improved our category focus and customer relationships and optimised pricing capabilities. We have also embedded jointly developed business plans with our key customers, developed various shopper propositions, and rolled out our commercial analytics tool (CAT) across our activities.

Despite these various initiatives, we have continued to face internal and external challenges associated with the increasing competitive intensity and growing bargaining power of retailers. To address these challenges, we will be looking to deliver growth in our existing and new channels by: strengthening our route-to-market and expanding the reach of our portfolio in the general trade; building an enhanced online presence and leveraging other non-traditional shopping destinations, as well as developing a consolidated and focused approach to customer promotions. These activities will be supported by a strong focus on driving efficiencies and ROI on promotional activity, while using Big Data to deepen our understanding of in-store behaviour and enhance our ability to realise opportunities at store level. Finally, we will be deepening the skills set and diversity of our sales force, building people capability and developing a programme specifically to attract, develop and retain women.

DRIVING GROWTH IN AFRICA

We intend to deliver substantial organic growth in our Africa business by driving category growth through targeted brand investments, developing superior routes to markets, and investing in key capabilities. Our Africa growth strategy is defined by a clear approach to market segmentation, and a structured approach to winning in trade in the identified key markets:

- > In terms of market segmentation, in our existing established markets, we will leverage our existing presence and capability, and invest to reach full potential and grow market share. In those countries where we currently have multi-category presence, we will invest in people, brands and infrastructure to increase our ability to win and grow market share. In currently untested markets that present attractive in-country and category opportunities, we will validate the opportunity and our ability to win, and we will develop a business case indicating the best market-entry approach.
- > In looking to win trade in the identified key markets, we will be prioritising product categories to drive volume growth, invest in focus brands and develop new products. We have engaged selected partners to ensure an optimised and effective route-to-market, underpinned by clear standards processes and measurements with each partner. We plan to optimise our value chains to drive competitive responsible sourcing, where relevant and we will be appointing targeted marketing resources in key countries, to ensure a tailored approach to local market conditions as needed.



REALISING OPPORTUNITIES FOR INORGANIC GROWTH

While our focus remains primarily on driving organic growth by driving the initiatives outlined above, we will also be exploring possible opportunities for mergers and acquisitions. These include opportunities that are core and/or near adjacencies to our current business, as well as opportunities that are aligned with our core activities in new markets where we do not currently have a local presence.

BE EFFICIENT

COST-CONSCIOUS AND AN INTEGRATED SUPPLY CHAIN



To expand and protect margins in the subdued market, we have specific commitments to unlock costs and cash, fuel growth through customer service excellence, and leverage our scale and responsiveness, underpinned by digital transformation.

Performance summary 2019

- > Centralised procurement hub delivering savings of R233 million
- > Warehouse network consolidation on track
- > Lowered logistics costs by 4% per ton on the FY17 base
- > Improved forecast accuracy in key product categories
- > Capex accelerated to R1,1 billion (2018: R720 million)
- > Consumer complaints down 18% and marketplace incidents down 35%, with zero public recalls
- > Manufacturing Excellence Customs and Practices (MECP) deployed across all manufacturing sites in South Africa



UNLOCKING COSTS AND CASH

We made some progress this year on our strategic ambitions and milestone targets to unlock costs and cash and deliver cost leadership and optimal working capital. By delivering efficiencies in packaging and ingredients, we secured procurement savings of R233 million. We delivered R193 million in manufacturing savings through plant and process improvements, as well as R15 million in logistics savings. Improvements in indirect spend resulted in savings of R53 million.

We have agreed ambitious savings and efficiency targets for FY20, underpinned by a range of activities to deliver on these targets across our supply chain. We will continue optimising centralised procurement, realising manufacturing savings, optimising our inventories to reduce working capital, extending payment terms to worldclass benchmarks, and driving zero-based spend initiatives across the supply chain.



FUELLING GROWTH THROUGH CUSTOMER SERVICE EXCELLENCE

Progress was made this year in terms of customer service. We achieved on-shelf availability of 97% and progressed in embedding a common profit, sales and operations planning (PS&OP) process by improving capabilities and entrenching systems across the business. We have streamlined demand planning to a single planning process and introduced product management review processes.

For the year ahead, we have prioritised various activities and milestone targets aimed at further optimising our processes, ensuring product on-shelf availability at all times, embedding a customer service mindset across the business, and meeting speed-to-market deadlines for innovation execution.

We are investing in manufacturing sites and will be engaging with key customers to implement collaborative forecasting and joint business planning. We will further embed our planning processes with the aim of ensuring more accurate forecasting.



LEVERAGING SCALE AND INCREASING RESPONSIVENESS TO BE ADVANTAGED AND AGILE

We have implemented various initiatives this year aimed at leveraging our scale and increasing our responsiveness. These include investments across the group's portfolio with various projects aimed at efficiency improvements and increasing capacity. For example, commissioning a new oat mill as part of Jungle's capacity expansion and automation of Jolly Jus lines in Exports.

For FY20, numerous capital expenditure projects have been approved to upgrade manufacturing facilities, expand production capacity, deliver enhanced efficiencies, and/or provide for product and process innovations, safety and sustainability to support brand growth. These include product and packaging innovation across the portfolio, a generator project to provide business continuity during load shedding, and various automation projects to increase efficiency and reduce costs.



DELIVERING DIGITAL OPTIMISATION

We are committed to delivering digital optimisation and providing integrated IT and information solutions to meet our growth ambitions and realise our vision of developing an integrated supply chain recognised as best in our industry.

We are developing a digital roadmap that will harness artificial intelligence, real time data, IoT (Internet of Things) and big data analytics to boost productivity, deliver operational efficiencies, ensure compliance and enable more informed data-driven decisions. We have agreed a digital roadmap that will assist at delivering improvements in stock availability and inventory modelling, ensure better traceability across the supply chain, enhance forecast accuracy, and improve customer collaboration.

GREAT PEOPLE

A WINNING MINDSET AND GREAT PLACE TO WORK



To unleash the power of our people we are building a diverse talent base, developing leadership capability to inspire winning performance, and creating a great place to work, supported by our commitment to execution excellence.

Performance summary 2019

- > Implemented a standardised talent management framework
- > Established a “One Tiger” onboarding framework
- > Embedded talent reviews and accelerated talent mobility
- > Developed an executive leadership succession plan
- > Implemented a leadership capability assessment methodology
- > Developed a long-term HR enabling technology and digitisation roadmap

BUILDING A DIVERSE TALENT BASE TO DELIVER OUR GROWTH STRATEGY

We undertook numerous initiatives this year to further strengthen our diverse talent base and develop our core capabilities to deliver on our growth strategy. We reviewed management structures to improve efficiency and effectiveness, and we developed and implemented a standardised talent management framework, supported by targeted talent strategies for core functions and growth categories. We reviewed our learning and development framework, established a long-term workforce plan, and developed an employer brand and employee value proposition aimed at attracting and retaining talent. To provide a compelling work environment that recognises and rewards talent, we have embedded action-based talent reviews and accelerated talent mobility. Recognising the critical importance of driving diversity across all management levels, we have developed and approved a five-year employment equity plan, as well as a gender equity strategy.

To attract talent for our Africa operations, we have developed a talent sourcing strategy that includes partnerships with LinkedIn, in-country distributors and tertiary institutions. We have developed a customised Africa management trainee programme, and this year we sourced management trainees from Mozambique, Zambia and Nigeria. A priority talent focus area for the year ahead is to continue to build commercial and supply chain capability. We will also continue to work on embedding a fit-for-future organisational structure, drive digital learning, and execute clear career development and appropriate learning and skills development.



DEVELOPING LEADERSHIP CAPABILITY TO INSPIRE WINNING PERFORMANCE

The current FMCG environment is experiencing a shift in leadership focus away from functional specialised teams, towards purpose-driven cross-functional teams that leverage the broader ecosystem. This shift has informed the work that we are doing to develop the right leadership capability to lead the company into the future.

Guided by this understanding, we focused our leadership development efforts this year on developing a focused executive leadership succession plan, undertaking leadership capability assessments for key successors, and reviewing the leadership development framework. Informed by the benchmark assessment of our senior leadership team, we have prioritised various focus areas for leadership development in FY20, including driving winning business performance, and a culture of consumer obsession. To improve our talent pipeline and strengthen business performance, we continue to ramp up leadership development and rotation. We are embedding coaching and mentoring practices as part of the Tiger development approach, implementing a company-wide multi-rater tool to enable feedback on leadership behaviour, and we are embedding the outcomes of our women in leadership programme.



CREATING A GREAT PLACE TO WORK TO ENERGISE AN AGILE “ONE TIGER” TEAM

Providing a “great place to work” is critical both to attracting and retaining talent, and to ensuring that we have an agile culture that inspires innovation and drives winning performance. This year, we established a strong foundation to enable the “one Tiger” winning culture transformation journey. Key activities included embedding our refreshed values and winning behaviours, developing and commencing execution of a diversity and inclusion framework, an employee relations strategy, and an employee well-being strategy. Although progress has been made in making our reward strategy more competitive, we recognise the need to improve business performance to address the retention risk presented by the resulting state of the short- and long-term incentives for key talent. We will be further executing our reward mechanisms to ensure that we are able to attract and retain talent, and to appropriately recognise and reward winning performance. We will be undertaking a Tiger-wide employee engagement survey, executing an employer brand campaign, and further embedding the reward and recognition strategy as well as the well-being programme, “THRIVE”.

SUSTAINABLE FUTURE

SUSTAINABLE COMPANY, COMMUNITY AND PLANET



To optimise our societal-value proposition and enhance social and natural capital, we will deliver on our strategic commitments to: enable consumer health and nutrition; enhance livelihoods; and significantly reduce our environmental impact. These are underpinned by our strategic anchors relating to: robust food safety and food quality; occupational health, safety and security; ethical supply chain practices; and transparency, stakeholder responsiveness and partnerships.

Performance summary 2019

- > One employee fatality
- > Lost-time injury frequency rate of 0,38 (2018: 0,27)
- > R14,3 billion spend on BBEE verified suppliers
- > Strong enterprise and supplier development drive, sourcing wheat, maize, oats and beans from black farmers
- > R27,4 million committed to socio-economic development, reaching around 100 000 beneficiaries
- > 78 million meals delivered, and 72 000 learners supported per day through the Tiger Brands Foundation
- > 6,5% reduction in GHG emissions intensity
- > 5,4% reduction in water intensity

Additional detail on our sustainability strategy and performance is available in our sustainability report.



ENABLING CONSUMERS TO IMPROVE THEIR HEALTH AND NUTRITION

We will enable consumers to improve their health and well-being by providing affordable good nutrition. We are reviewing and updating our nutritional standards for our products to meet or exceed globally recognised guidelines, and we are developing more nutritious, affordable food products, including through the fortification of new and existing products. We are committed to leveraging our brand and marketing activities to promote consumer nutrition and health awareness and to inspire positive behaviour change, and to playing a leadership role in modern food labelling practices.

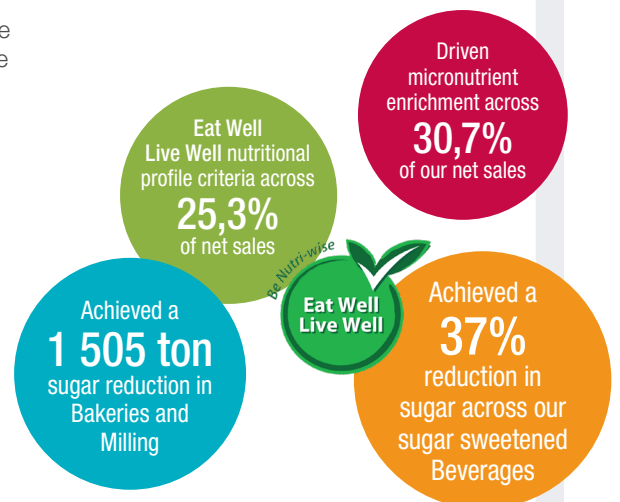


We have made some valuable progress on these commitments.

As part of the Tiger Brands Foundation's in-school breakfast programme, this year we donated five school kitchens in vulnerable communities, with three of these schools winning top honours at the National School Nutrition Programme (NSNP) run by the Department of Basic Education. During the year we sponsored three new schools on our in-school breakfast programme, bringing the total up to 101 schools on the programme across all provinces. Since its launch,



we have served more than 78 million breakfasts to the country's most vulnerable learners, and creating over 390 jobs as food handlers, monitors and regional coordinators. Independent studies undertaken to assess the social return on investment (SROI) of the in-school breakfast programme in Limpopo and the Northern Cape have shown significant positive benefits.⁹



⁹ These studies are available at www.thetigerbrandsfoundation.com



IMPROVING THE LIVELIHOODS OF THOUSANDS OF PEOPLE

We are committed to improving the livelihoods of thousands of people by providing opportunities across our value chain for inclusive economic participation. We will continue to create sustainable livelihood opportunities by providing financial and non-financial support to black-owned and black women-owned enterprises and smallholder farmers, through our supplier and farmer development programmes, and our preferential procurement policies. In addition, we will continue on an annual basis to contribute at least 1,5% of net profit after tax towards socio-economic development activities that promote sustainable thriving communities.



This year, we set up a “market access accelerator” to support those black-owned enterprises that need intensive business development assistance by providing support to enable them to access Tiger Brands’ supply chain opportunities, build their products or services offerings, and assist in ensuring compliance. The accelerator has already successfully supported seven black-owned enterprises to secure logistics opportunities and trained more than 50 aspiring black entrepreneurs. We also provided 58 black smallholder farmers with both financial and non-financial support, including agronomics and agrarian advice, business mentorship and interest-free loans, helping them to participate within our procurement chain. In addition, we spent R14,3 billion with BBBEE-verified suppliers, including R3,5 billion with black-owned enterprises, of which R1,9 billion spent with black women-owned businesses.

In line with our recently revised socio-economic development strategy, we invested R28,5 million on community development, achieving several milestones including: distributing over 89 000 high-quality, nutrient dense and fortified food packages; reaching 30 000 direct and indirect beneficiaries each month through the Tiger Brands food and nutrition support programme; training 396 community members in food gardening and community skills development.



SIGNIFICANTLY REDUCING OUR ENVIRONMENTAL IMPACT

We will significantly reduce our environmental impact by implementing innovative solutions that optimise energy and water consumption in our operations, reduce the negative impacts of packaging, and minimise waste, effluent and emissions. We are exploring opportunities to develop innovative product offerings that are “good for you” and “kind to the environment”, implementing circular economy initiatives that stimulate sustainable economic opportunities, and leveraging our brand and marketing activities to inspire positive behaviour change in consumers.



This year we made valuable progress in reducing the environmental impact of our operations, focusing on the most material issues: improving energy and water efficiency, reducing greenhouse gas emissions, and striving for zero waste to landfill operations. As a result of various energy efficiency measures, we achieved a 6,5% reduction in total carbon emissions year-on-year, with emissions intensity down from 0,23 ton in FY18 to 0,21 ton CO₂-equivalent per ton of product this year. We undertook baseline work on energy management, and next year we will be working on defining the ISO 50001 implementation and certification roadmap for our 10 most energy-intensive facilities. All of our coal fired boilers above 10MW were upgraded and grit arrestors installed to reduce particulate emissions below the legislated requirements. We conducted water efficiency assessments in multiple operations, contributing to a 7,2% reduction in total water use, and a slight improvement in water intensity. We completed a mapping of our waste streams across the business units, and we have engaged with the National Cleaner Production Centre to support our circular economy activities and identify opportunities for industrial symbiosis. All our manufacturing operations that went through their surveillance and recertification audits for ISO 14001 have successfully retained their certification.

(Further details are in our online sustainability report.)



SUSTAINABLE FUTURE CONTINUED

ROBUST FOOD SAFETY AND FOOD QUALITY SYSTEMS

We are committed to energising the quality agenda, raising the bar and offering superior products. We are determined to develop a quality capability that differentiates Tiger Brands from our competitors, supported by trained and talented people integrated across functions, a robust and integrated set of processes and tools, and a culture and passion for quality that permeates across the organisation. This year, we invested in driving the quality agenda across the company. Quarterly self-assessments and gap closeouts were completed across our operations, and we achieved external certification (FSSC 22000/HACCP) for all our manufacturing sites. Supplier quality assurance processes are now in place for all new raw material and packaging suppliers, and we successfully delivered an online self-assessment module and incident management tool against the Global Food Safety Initiative (GFSI) for reporting and managing quality data. We completed HACCP training for all high-risk sites, provided basic microbiology and sampling training for relevant factory teams, and made progress with quality onboarding and awareness training across our operations. Through our various quality initiatives, this year we have seen a 18% reduction in consumer complaints, a 35% reduction in marketplace incidents, and zero public recalls.

During 2020, we will build on this renewed focus on quality, defining and implementing a centralised hygiene and quality verification schedule for manufacturing units, and we will continue to drive self-assessments to deliver a step-change improvement in performance. We will deploy European Hygienic Engineering and Design guidelines as a manufacturing hygiene standard, deploy testing protocols at our operations, and develop and implement metrics and processes for supplier performance measurement.



OCCUPATIONAL HEALTH, SAFETY AND SECURITY

Ensuring zero injuries and delivering strong behavioural safety, health and security performance through visible, felt leadership is a top priority. We have a holistic health and safety programme with clear roadmaps and deliverables, supported by a behavioural safety programme that drives leadership accountability and responsibility, as well as by effective auditing to ensure that process safety management is implemented properly. A brief performance review is provided below.

Safety performance

This year, tragically, one employee was killed in a work-related incident. In April 2019, Mr Aubrey Tornado Skosana, a driver at Albany Pretoria, died following a multi-collision vehicle accident while on a delivery. The Albany drivers have all subsequently been provided with additional training on defensive driving, with an online training programme delivered to all Bakery drivers and van assistants on route-to-market alertness. The family has been given support and counselling. Regrettably, there was an increase in the group's lost-time injury frequency rate (LTIFR) to 0,38. For all reported incidents, we undertake a thorough root cause analysis. The findings inform the implementation of appropriate preventative measures, and are used to improve the operational safety culture. Disciplinary action is metered where appropriate. We are in the process of rolling out behaviour-based safety to all our manufacturing facilities and ensuring safety visual management standardisation in all operations.

Occupational health (OH)

This year we focused on driving the implementation of a revised OH strategy and improving the reporting of OH KPIs and incapacity cases. We have run ongoing operational OH awareness campaigns and interventions with the support of external OH service providers, developed and standardised our occupational hygiene surveys, and conducted health risk assessments. We have commenced a process of rationalising the health service providers across the group to deliver a consistent, cost-effective and standardised approach, and ensure that mobile healthcare service providers are available at relevant sites. Where necessary, we have contracted occupational health nurses, and are upgrading medical clinics' infrastructure and equipment.

OCCUPATIONAL HEALTH, SAFETY AND SECURITY *continued*

Security management

We have maintained a major focus on managing the concerning number of violent route-to-market incidents. All delivery routes are risk assessed, and tailored response measures developed. We have also improved security at our facilities, informed by site security risk assessments using a methodical security management system to review and ensure the availability of appropriate physical security measures and access controls. Training awareness is provided, and appropriate incident management, reporting and investigations undertaken. This year, we enhanced security personnel and controls at Bakeries and site security, revised the firearms policy and cash management guidelines, and commenced the process of rationalising security service providers across the group.



TRANSPARENCY, STAKEHOLDER RESPONSIVENESS AND PARTNERSHIPS

Recognising the importance of transparency and partnerships we are committed to playing an active role in industry forums to help shape sustainable consumption standards, tools and best practices. We are a member of industry bodies such as the National Business Initiative (NBI), Manufacturing Circle, Business Leadership South Africa, Consumer Goods Council of South Africa (CGSA), South African Agricultural Processors Association (SAAPA), South African Fruit and Vegetable Export Council (SAFVEC) and the South African Fruit Juice Association (SAFJA). We play an active role on various sustainability initiatives with these organisations, including for example on the UN SDGs, responsible labelling and marketing, and plastics packaging. We are working with South Africa's Council for Scientific and Industrial Research (CSIR) on assessments to enhance manufacturing industry competitiveness through resource efficiency and cleaner production, and we partner with various academic bodies and NGOs. Each year, we voluntarily disclose our performance on carbon emissions and water management as part of the global CDP initiative. We are also signatories to the "We Mean Business" initiative, through which we have committed to adopting a science-based emissions reduction target, promoting responsible corporate engagement on climate policy, and reporting climate change information in mainstream reports as a fiduciary duty.



CHIEF FINANCIAL OFFICER'S REVIEW



“Tiger Brands’ full year results have been impacted by the unbundling of the company’s interest in Oceana, the challenging operating environment, and a slower than anticipated recovery in the Value Added Meat Products (VAMP) business.” **Noel Doyle** > Chief financial officer

SALIENT FEATURES*

Revenue
R29,2bn 3%
 (excluding VAMP†, R28,6 bn 5%)

Operating income**
R2,6bn 20%
 (excluding VAMP†, 11% R3,2 billion)

Group operating margin**
9,0% 260 bps
 (2018: 11,6%)

HEPS
1 349 cps 17%
 (2018: 1 633 cps)

EPS
2 364 cps 55%
 (2018: 1 530 cps)

Total dividend***
1 061 cps 2%
 (2018: 1 080 cps)

**Unbundling of
 investment in
 Oceana
 concluded**

**Deli Foods
 discontinued**

* From continuing operations.

** Before impairments and abnormal items.

*** Includes special dividend of 306 cents per share declared on 22 May 2019.

† Refer to Annexure A of the audited group results and dividend declaration for the year ended 30 September 2019 available on the company's website.

OVERVIEW

Tiger Brands' results for the year ended 30 September 2019 reflect the difficult trading conditions, characterised by an increasingly challenging consumer environment and input costs rising ahead of price inflation. The overall result was significantly impacted by ongoing margin compression across the Grains portfolio, tough trading conditions in the group's primary export markets and the slower than anticipated recovery of the VAMP business. The unbundling of the company's investment in Oceana also had a significant impact on year-on-year comparisons. Details of the impact of VAMP and the unbundling of Oceana on key financial metrics are detailed below and overleaf.

Shareholders are referred to the SENS announcement issued by the company on 8 November 2019 regarding the cessation of operations at Deli Foods in Nigeria. The business has been treated as a discontinued operation in these results, with the comparative information restated accordingly.

Despite the challenging backdrop, total revenue from continuing operations increased by 3%, driven by price inflation of 5% and partially offset by an overall volume decline of 2%. Lower volumes, coupled with the inability to fully recover input costs, placed gross margins under pressure, resulting in group operating income before impairments and abnormal items (operating income) declining by 20% to R2,6 billion (2018: R3,3 billion).

Excluding VAMP*, operating income before impairments and abnormal items decreased by 11% to R3,2 billion compared to the reported decline of 20% to R2,6 billion.

The impairment charge was driven by a R96 million write-down in respect of VAMP's property, plant and equipment and a R212 million goodwill impairment related to Davita, reflecting the challenging outlook in export markets. Abnormal income of R2,0 billion reported in the current period (2018: R422 million loss) largely comprises gains linked to the unbundling of Tiger Brands' stake in Oceana and related share disposals.

* Refer to Annexure A of the audited group results and dividend declaration for the year ended 30 September 2019 available on the company's website.

The reconciling items between reported items and adjusted items are set out in the table below and overleaf.

Table 1: Adjusted headline earnings from continuing operations

	2019		2018		% change cps
	R'million	HEPS (cents)	R'million	HEPS (cents)	
Headline earnings as reported (continuing operations)¹	2 234	1 349	2 689	1 633	(17%)
Oceana equity-accounted earnings ¹	(31)	(18)	(416)	(252)	
Adjusted headline earnings – excluding Oceana²	2 203	1 331	2 273	1 381	(4%)
VAMP – after-tax trading loss ¹	394	238	181	110	
VAMP – abnormal items after tax ³	(54)	(33)	303	184	
Adjusted headline earnings (excluding VAMP and Oceana)⁴	2 543	1 536	2 757	1 675	(8%)

¹ This has been extracted from Tiger Brands' audited financial statements for the years ended 30 September 2019 and 30 September 2018.

² Adjusted headline earnings after adjusting for all Oceana-related transactions for the year.

³ The effects of the VAMP losses have been removed as this had a significant year-on-year impact on normal operations. This has been extracted from note 3 – Impairments and note 4 – Abnormal items in the audited group results and dividend declaration for the year ended 30 September 2019 available on the company's website.

⁴ Adjusted headline earnings after adjusting for all Oceana and VAMP-related transactions for the year.

Income from associates decreased by 49% to R371 million (2018: R731 million). As previously reported, the company ceased to equity account the earnings of Oceana with effect from 1 December 2018, following the decision in November 2018 to unbundle the company's investment in Oceana. The total income from associates is therefore not comparable with that of the prior year. All associates, including National Foods Zimbabwe (which has been accounted for in line with IAS 29 *Financial Reporting in Hyperinflationary Economies*), reported an increase in earnings.

Net financing costs of R11 million (2018: R42 million) benefited from lower average debt levels over the past year. In addition, a net foreign exchange gain of R10 million was realised compared to a gain of R21 million in the prior year.

The effective tax rate before abnormal items, impairments and income from associates has increased marginally in comparison with the prior year. The prior year's effective tax rate has been restated to account for the discontinuation of Deli Foods in the current year.

Headline earnings per share (HEPS) from continuing operations declined by 17% to 1 349 cents (2018: 1 633 cents). Earnings per share (EPS) from continuing operations, on the other hand, increased by 55% to 2 364 cents (2018: 1 530 cents) principally due to a capital surplus amounting to R2 billion, arising from capital profits realised and a fair value gain relating to the unbundling of the company's interest in Oceana. This capital surplus had no impact on headline earnings per share as it is excluded for headline earnings purposes.

After adjusting for the impact of VAMP*, the unbundling of Tiger Brands' investment in Oceana, as well as the capital profit arising from the sale of Oceana shares, attributable earnings per share from continuing operations declined by 11% compared to the reported increase of 55%.

At a headline earnings level, after adjusting for VAMP and Oceana, headline earnings per share from continuing operations reflect a decline of 8% compared to the reported decline of 17%.

CHIEF FINANCIAL OFFICER'S REVIEW CONTINUED

HEPS from total operations decreased by 17% to 1 322 cents (2018: 1 589 cents), while EPS from total operations increased by 60% to 2 333 cents (2018: 1 458 cents).

BASIS OF PREPARATION

Non-IFRS measures, such as adjusted revenue from continuing operations, and adjusted operating income from continuing operations before impairments and abnormal items as well as adjusted earnings from continuing operations, are considered to be pro forma financial information as per the JSE Listings Requirements. The pro forma financial information is the responsibility of the group's board of directors and is presented for illustrative purposes only. Due to its nature the pro forma financial information may not fairly present the company's results of operations.

The pro forma financial information is based on the condensed consolidated income statement for the year ended 30 September 2019. The pro forma financial information has been prepared to illustrate the impact of the company's unbundling of Oceana as well as VAMP's performance on the condensed consolidated income statement for the year ended 30 September 2019.

The pro forma financial information is presented in accordance with the JSE Listings Requirements. The JSE Listings Requirements require that pro forma financial information be compiled in terms of the JSE Listings Requirements, the SAICA Guide on Pro forma Financial Information and any relevant guidance issued by the IRBA.

Ernst & Young Inc.'s independent reporting accountants' assurance report on the pro forma financial information for the year ended 30 September 2019 as presented in Annexure A of the audited group results and dividend declaration for 2019, is available for inspection at the company's registered office. The independent reporting accountants' assurance report on the pro forma financial information for the year ended 30 September 2019 does not necessarily report on all the information contained in Annexure A of the audited group results and dividend declaration for 2019. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the independent reporting accountants' engagement, they should obtain a copy of the independent reporting accountants' assurance report together with the accompanying pro forma financial information for the year ended 30 September 2019 from the issuer's registered office.

Table 2: Adjusted revenue from continuing operations

	2019 R'million	2018 R'million	% change
Revenue ¹	29 233	28 365	3%
VAMP revenue for the period ¹	(654)	(1 066)	
Revenue excluding VAMP²	28 579	27 299	5%

¹ This has been extracted from Tiger Brands' audited financial statements for the years ended 30 September 2019 and 30 September 2018.

² Revenue from continuing operations excluding VAMP, the performance of which distorts the group's performance as this had a significant year-on-year impact on normal operations.

Table 3: Adjusted operating income from continuing operations before impairments and abnormal items

	2019 R'million	2018 R'million	% change
Operating income before impairments and abnormal items ¹	2 623	3 289	(20%)
VAMP losses ¹	547	252	
Adjusted operating income before impairments and abnormal items²	3 170	3 541	(11%)

¹ This has been extracted from Tiger Brands' audited financial statements for the years ended 30 September 2019 and 30 September 2018.

² Total adjusted operating income after adjusting for the VAMP operating losses which had a significant year-on-year impact on normal operations.

Table 4: Adjusted earnings from continuing operations

	2019		2018		% change cps
	R'million	EPS (cents)	R'million	EPS (cents)	
Earnings as reported (continuing operations) ¹	3 916	2 364	2 519	1 530	55%
Oceana equity-accounted earnings ¹	(31)	(18)	(420)	(255)	
Oceana – profit on sale of associate investment ²	(340)	(205)	–	–	
Oceana – realised fair value gain on unbundling ²	(1 630)	(984)	–	–	
Adjusted earnings – excluding Oceana³	1 915	1 157	2 099	1 275	(9%)
VAMP – after-tax trading loss ¹	394	238	181	110	
VAMP – impairments and abnormal items after tax ²	21	13	328	199	
Adjusted earnings (excluding VAMP and Oceana)⁴	2 330	1 408	2 608	1 584	(11%)

¹ This has been extracted from Tiger Brands' audited financial statements for the years ended 30 September 2019 and 30 September 2018.

² The effects of the Oceana unbundling as well as the VAMP losses have been removed as these had a significant year-on-year impact on normal operations. Items have been extracted from note 3 – Impairments and note 4 – Abnormal Items in the audited group results and dividend declaration for the year ended 30 September 2019 available on the company's website.

³ Adjusted earnings after adjusting for transactions related to the unbundling of the company's interest in Oceana for the year.

⁴ Adjusted earnings after adjusting for transactions related to the unbundling of the company's interest in Oceana and VAMP-related transactions for the year.

SEGMENTAL OPERATING PERFORMANCE

Domestic revenue increased by 5% to R26 billion in line with price inflation of 5%, with overall volume growth unchanged. Particularly strong performances were delivered by Snacks and Treats, Beverages, Home, Personal Care and Baby, offset by disappointing results in Grains and VAMP. Industrial action affecting Groceries in the first half and Bakeries in the second half, as well as load shedding during the year, had an adverse impact on both revenue and costs. These contributed to operating income from domestic operations decreasing by 19% to R2,5 billion (2018: R3,1 billion). Excluding VAMP, operating income from domestic operations, decreased by 9% to R3,0 billion (2018: R3,3 billion).

Total revenue for the Exports and International businesses declined by 11% to R3,2 billion, while operating income reduced by 34% to R212 million. A poor operating performance from Exports was partially offset by a significant recovery in the Deciduous Fruit business.

Further details of the performance of our operations are provided on pages 42 to 49.

CASH FLOW AND CAPITAL EXPENDITURE

Cash generated from operations increased by 6% to R3,5 billion. This improvement was largely the result of a reduction in working capital requirements of R91 million compared to an increased investment in working capital of R573 million in the prior year. The level of capital expenditure for the year accelerated to R1,1 billion (2018: R720 million) with investments across the group's portfolio including various projects to deliver efficiency improvements and increase capacity. The group ended the year in a net cash position of R1,2 billion compared with a net cash position of R669 million in the previous year.

FINAL DIVIDEND

A gross final cash dividend of 434 cents per share has been declared for the year ended 30 September 2019. This, together with the interim ordinary dividend of 321 cents per share, brings the total ordinary dividend for the year to 755 cents, in line with Tiger Brands' dividend policy of 1,75x cover based on headline earnings per share.

In addition, a special dividend of 306 cents per share was declared for the six months to 31 March 2019 as a result of the once-off proceeds received from the disposal of Oceana shares to Brimstone.

The special dividend, together with the total ordinary dividend for the year, brings the total distribution for the year to 1 061 cents per share (2018: 1 080 cents).

Shareholders are referred to the dividend announcement on page 87 for further details.

OUTLOOK

Significant progress has been made in terms of optimising the portfolio, with firm decisions having been made in respect of VAMP and Deli Foods. With respect to the potential disposal of VAMP, the formal due diligence process is under way and further updates will be given as key milestones are reached. The ongoing work to optimise Tiger Brands' portfolio will ensure that the group is appropriately positioned for growth.

It is expected that the significant macro-economic challenges facing the country are likely to persist for the foreseeable future. In the context of structural unemployment, ongoing challenges relating to state-owned enterprises and increased competitive pressure, the operating environment is likely to remain subdued. To this end, we will prioritise investment in the group's key brands while delivering product innovations to meet changing consumer needs. In addition, Tiger Brands will leverage the strength of its brands by evaluating opportunities to stretch its brands within and across existing and new product categories.

In terms of Tiger Brands' Africa growth strategy, the company is looking to deliver organic growth by driving category growth through targeted brand investments, developing superior routes to market and investing in enabling capabilities.

To protect margins in a constrained consumer environment, the company has placed heightened focus on driving productivity and securing cost efficiencies across the value chain.

APPRECIATION

Thank you to our local and international shareholders for your continued investment in the company and to the broader investment community for their interest and engagement. I also thank my colleagues in the finance department who constantly strive towards best practice standards and disclosure and extend my gratitude to the audit committee for their guidance throughout the year.



Noel Doyle
Chief financial officer

21 November 2019

OPERATIONAL REVIEW

Grains



Revenue

R13,2bn ▲ 4%

(2018: R12,8 billion)

Operating income

R1,4bn ▼ 24%

(2018: R1,9 billion)

Operating margin

10,9%

(2018: 14,8%)

SALIENT FEATURES

- ✓ Jungle increases operating profit
- ✗ Increasing costs and competition, as well as subdued consumer behaviour, place pressure on margins

- ✗ Baking results negatively impacted by adverse pricing dynamics and small volume losses
- ✗ Pasta impacted by aggressively priced imports

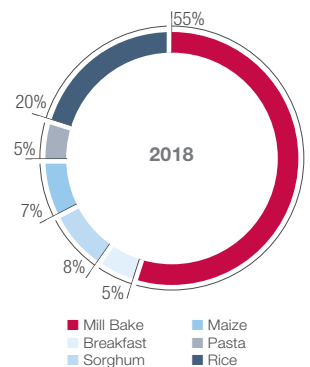
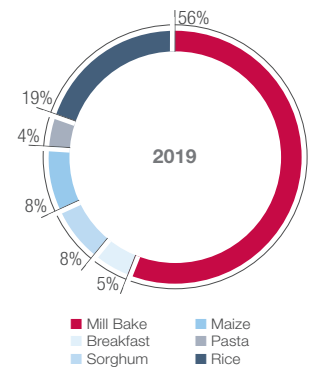
Revenue in the **Grains** division increased by 4% to R13,2 billion, while operating income decreased by 24% to R1,4 billion. Price inflation was insufficient to offset the impact of higher input costs. Overall operating margins consequently reduced to 10,9%.

Milling and Baking's revenue increased by 6%, with selling prices up 7% across the segment, slightly offset by a 1% decline in volumes. Operating income was down 20% to R1,2 billion. Within Maize, despite good volume growth, operating profit declined significantly as pricing pressures intensified. Bakeries experienced small volume losses, which were compounded by margin compression as the competitive environment did not allow for the full recovery of cost increases.

In **Other Grains**, revenue declined by 2% to R3,8 billion, driven by 3% price inflation but offset by volume declines of 5%. Volume declines were driven predominantly by lower volumes in Pasta as the category continues to be adversely impacted by low-price imports. Rice also had a disappointing year, being unable to recover cost push due to increased promotional activity in the category. Jungle benefited from price inflation, despite increased competition from private label in the core oats and ready-to-eat segments of the Breakfast category, achieving a marginal increase in operating income for the year.

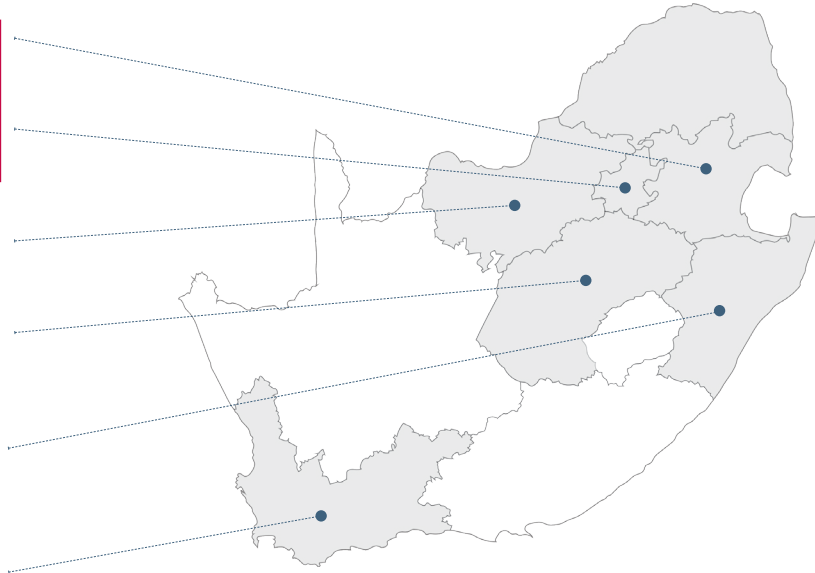
The lower volumes in Pasta and Rice had an adverse impact on factory efficiencies, with the overall operating income declining by 41% to R202 million.

We have continued to target cost savings across the value chain, including by identifying new procurement opportunities, and are looking to drive margin improvement by optimising the product mix, driving innovation in response to consumer insights, and delivering further efficiencies across the cost base.



OPERATING FACILITIES

- Mpumalanga**
 Milling and baking
 (Bakeries)
- Gauteng**
 Milling and baking
- North West**
 Sorghum-based breakfast
 and beverages
 (Potchefstroom)
- Free State**
 Milling and baking
- KwaZulu-Natal**
 Milling and baking (Bakeries
 and milling)
 Other grains (Rice)
- Western Cape**
 Milling and baking
 Other grains (Jungle)



#MYHERITAGE
 Perfect. Every time.

OPERATIONAL REVIEW CONTINUED

Consumer Brands – food



Revenue

R10,1bn ▲ 4%

(2018: R9,7 billion)

R9,4 billion (excluding VAMP) ▲ 9%
(2018: R8,7 billion)

Operating income

R494m ▼ 40%

(2018: R828 million)

R1,0 billion (excluding VAMP) ▼ 4%
(2018: R1,1 billion)

Operating margin

4,9%

(2018: 8,5%)

11,0% (excluding VAMP)
(2018: R12,5%)

SALIENT FEATURES

- ✓ Groceries' sales ahead of market with revenue up 7%
- ✓ Gains in market share across all segments within Beverages
- ✓ Strong performance from Oros and Energade contributes to double-digit volume growth in Beverages

- ✗ Absolute revenue and operational efficiencies negatively impacted by strike action early in the year
- ✗ Challenges in reopening VAMP, with launch logistics adversely impacting service levels
- = Revenue growth and share gains in Snacks and Treats, diluted by higher conversion costs

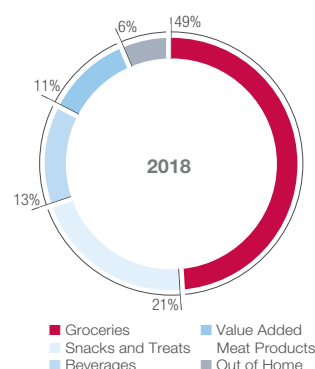
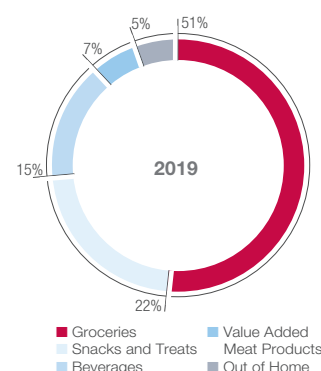
Consumer Brands – Food has continued to feel the impact of the Valued Added Meat Products (VAMP) operation. Excluding VAMP, the division delivered solid growth across the businesses, with Beverages enjoying a particularly strong performance. Total revenue increased 9% to R9,4 billion, underpinned by 3% price inflation and 6% volume growth, while operating income fell by 4% to R1,0 billion (excluding VAMP).

At **Groceries**, revenue was up 7% to R5,1 billion, underpinned by volume growth of 4% and price inflation of 3%. Despite this higher top-line growth, operating income was down 25% to R325 million, reflecting the impact of the three-week strike at the start of the financial year as well as supply challenges.

Revenue at **Snacks and Treats** increased 9% to R2,3 billion, off the back of 5% volume growth and average price increases of 4%. Growth was recorded across the portfolio, with the relaunch of Beacon and Maynards supported by focused marketing investment and successful in-store activations. Operating income was up 3% to R313 million.

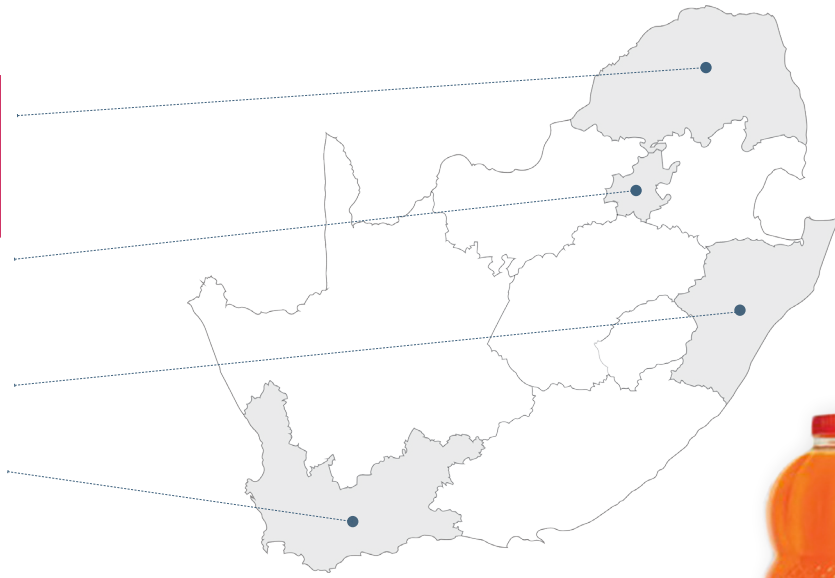
The **Beverages** business delivered another year of strong revenue growth with revenue up 19% to R1,5 billion, fuelled by a pleasing 14% volume growth, ahead of category growth. Market share gains were achieved as a result of effective in-store activations, strong marketing campaigns throughout the year and new launches performing ahead of expectations. Operating income rose 39% to R296 million, benefiting from recent investments in the plant. In addition, we gained market share across all segments in beverages with the exception of ready-to-drink.

Revenue at **VAMP** was down 39% to R654 million, impacted by challenges in managing the factory's reopening and product launch logistics. Despite excellent brand equity, revenue was impacted by distribution gaps and tactical pricing strategies. The lower factory throughput and delayed reopening, together with higher raw material costs, led to an operating loss of R547 million (2018: R252 million).



OPERATING FACILITIES

- Limpopo**
Groceries (Musina, Polokwane)
VAMP
- Gauteng**
Groceries (spreads, condiments and ingredients)
Beverages (Roodekop)
VAMP (Germiston)
- KwaZulu-Natal**
Snacks and Treats
- Western Cape**
Groceries (Paarl)



THE TASTE IS ON US

OPERATIONAL REVIEW CONTINUED

Home, Personal Care and Baby (HPCB)



Revenue

R2,7bn ▲ 20%

(2018: R2,2 billion)

Operating income

R546m ▲ 60%

(2018: R341 million)

Operating margin

20,4%

(2018: 15,3%)

SALIENT FEATURES

- ✓ Home Care recovered well from last year's poor pest season, with operating income up 60%
- ✓ Personal Care benefits from continuous improvement initiatives

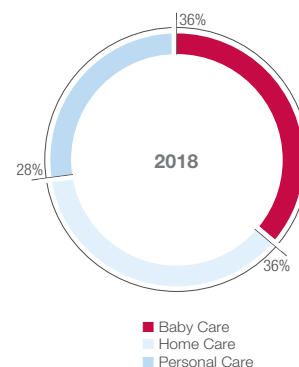
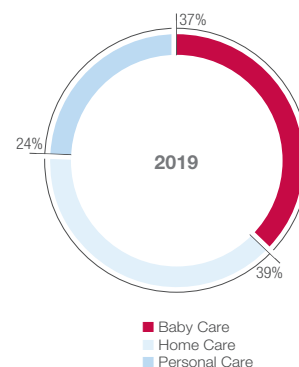
- ✓ Strong in-store execution and flavour innovations drive growth in baby food pouches ahead of market

HPCB's overall revenue increased 20% to R2,7 billion, with operating income up 60% to R546 million.

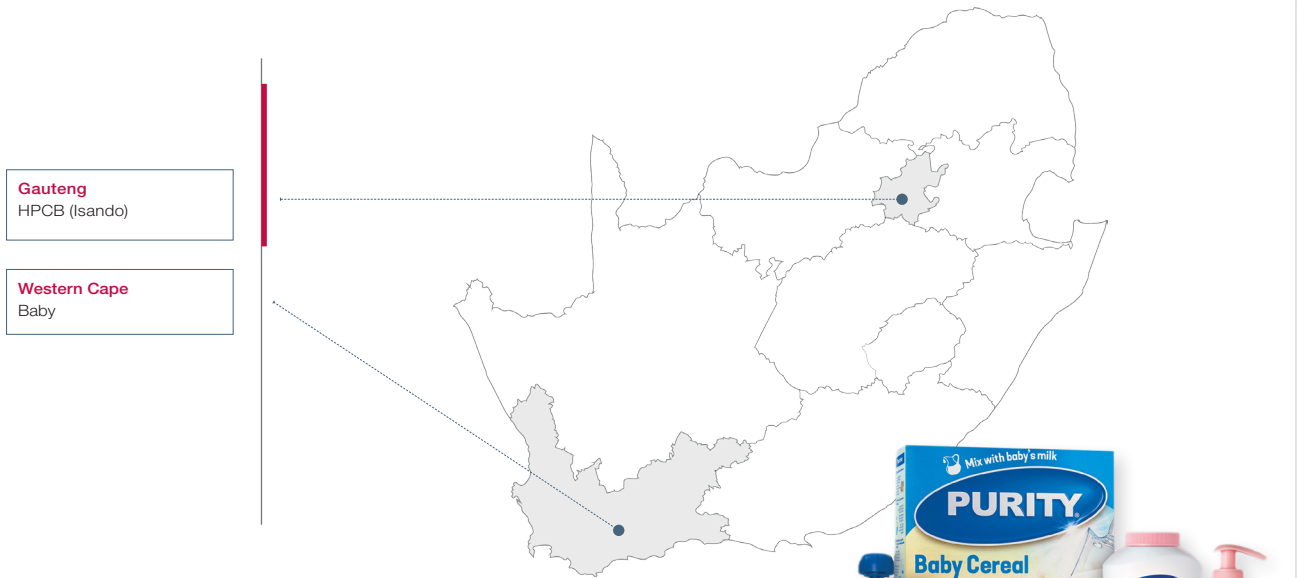
The **Home Care** category (including stationery) recovered strongly from last year's disappointing performance, with revenue growth up 29% to R1,1 billion. Operating income increasing strongly by 112% to R306 million as result of sustained demand in the pest category, improved product mix and lower factory costs. The higher production volumes had a positive effect on factory recoveries. This year we had a better pest season and the stock position was normalised.

In the **Personal Care** category, revenue was up 4% to R639 million, aided by inflation of 5%, partly offset by volume declines of 1%. Operating income increased by 37% to R89 million, supported by continuous improvement programmes in the factory as well as reduced promotional spend.

Baby Care grew revenue by 23% to R981 million, with the infant nutrition segment performing particularly well off the strength of the Purity brand. The pleasing 24% volume growth was driven by effective in-store execution, optimal pricing and improved distribution, particularly in pouches, resulting in market share gains across the nutrition portfolio. The benefit of improved volumes was partially offset by higher conversion costs, resulting in an increase in operating income of 14% to R151 million. Given increasing competitive pressure, we have retained a strong focus on innovation to underpin margin growth.



OPERATING FACILITIES



Helping your baby on its journey of a lifetime.



PURITY
It all begins with Purity.

OPERATIONAL REVIEW CONTINUED

Exports and International

Revenue

R3,2bn ▼ 11%

(2018: R3,7 billion)

Operating income

R212m ▼ 34%

(2018: R320 million)

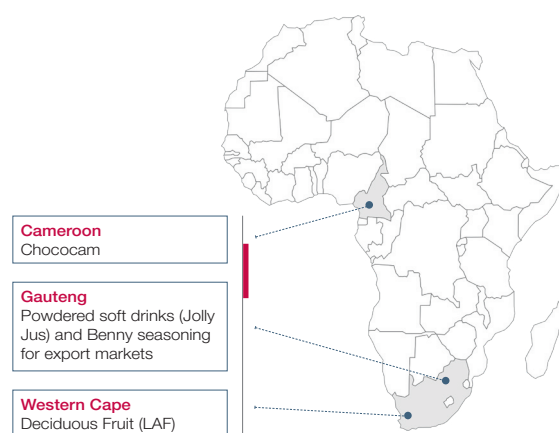
Operating margin

6,5%

(2018: 8,8%)

SALIENT FEATURES

- ✘ **Challenging market conditions in Mozambique, Zimbabwe and Nigeria impacted performance**
- ✔ **Improved offtake agreement in Deciduous Fruit**
- ✔ **Efficiencies realised through consolidation of facilities**
- ✔ **Profitability in Chococam off the back of sound cost management and favourable product mix**

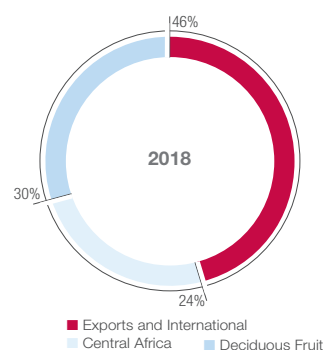
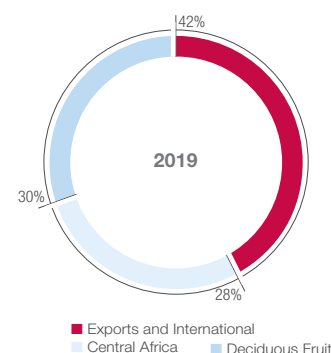


Total revenue for the **Exports and International** businesses declined by 11% to R3,2 billion, reflecting the challenging trading conditions particularly in Mozambique, as well as foreign currency shortages in Zimbabwe. The adverse performance of Exports was partially offset, however, by a significant recovery in the Deciduous Fruit business.

Revenue in **Deciduous Fruit** declined by 2% due to lower volumes as the drought in the prior year impacted opening stocks as well as the postponement of certain export shipments into the first quarter of FY20. The business recorded a significantly reduced operating loss of R8 million (2018: R128 million loss) due to favourable foreign exchange positions, as well as the benefits of operational restructuring implemented at the beginning of the year.

In line with the guidance provided earlier in the year, the **Exports** business was adversely impacted by operational issues in Mozambique, while exports to Zimbabwe were affected by ongoing macro-economic challenges resulting in foreign exchange shortages. Trading in Nigeria was affected by the transition to a new distributor in the first half of the year. Revenue declined by 18% to R1,5 billion, while operating income fell by 84% to R48 million.

In a difficult trading environment, Cameroon-based **Chococam** recorded a 3% revenue decline in local currency terms, as tactical pricing was implemented to sustain volumes. Revenue in rand terms increased by 3% to R906 million. Operating income was up 8% in rand terms to R172 million (2% in local currency), supported by favourable product mix and tight cost management.



Associates

Earnings

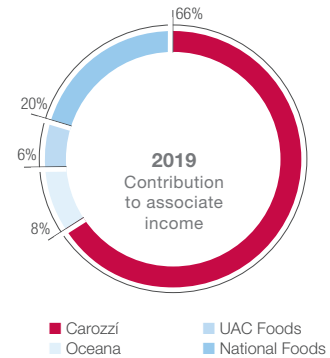
R371m ▼ 49%

(2018: R731 million)

Contribution to headline earnings

▼ to 17%

(2018: 28%)



As previously reported, the company ceased to equity account the earnings of Oceana with effect from 1 December 2018, following the decision in November 2018 to unbundle the company's investment in Oceana. The total income from associates is therefore not comparable with that of the prior year. Excluding Oceana, all other associates reported an increase in earnings.

Chile: Empresas Carozzi (24,4% held)

Empresas Carozzi S.A., a Chilean company headquartered in Santiago, is one of the largest and most respected South American food producers that has manufacturing operations in Chile, Peru and Argentina. Carozzi has two main business areas: fast-moving consumer goods and agro-industrial (business-to-business) products. Its main customer markets are Chile and Peru.

Chilean economic growth slowed amid the trade negotiations between the world's biggest economies that adversely impacted the copper price and other Chilean exports. The Peruvian economy has also seen negative effects while the impact of the recession in Argentina on the year under review was not material. Despite the challenging environment, the company's consolidated net revenues increased 4,1%, and earnings before taxes increased 1,1% (in local currency). The growth in FY19 was driven primarily by the fast-moving consumer goods segment.

Nigeria: UAC Foods (49,0% held)

UAC Foods is a leading manufacturer and marketer of convenience foods in Nigeria, with respected brands in snacks, dairy products and beverages. The snacks category comprises Gala sausage roll, Funtime cupcakes, Funtime coconut chips and the new Gala Chinchin (a popular regional fried snack). The dairy category includes the Supreme range of ice-cream and yoghurt products, while the beverage category includes Swan Natural Spring Water.

UAC Foods Limited's marginally improved performance this year is due to increased revenues arising from improved market penetration.

This improvement was despite operating in a highly competitive market that is yet to recover fully from a recession that has greatly curtailed consumers' purchasing power. Production capacity constraints impacted volumes in the water category.

Zimbabwe: National Food Holdings Limited (37,4% held)

National Foods is a leading branded food manufacturer in Zimbabwe. In addition to maize and flour milling, the company produces a range of food products, including stockfeed, snacks and treats, rice, peanut butter and oil. This has been another tough year for the company, as a result of the country's significant macro-economic challenges. Foreign currency shortages worsened in the past year and continue to create challenges for importers in settling foreign creditors.

The financial year saw the newly elected Zimbabwean government introduce reforms aimed at stabilising the economy. A local currency was reintroduced in February 2019. The reforms precipitated significant market corrections resulting in a decline in the value of the local currency and consequently significant inflation. The country also experienced a crippling drought and a devastating cyclone.

The group reported a profit growth supported by volume growth and improved margins. Performance was driven by the Maize and Stockfeeds divisions, partially offset by the Flour division.

WHO GOVERNS US

Tiger Brands' board of directors plays a critical role in the governing of the business. Its diversity lends important perspective and depth to the group's direction. We are therefore committed to building a board that is diverse in terms of race, gender and experience

NON-EXECUTIVE DIRECTORS

Khotso Mokhele



CHAIRMAN

64

Appointed
August 2007

Experience

- › General management and strategy
- › Risk management
- › Auditing and accounting
- › Governance
- › Stakeholder relations

Other directorships

Non-executive director of AECI, Afrox, MTN Group, Mapiitso Consortium, Hans Merensky Holdings, Kenosi Investment Holdings. Special advisor to the Minister of Science and Technology and chancellor of the University of the Free State

Committee memberships

- Nomination and governance (*Chair*)
- Investment (*Chair*)
- Remuneration (*Member*)

Monwabisi Fandeso



60

Appointed
July 2019

Experience

- › Executive leadership and strategy
- › Agriculture and tourism
- › FMCG Africa
- › Mergers and acquisitions
- › Stakeholder relations

Other directorships

Non-executive director of Thebe Investment Corporation, Empact Group and SABSA Holdings

Committee memberships

- Risk and sustainability (*Member*)
- Nomination and governance (*Member*)

Cora Fernandez



46

Appointed
March 2019

Experience

- › Finance and investment
- › Governance and general management
- › Leadership and strategy
- › Auditing and accounting

Other directorships

Non-executive director of Sphere Holdings, Spar Corporation, National Empowerment Fund and Allan Grey Retirement Funds

Committee memberships

- Risk and sustainability (*Chair*)
- Audit (*Member*)

Emma Mashilwane



44

Appointed
December 2016

Experience

- › Auditing and financial management
- › Governance
- › Corporate finance
- › Banking, finance and FMCG

Other directorships

Non-executive director of Murray & Roberts and Famous Brands. Co-founder and CEO of MASA Risk Advisory Services

Committee memberships

- Audit (*Chair*)
- Risk and sustainability (*Member*)

Makhup Nyama



62

Appointed
August 2010

Experience

- › General management
- › HR and remuneration
- › Governance
- › ICT
- › Remuneration and risk

Other directorships

Non-executive director of Marsh Inc, director of Zensar SA, Makhup Properties, Kapela Holdings and its subsidiaries

Committee memberships






- Risk and sustainability (*Member*)
- Social, ethics and transformation (*Member*)

Board committee membership key

- Audit committee
- Social, ethics and transformation committee
- Remuneration committee
- Nomination committee
- Risk and sustainability committee
- Investment committee




NON-EXECUTIVE DIRECTORS

EXECUTIVE DIRECTORS

Maya Makanjee	Donald Wilson	Mahlape Sello	Lawrence Mac Dougall	Noel Doyle
				
			CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER
57	62	57	62	53
Appointed August 2010	Appointed June 2019	Appointed October 2019	Appointed May 2016	Appointed July 2015
<p>Experience</p> <ul style="list-style-type: none"> > Strategy and general management > Stakeholder relations and reputation management > Human resources > Sustainable development > FMCG in Africa 	<p>Experience</p> <ul style="list-style-type: none"> > Finance and general management > Governance, leadership and strategy > Mergers and acquisitions > Stakeholder engagement 	<p>Experience</p> <ul style="list-style-type: none"> > Legal and commercial > General management and leadership > Governance and strategy > Stakeholder relations 	<p>Experience</p> <ul style="list-style-type: none"> > General management > Strategy execution > FMCG in Africa and developing markets 	<p>Experience</p> <ul style="list-style-type: none"> > Accounting and auditing > Corporate finance > Mergers and acquisitions > FMCG in South Africa and Africa
<p>Other directorships</p> <p>Non-executive director of Mpact, Truworths International, Datatec, AIG South Africa, trustee of Nelson Mandela Foundation</p>		<p>Other directorships</p> <p>Non-executive director of Life Healthcare Group Holdings Limited. Member of International Court of Arbitration of the ICC Council and a panellist with the Arbitration Foundation of Southern Africa</p>	<p>Other directorships</p> <p>Non-executive director of Empresas Carozzi (Chile)</p>	<p>Other directorships</p> <p>Non-executive director of National Foods Holdings (Zimbabwe)</p>
<p>Committee memberships</p> <ul style="list-style-type: none"> ■ Social, ethics and transformation (<i>Chair</i>) ■ Nomination and governance (<i>Member</i>) ■ Remuneration (<i>Member</i>) 	<p>Committee memberships</p> <ul style="list-style-type: none"> ■ Audit (<i>Member</i>) ■ Remuneration (<i>Member</i>) ■ Investment (<i>Member</i>) 		<p>Committee membership</p> <ul style="list-style-type: none"> ■ Social, ethics and transformation (<i>Member</i>) 	

WHO GOVERNS US CONTINUED

NON-EXECUTIVE DIRECTORS

<p>Mark Bowman</p> 	<p>Michael Ajukwu</p> 	<p>Gail Klintworth</p> 
<p>53</p> <p>Appointed June 2012</p> <p>Experience</p> <ul style="list-style-type: none"> > Strategy and general management > FMCG sector in Africa > Corporate governance > Mergers and acquisitions > Remuneration 	<p>63</p> <p>Appointed March 2015</p> <p>Experience</p> <ul style="list-style-type: none"> > Stakeholder relations > Risk and general management > Corporate finance > West Africa > Banking, finance and FMCG 	<p>56</p> <p>Appointed August 2018</p> <p>Experience</p> <ul style="list-style-type: none"> > General management and governance > Sustainability leadership and strategy > Stakeholder relations > Brand and reputational management > Marketing
<p>Other directorships</p> <p>Non-executive director Dis-Chem, Mr Price Group, Grand Parade Investments Limited, Signal Mill Products and The Alternative Power (Pty) Ltd</p>	<p>Other directorships</p> <p>Non-executive director of MTN Nigeria, Intafact Beverages (subsidiary of SABMiller) in Nigeria, Sterling Bank Plc, Novotel hotel and Port Harcourt, Nigeria (member of Accor Hotels group)</p>	<p>Other directorships</p> <p>Non-executive director of GlobeScan, advisory board member to MAS Holdings and NESTE, advisory group member for SIG, advisory council member of Wheeler Business and Development Institute, London Business School and partner at SYSTEMIQ</p>
<p>Committee memberships</p> <ul style="list-style-type: none"> ■ Remuneration (<i>Chair</i>) ■ Nomination and governance (<i>Member</i>) ■ Investment (<i>Member</i>) 	<p>Committee membership</p> <ul style="list-style-type: none"> ■ Risk and sustainability (<i>Member</i>) 	<p>Committee membership</p> <ul style="list-style-type: none"> ■ Social, ethics and transformation (<i>Member</i>)

EXECUTIVE COMMITTEE

Lawrence Mac Dougall



CHIEF EXECUTIVE OFFICER

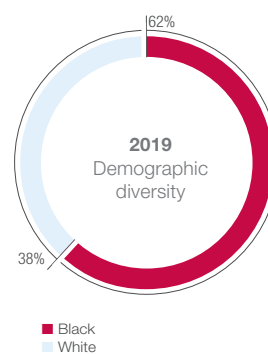
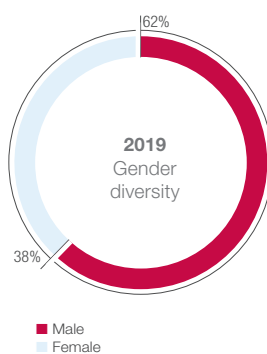
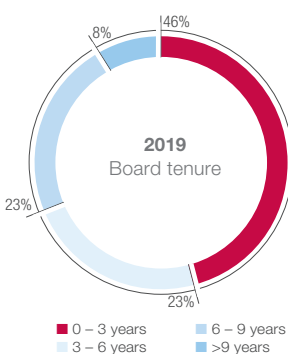
62

Appointed May 2016

Experience

- > General management
- > Strategy execution
- > FMCG in Africa and developing markets

■ All our non-executive directors are independent as determined by the board. Any term in office by an independent non-executive director exceeding nine years is subject to a rigorous review by the board. Dr Khotso Mokhele completed 12 years of service as a non-executive director on 30 September 2019. After taking into account, among other considerations, the extent to which the diversity of his views, skills and experience continue to enhance the board's effectiveness, the board is satisfied that Dr Mokhele's independence is not impaired by his length of service.



The board is determined to achieve a target of 50% women and black representation, respectively by end of FY22.

Noel Doyle



CHIEF FINANCIAL OFFICER

53

Appointed July 2012

Experience

- > Accounting and auditing
- > Corporate finance
- > Mergers and acquisitions
- > Governance
- > FMCG in South Africa and Africa

Mary-Jane Morifi



CHIEF CORPORATE AFFAIRS AND SUSTAINABILITY OFFICER

57

Appointed December 2016

Experience

- > Corporate affairs
- > Sustainability
- > Oil, gas and mining sectors

Becky Opdyke



CHIEF MARKETING OFFICER

40

Appointed October 2018

Experience

- > FMCG in USA, SA and globally
- > Marketing and brand leadership
- > Commercial

Patrick Sithole



CHIEF SUPPLY CHAIN OFFICER

52

Appointed August 2012

Experience

- > FMCG
- > Supply chain management

Luigi Ferrini



CHIEF CUSTOMER OFFICER

52

Appointed May 2019

Experience

- > FMCG in South Africa and globally
- > Sales strategy and execution
- > Customer management and customer relations

Kamal Harilal



CHIEF STRATEGY OFFICER

46

Appointed April 2018

Experience

- > FMCG in South Africa and Africa
- > Strategy development and execution
- > Mergers and acquisitions
- > Corporate finance

S'ne Magagula



CHIEF HUMAN RESOURCES OFFICER

46

Appointed May 2018

Experience

- > Human resources strategy and leadership
- > Oil and gas sector in South Africa and Europe
- > Business strategy development and execution

Yokesh Maharaj



CHIEF GROWTH OFFICER: CONSUMER BRANDS

47

Appointed July 2018

Experience

- > FMCG in South Africa and Africa
- > Sales and distribution
- > Human resources

Pieter Spies



CHIEF GROWTH OFFICER: GRAINS, OUT OF HOME

54

Appointed February 2017

Experience

- > Executive leadership in FMCG and agricultural sectors in Africa
- > Strategy development and execution

Clive Vaux



EXECUTIVE: CORPORATE FINANCE

68

Appointed June 2000

Experience

- > Executive leadership in FMCG
- > Corporate finance

CREATING VALUE THROUGH GOOD GOVERNANCE


















The Tiger Brands board provides effective leadership and strategic direction in the best interest of the company and its stakeholders. The board embraces the principles of ethical leadership and good corporate governance aligned to the King IV Report on Corporate Governance, the JSE Listings Requirements, the Companies Act and other relevant laws and regulations. In executing its mandate, the board regularly reviews its business model to ensure that it supports long-term value creation, that effective systems of risk management and internal control are in place, and that a culture of ethical leadership has been established across the group.

In this year's integrated annual report, we have chosen to provide a summarised review of those governance activities pertaining to value creation. This includes an overview of the skills and diversity of our leadership team (page 50), a review of the board's main focus areas of discussion during the year (page 55), and a detailed summary of our remuneration policies and practices (pages 57 to 82). Additional information on our governance policies and activities, including on the application and explanation of the King IV principles, is available online at www.tigerbrands.com/investor.

	Board	Special board	Audit committee	Special audit committee	Risk and sustainability committee	Remuneration committee	Nomination and governance committee	Special nomination and governance committee	Social, ethics and transformation	Ad hoc: investment
Number of meetings	6	6	3	1	3	4	4	1	3	4
KDK Mokhele	6	6				4	4	1	2	4
MO Ajukwu	6	6	–		3					
MJ Bowman	6	5	2			4	4	1		4
NP Doyle	6	6								
MP Fandesio	3	3								
CH Fernandez	4	4	2		2					
GA Klintworth	6	6							1	
LC Mac Dougall	6	6							3	
M Mankanjee	5	5				4	3	1	3	
TE Mashilwane	6	6	3	1	3					
MP Nyama	6	6			2	2	2		3	
DG Wilson	3	3	1			1				1
YGH Suleman	1	1	1	1	1					1

1. CH Fernandez was appointed to the board on 1 March 2019
2. MO Ajukwu was appointed as member of the audit committee on 21 November 2018 and ceased to be a member on 1 June 2019
3. MJ Bowman was appointed as member of the audit committee on 2 November 2018 and ceased to be a member on 1 June 2019
4. GA Klintworth was appointed as member of the social, ethics and transformation committee on 1 March 2019
5. MP Fandesio was appointed to the board on 1 July 2019
6. MP Nyama was appointed as member of the risk and sustainability committee and ceased to be a member of the remuneration and nomination governance committees on 1 March 2019
7. DG Wilson was appointed to the board and as member of the audit, remuneration and investment committees on 1 June 2019
8. KDK Mokhele ceased to be a member of the social, ethics and transformation committee on 1 March 2019
9. YGH Suleman resigned as director on 22 November 2018

The following table briefly reviews the main areas of discussion and review by the board and its sub-committees during the year, in fulfilling its fiduciary responsibility of ensuring long-term value growth in accordance with its charter, corporate governance standards and applicable regulatory and legislative requirements.

	 DRIVE GROWTH	 BE EFFICIENT	 GREAT PEOPLE	 SUSTAINABLE FUTURE
BOARD	COMMITTEE		STRATEGY	
Strategy review				
<ul style="list-style-type: none"> > Deep dived into challenges affecting the business operating environment > Tracked the business performance against the group's strategy > Monitored milestones of group strategic pillars aimed at driving the 2022 strategy 	Board		   	
Good governance, succession planning and leadership				
<ul style="list-style-type: none"> > Assessed board structure for its experience, skills, diversity and ability to create value > Identified and assessed skilled candidates for potential board appointments > Assessed directors retiring by rotation > Assessed independence of the non-executive directors > Commissioned external board performance review > Reviewed induction programme for new non-executive directors appointed during FY19/20 > Conducted performance assessment of chairman and CEO > Monitored the succession plans for chairman, CEO and key executives > Approved appointments of new directors on the board 	N&G N&G N&G N&G N&G N&G N&G Board			
Risk management				
<ul style="list-style-type: none"> > Reviewed risk appetite and risk tolerance > Reviewed business and group risks and ensured management actions are implemented 	R&S R&S		   	
Investment and divestment decisions				
<ul style="list-style-type: none"> > Assessed investment opportunities identified in strategic planning process > Made recommendations on Oceana group investment > Approved sale of Oceana shares to Brimstone and Oceana unbundling transaction > Attended to post-investment reviews 	INVCO INVCO Board INVCO			
VAMP business				
<ul style="list-style-type: none"> > Approved the relaunch of the VAMP business > Monitored status of VAMP insurance claims, accounting treatment and related disclosures 	Board Board		 	
Occupational health				
<ul style="list-style-type: none"> > Considered the work undertaken within the Occupational Health Framework with regard to implementation of the Occupational Health Strategy > Approved the Firearm and Human Rights policies 	R&S Board			

Committees:

AC – audit committee

SETCO – social, ethics and transformation committee







REMCO – remuneration committee

N&G – nomination and governance committee

R&S – risk and sustainability committee

INVCO – investment committee

CREATING VALUE THROUGH GOOD GOVERNANCE CONTINUED

BOARD	COMMITTEE	STRATEGY
IT security and business continuity		
> Conducted an IT security assessment	R&S	
> Progressed on the implementation plans on cybersecurity	R&S	
> Monitored implementation of business continuity plans across the business	R&S	
> Approved IT governance charter and framework	Board	
Remuneration		
> Engaged shareholders on remuneration policy	REMCO	
> Approved the remuneration strategy amendments for implementation in FY20	REMCO	
> Considered outcome of the benchmarking exercise	REMCO	
> Approved performance target for the CEO and CFO	REMCO	
Transformation		
> Approved the BBBEE strategy for 2022 and the implementation plans	SETCO	 
> Monitored progress on the transformation and culture journey	SETCO	
> Prioritised transitioning contingency labour to permanent workforce	SETCO	
Ethics		
> Monitored organisational ethics	SETCO	
> Progressed in addressing the reported ethics matters	SETCO	
Stakeholder relations and sustainability		
> Monitored relationship with Consumer Goods and Services Ombudsman; progressed on consumer complaints	SETCO	
> Monitored implementation of socio-economic development (SED) strategy and Enterprise Development initiatives	SETCO	
> Monitored engagement with stakeholders and regulators	SETCO	
Budget and financial controls		
> Approved capital expenditures for our business operations	Board	
> Approved the group's budget 2019/2020	Board	
> Approved the dividend cover	Board	
> Approved amendments to the foreign exchange and hedging policy	Board	
Audit processes		
> Completed the audit plan including mapping to the group register	AC	
> Approved the policy on the use of external auditors for non-audit services	AC	
> Approved the internal audit charter and structure	AC	
> Reviewed the outcomes of impairment assessments	AC	
> Reviewed and recommended the proposed share repurchase programme	AC	
> Considered contract management systems	AC	
> Recommended the annual financial statements, integrated and sustainable development reports to the board for approval	AC	
> Considered the reports of the internal and external auditors on the group's systems of internal control, including financial controls	AC	
> Considered the independence of external auditors	AC	

Committees:

AC – audit committee

REMCO – remuneration committee

R&S – risk and sustainability committee

SETCO – social, ethics and transformation committee

N&G – nomination and governance committee

INVCO – investment committee

The board performance and effectiveness assessment

The outcomes of this assessment can be found on page 7.

REMUNERATION REPORT

Section 1: Background statement



STATEMENT FROM THE CHAIRMAN OF THE REMUNERATION COMMITTEE

DEAR STAKEHOLDER

On behalf of the remuneration committee (the committee), I am pleased to present the 2019 remuneration report which, in compliance with best practice reporting as recommended by the King IV™ Report on Corporate Governance for South Africa (King IV™ Code for Corporate Governance), highlights:

- › Key components of our remuneration policy
- › Alignment of our remuneration policy with the Tiger Brands business strategy and priorities
- › Implementation of the policy for the 2019 financial year (FY19)

During the period under review we focused our efforts on ramping up the execution of our four strategic priorities:

1. **Drive Growth:** Winning category, channel and customer strategies.
2. **Be Efficient:** Cost-conscious and an integrated supply chain.
3. **Great People:** A winning mindset and great place to work.
4. **Sustainable Future:** Health and nutrition, enhanced livelihoods and environmental stewardship.

The focus on these priorities is placing the company in a better position to react appropriately to prevailing market conditions.

During the period under review, various changes were made to the remuneration strategy and policy to align with market practices and drive further alignment on critical business key performance indicators (KPIs) to measure and reward performance against our strategy. To this end, the remuneration committee approved the implementation of a revised short-term incentive (STI) scorecard that creates a balance between the focus on financial and sustainability measures and a move from the allocation of share appreciation rights (SARs) to the allocation of full value shares with performance conditions for members of the executive committee, including the CEO, CFO, executive directors, prescribed officers and a combination of performance shares and restricted shares for senior management and below, to ensure that the long-term incentive scheme (LTI) remains competitive. This revised incentive structure is simple, easily understood by participants and creates a better and longer-term alignment of management's interests with that of stakeholders. The new incentive structure enhances our reward framework, which follows a "Total Reward" approach, consisting of salary, a range of market relevant benefits and professional growth opportunities that recognise individual contributions, as well as performance. This holistic approach enables us to attract, motivate and retain high-performing people (see further details on page 60).



REMUNERATION REPORT CONTINUED

SHAREHOLDER VOTING OUTCOMES

In line with our commitment to remunerate our people in a fair and equitable manner, we maintain strong relationships with stakeholders, and strive towards high standards of disclosure of our remuneration approach to ensure that there is a clear understanding of our remuneration policy and the practices that have been implemented.

The non-binding advisory votes by shareholders at the 2019 and 2018 annual general meetings (AGM) are summarised as follows:

% vote in favour	February 2019	February 2018
Remuneration policy	76,33%	73,41%
Remuneration implementation	99,42%	82,59%
Non-executive directors' fees	97,45%	99,80%

The following common themes were highlighted by shareholders:

SHAREHOLDER FEEDBACK	REMUNERATION COMMITTEE ACTION/RESPONSE
Matching plans are considered contrary to best practice especially if awarded without specific performance criteria.	Deferred bonus shares and company matching shares will be discontinued from FY20.
The vesting scale for Share Appreciation Rights (SARs) does not include sufficient stretch.	The long-term incentive scheme design does not include SARs as an instrument from FY20. Performance vesting shares will be awarded to members of the executive committee, with revised vesting conditions. The revised vesting conditions are broad enough to create a balance between entry and stretch targets on the vesting scale. Details on pages 66 and 67.
Non-executive directors are paid hourly fees for extra work and additional meetings attended. This may affect their ability to function independently.	The payment of hourly fees was discontinued with effect from 1 October 2018. The payment of NED fees for additional meetings over and above the standard meetings, will only be permitted at the discretion of the chairman of the remuneration committee and chairman of the board. Detailed disclosure on additional payments, if made, to be included in the remuneration report.

SHAREHOLDER ENGAGEMENT

The remuneration committee is committed to shareholder engagement and will take the following steps if 25% or more of total votes exercised by shareholders at the upcoming AGM are against the remuneration policy or implementation report:

- › Tiger Brands will seek to actively engage with dissenting shareholders by inviting them to one-on-one meetings and, where necessary, will issue a SENS announcement requesting shareholders to appropriately engage on their specific concerns; and
- › Tiger Brands will consider the shareholder concerns and report on the outcome of the engagements and measures taken, in its next integrated report.

REMUNERATION COMMITTEE OBJECTIVES AND ACTIVITIES FOR FY19

In FY19 the committee undertook the following activities:

- › Approved total remuneration packages (TRP) salary increase mandate;
- › Approved the remuneration for executive directors, prescribed officers and senior management;

- › Approved the redesign of the STI scorecard and LTI instruments;
- › Approved the STI and LTI performance conditions, targets and weightings in respect of FY19/20;
- › Approved the adjustments to LTIs as a consequence of the unbundling of Oceana;
- › Approved the non-executive directors' (NEDs) fee increases; and
- › Re-evaluated the effectiveness of the current BBBEE share scheme.

FOCUS AREAS FOR FY20

The committee is committed to remaining up to date with the latest remuneration market trends and best practice, business needs, as well as our responsibilities to our people, shareholders and communities to ensure that our remuneration practices are aligned to the business strategy.

Key focus areas include:

- › Embed the STI integrated scorecard to align our people with business objectives;
- › Cement and refine our approach to monitor and address identified pay inequities;
- › Continue to review our reward mechanisms and practices with a view to introducing innovative reward strategies to:
 - ✓ Ignite winning performance; and
 - ✓ Attract, retain and motivate key talent.

EXTERNAL ADVICE PROVIDED TO THE COMMITTEE IN FY19

In reviewing our remuneration offering to ensure that it is competitive, fair, transparent and responsible, we enlisted the services of PwC South Africa and Vasdex Associates to assist us with design, market practice and survey data. The committee is satisfied that PwC South Africa and Vasdex Associates are independent.

VOTING AT AGM

As required by the King IV Code on Corporate Governance, the remuneration policy and implementation report which follows will be tabled for separate non-binding advisory votes by shareholders at the upcoming AGM. As required by the Companies Act, non-executive directors' fees for the coming year will be put to shareholders by way of a special resolution. We encourage all shareholders to provide feedback on their position on the various voting requirements. We are committed to engaging with shareholders as required to discuss issues of concern.

On behalf of the committee, I am confident that our remuneration policy has achieved the desired outcomes for FY2019 and is aligned with the company's strategic goals.



Mark Bowman

Chairman – Remuneration committee

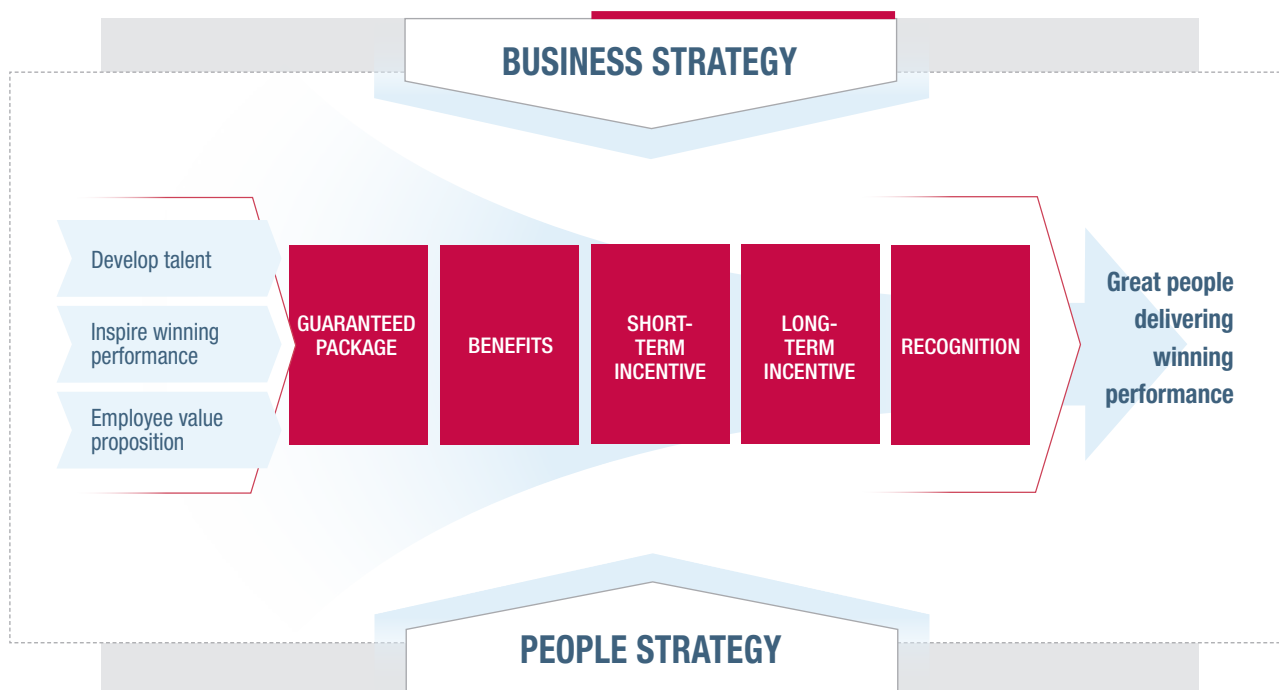
4 November 2019

REMUNERATION REPORT CONTINUED

Section 2: Overview of remuneration policy

TIGER BRANDS PEOPLE STRATEGY

The remuneration strategy is aligned to the Tiger Brands people strategy, which is directly linked to our business strategy and it combines the three pillars of **TALENT, LEADERSHIP AND GREAT PLACE TO WORK** underpinned by the foundation of **EXECUTION EXCELLENCE**. Our remuneration principles have been designed to drive the execution of the people strategy, in the belief that great people and great brands are at the core of our success. Our reward framework is holistic, encompassing the monetary elements of reward, as well as non-financial aspects such as growth, development and the work environment.



The following key objectives of our remuneration policy drive the Tiger Brands people strategy:

- › Strengthen our ability to competitively attract and retain talent to enable the execution of our strategy;
- › Align Tiger Brands' annual and long-term performance to the delivery of the strategy;
- › Align Tiger Brands' people performance with shareholder interests;
- › Motivate and stimulate high performance across Tiger Brands through competitive short and long-term incentives;
- › Cement the foundation for fair and responsible pay we have already built; and
- › Ensure that reward mechanisms are simple and provide line of sight to all employees.

The following tables summarise the various remuneration elements (guaranteed package, short-term incentive and long-term incentive) that Tiger Brands offers at different levels of employment:

GUARANTEED PACKAGE (EXCLUDING BARGAINING UNIT PEOPLE)

Description

Guaranteed package (GP) offered to people on a total remuneration package (TRP) comprises base pay, allowances, retirement and medical benefits. It is reviewed annually based on personal performance (KPIs based on a balanced scorecard that includes financial and non-financial metrics), business performance (linked to budget), behaviours aligned with the company values and market competitiveness (national and sector benchmarks).

Benchmarks

Benchmarking for executive directors and prescribed officers is based on a peer group of companies. The peer group is determined using the closeness metric formula, based on:

Turnover	Total assets
Operating income before tax	EBITDA
Number of people	Market capitalisation

Companies included in the peer group comprise:

Factor	Executive directors and prescribed officers	Rest of exco, senior management and below
Survey type	Bespoke survey Public data of South African companies listed on the JSE, based on the closeness metric is used to determine an appropriate peer group	REMchannel survey
Comparator group	Aspen Pharmacare Ltd Bid Corporation Ltd Distell Group Ltd Imperial Holdings Ltd	Massmart Holdings Ltd Pick n Pay Stores Ltd Pioneer Foods Ltd RCL Foods Ltd
	Remgro Ltd Shoprite Holdings Ltd The Spar Group Ltd Woolworths Holdings Ltd	National and consumer goods circles

The peer group is reviewed on a bi-annual basis.

Anchor point	Tiger Brands has anchored its current pay position at the 65th percentile of the national market, where a normal distribution around the anchor point is based on individual performance, talent/potential, experience and in certain instances, tenure. It is important to note that guaranteed packages are not automatically adjusted to the anchor point. The performance-based increases granted in the organisation (including those for executive directors and prescribed officers) are managed within the overall salary increase budget and the pay progression model as discussed below.
Benefits	Benefits include retirement fund contributions, funeral cover, permanent health insurance, death-in-service cover, medical aid contributions and travel allowances (where applicable).
Pay progression model	The intention of the pay progression model is to competitively reward performance and to actively align our remuneration to the market. The pay progression model will, gradually over time and within the confines of our salary increase budget, correct the guaranteed packages for high-performing people to align them closer to the market. The model considers the employee's salary positioning in relation to the pay scale as well as performance when granting an increase whilst ensuring that the company remains within the overall salary budget.

REMUNERATION REPORT CONTINUED

SHORT-TERM INCENTIVE

Description and link to strategy

In FY17, we revised the operating model for Tiger Brands to help maximise the potential of our people in line with our business goals. To ensure that our reward approach is aligned with our integrated operating model, we have revised and simplified the STI scheme to align the contributions of all our people to a One Team Tiger bottom line, thereby creating greater potential for reward across the board. The STI scheme is summarised below.

Summary of changes for FY19

- › STI formula change – to drive performance and ensure retention, the company has moved away from the multiplicative approach, which was an “all or nothing” approach, to an additive approach that provides participants with an opportunity to earn the STI based on individual elements (financial and non-financial) of performance delivered. To improve line of sight between individual contribution, team and business performance, the STI scheme now includes an Individual Performance Factor at a weighting of 20%;
- › Inclusion of an integrated group STI scorecard for the whole of Tiger Brands with a greater focus on sustainability measures to align teams on a One Tiger bottom line; and
- › Revision of group, business unit and individual performance factors and weightings.

The primary intention of the STI is to improve business performance by focusing participants’ attention on key financial, strategic, functional and personal performance objectives (KPIs based on a balanced scorecard), which are aligned with the long-term business strategy for sustainable value creation. This drives high performance by explicitly creating line of sight in linking group, business unit and individual performance.

Target and maximum

The following ranges of STI awards apply to the various categories of people covered by this report:

	On-target guaranteed package %	Maximum of on-target amount %
CEO, CFO and executive directors	60	200
Prescribed officers	50	200
Other participants (Paterson grades CU to E band)	8,5 to 30	200

- › All permanent employees on a guaranteed package in Paterson grades CU and above, are eligible to participate. Previously CU employees were not eligible to participate; however, to better align our people and motivate winning performance, we have included this group in the STI.
- › The STI is paid annually in cash to qualifying people who are employed by the organisation on the payment date.
- › The on-target percentage (as a percentage of guaranteed package) is benchmarked against the South African market to ensure we are aligned with market practice. It is based on affordability and the STI payment is based on achieving the defined objectives.
- › The STI outcomes are determined based on a multiple of the on-target percentage of guaranteed package, which comprises three performance factors:
 - ✓ A group performance factor focused on group financial and non-financial metrics.
 - ✓ A business unit performance factor focused on business unit financial and non-financial metrics.
 - ✓ An individual performance factor focused on individual performance objectives and allows for differentiation in rewarding high performers.

Payment of an STI is subject to the overriding condition that the group/business unit meets or exceeds the agreed entry threshold in respect of its earnings before interest and tax (EBIT).

Calculation

STI = Annual guaranteed package X on target % X {group performance factor (0 to 200%) + business unit performance factor (0 to 200%) + Individual Performance Factor (0 to 200%)}.

Predetermined weightings will be applied to each of the performance factors. In respect of the Individual Performance Factor, participants will be rated on a rating scale ranging from 1 (poor performer) to 5 (exceptional performer).

Group and business unit performance factors

The underlying values and weightings for each KPI are set and approved by the remuneration committee in advance of each year to determine parameters for the STI in the form of a balanced scorecard. Below is the group STI scorecard for FY19 that applied to the CEO, CFO, executive directors, prescribed officers and other participants:

Strategic objective	Strategic objective weighting	Key performance indicator	Key performance indicator weighting	Score = 50%	Score = 100%	Score = 200%
Growth*,**	60%	Sales volume growth	10%	40,0%	100,0%	140,0%
		Absolute gross margin	10%	98,6%	100,0%	103,6%
		PBIT	40%	98,6%	100,0%	103,6%
Efficiency*,**	10%	Cost savings initiatives	5%	98,6%	100,0%	123,4%
		Net working capital	5%	101,2%	100,0%	97,7%
People and sustainability*	30%	Quality	10%	Reduction in execution-related marketplace incidents year-on-year by		
				10%	15%	20%
		Safety (LTIFR)	10%	120,0%	100,0%	80,0%
		BBBEE score	10%	Level 7 (60 to 61)	Level 7 (61.1 to 65)	Level 6

* The actual targets have not been provided as they are linked to budget and considered commercially sensitive information.

** For the key performance indicators within the growth and efficiency strategic objectives, the targeted percentages for "threshold", "on-target" and "stretch" as set out above per key performance indicator represent the targeted percentage achievement of the underlying budgeted amounts.

The group, business unit and individual weightings applicable to the various employee categories are detailed below:

Employee category	Group	Business unit	Individual
CEO, CFO and executive directors	80%	0%	20%
Prescribed officers	80%	0%	20%
Other participants (Paterson grades CU to E band)	10% to 40%	40% to 70%	20%

LONG-TERM INCENTIVE – MANAGEMENT (PATERSON GRADE D AND ABOVE)

Description

To ensure that we align our reward approach to our integrated operating model, we have revised and simplified the LTI for FY20 to consider the following:

- › Strengthen our ability to competitively attract and retain talent to enable the execution of our business strategy; and
- › Align Tiger Brands' management's performance to our long-term strategy and, in particular, to unleashing the power of our people objective.

The original Tiger Brands 2013 Share Plan (LTIP) comprised the following instruments:

- › Performance vesting shares (full value shares with a three-year vesting period, performance vesting criteria linked to the FINDI30 Index in terms of shareholder return)
- › Restricted shares issued as bonus-matching shares (full value shares with a three-year vesting period, no performance criteria)
- › Restricted shares issued as deferred bonus shares and company-matching shares (full value shares with a three-year vesting period, no performance criteria)

- › Restricted shares as retention specific shares for African, Coloured and Indian (ACI) employees in D band and above (full value shares with a three-year vesting period, no performance criteria)
- › Share appreciation rights (SARs).

The allocations of SARs were subject to performance vesting criteria. Apart from a 5% vesting of the third tranche of SARs allocated in FY14, all the tranches of SARs allocated in subsequent financial years that would have vested in FY19 have been forfeited due to performance criteria not having been met. Any continuation of this trend is of concern to the company as the mechanism is ineffective in providing key people with a vested interest in the company.

In mitigation of this risk, the committee approved the reintroduction of the award of performance shares, ie full value shares that are subject to performance conditions, with effect from FY20. At the same time, the company will also commence with the grant of restricted shares on a "specific retention basis". The allocation of SARs will thus be discontinued going forward.

REMUNERATION REPORT CONTINUED

The practice of the grant of restricted shares in the form of “bonus-matching shares” (which were linked directly to the achievement of an STI in the previous financial year) will be discontinued as from FY20. In addition, as from FY20, the voluntary deferral of a portion (25%, 33% or 50%) of participants’ STI awards into restricted shares (“deferred bonus shares”) which are matched by the company on a 1:1 basis in the form of “company-matching shares” will be discontinued (due to shareholders raising best practice concerns and a historical low uptake from participants). All previous grants of bonus-matching shares, deferred bonus shares and company-matching shares will continue to vest in accordance with the rules of the LTIP.

Below is a description of the share instruments utilised in FY19

Share Appreciation Rights

The last grant of Share Appreciation Rights was made on 5 June 2019. The following multiples of Share Appreciation Rights, based on guaranteed package, applied to the employee categories shown below:

Value of awards

Employee category	% of guaranteed package
CEO	120%
CFO	120%
Prescribed officers and executive directors	110%

Performance metrics

The allocations of SARs during the 2019 financial year are subject to the performance criteria as set out in the table below:

Metric	Measurement	Weight	Metric
HEPS (real HEPS growth)	Compound annual growth	50%	Full vesting: HEPS = > CPI + rate of growth in GDP (measured on an annual compound basis over the applicable period) Pro rata vesting on a linear scale: HEPS growth > CPI but below CPI + GDP rate. No vesting if HEPS < = CPI
ROIC	Average ROIC measured over three, four and five years for each one-third tranche	50%	ROIC < WACC +1% No vesting ROIC = WACC +1% 25% vesting ROIC > WACC +1% but < WACC +2% Pro rata vesting on a linear scale ROIC => WACC +2% 100% vesting

HEPS: Headline earnings per share

ROIC: Return on invested capital (after tax)

Calculation

The number of SARs at allocation date is determined as follows: SARs = (GP x SARs multiple/share price) x PDT multiplier. A performance differentiation tool (PDT) is used to modify the standard quantum of SARs, based on an individual’s personal performance, leadership and ability. This is a discretionary percentage ranging from 0% to 200%.

Share price

The share price is determined based on the volume-weighted average price (VWAP) of a Tiger Brands share for the 10 trading days before the allocation date.

Vesting

In addition to meeting the required performance conditions, vesting is time-based according to the following pattern:

	Year from allocation date					
	0	1	2	3	4	5
Vesting				1/3	1/3	1/3

For SARs allocated in December 2016, September 2017 and December 2017, the performance vesting condition is as follows:

Metric	Weight	0% vesting	Maximum 100% vesting
HEPS	100%	CPI and below	CPI +GDP

Pro rata vesting on a linear scale of HEPS growth >CPI but below CPI + GDP rate. Further vesting condition: Average annual return on capital over the relevant performance period must exceed the company's weighted average cost of capital (WACC).

Bonus-matching shares

The last grant of bonus-matching shares was made in December 2018. The following multiples of bonus-matching shares, based on the face value of the STI award, applied to the employee categories covered by this section.

Value of awards

Employee category	% of STI earned (face value)
CEO	50%
CFO	50%
Prescribed officers	50%

Calculation

The number of bonus-matching shares at grant date is determined as follows: Bonus-matching shares = (actual STI x 50%/share price) x PDT multiplier. The performance differentiation tool (PDT) is used to modify the standard quantum of bonus-matching shares based on an individual's personal performance, leadership and ability. This is a discretionary percentage ranging from 0% to 200%. No bonus-matching shares are awarded if no STI is earned.

Share price

The share price is determined based on the VWAP of a Tiger Brands share for the 10 trading days before the grant date.

Vesting

Vesting takes place on the third anniversary of the date of grant:

	Year from grant date					
	0	1	2	3	4	5
Vesting				100%		

Performance metrics

There are no further performance conditions to determine vesting, which is therefore time-based. The reason for no further vesting conditions is that the quantum of bonus-

matching shares is directly linked to the achievement of a STI. Performance is, therefore, determined "on the way in". The executive directors and prescribed officers did not meet their STI targets in FY18 and therefore did not qualify for STIs. No bonus-matching shares were, therefore, granted to executive directors and prescribed officers in FY19.

Deferred bonus shares and company-matching shares

Previously the CEO, CFO, executive directors, prescribed officers and members of the executive team could voluntarily defer a portion (25%, 33% or 50%) of their STI into deferred bonus shares, which were then matched by the company on a 1:1 basis.

Value of awards

Deferred bonus shares and company-matching shares could only be granted if a bonus/STI was earned. Hence performance is "on the way in".

Calculation

The number of deferred bonus shares and company-matching shares, at grant date, is determined as: Deferred bonus shares and company-matching shares = (actual STI deferred x 2/share price). If no bonus is earned or a participant elects not to voluntarily defer a portion of their STI, no deferred bonus shares and company-matching shares will be awarded.

Share price

The share price is determined based on the VWAP of a Tiger Brands share for the 10 trading days before the grant date.

Vesting

Vesting of deferred bonus shares and company-matching shares takes place on the third anniversary of the date of grant:

	Year from grant date					
	0	1	2	3	4	5
Vesting				100%		

Performance metrics

There are no further performance conditions to determine vesting.

The executive directors and prescribed officers did not meet their STI targets in FY18 and, therefore, did not qualify for STIs in December 2018. No deferred bonus shares and company-matching shares were, therefore, granted to executive directors and prescribed officers in FY19. No upward adjustment of other share instruments was implemented to compensate.

REMUNERATION REPORT CONTINUED

Historical LTI information

SARs performance conditions for previous allocations

For SARs allocated before December 2016, the performance vesting conditions are based on a targeted rate of 3% per annum real growth in HEPS over three, four and five-year periods. Percentage threshold levels for real HEPS growth and the corresponding percentage of the allocation to vest are as follows:

HEPS growth	Vesting outcome
>0% and <0,5%	5%
≥0,5% and <1,0%	10%
≥1,0% and <1,5%	16%
≥1,5% and <2,0%	27%
≥2,0% and <2,5%	44%
≥2,5% and <3,0%	75%
≥3,0%	100%

Performance conditions for previous allocations of performance shares

Performance shares vest on the third anniversary of their award, to the extent that the company has met the specified performance criteria over the period, which were determined as the company's comparative total shareholder return (TSR) relative to constituent members of the FINDI 30 index. If the company's relative TSR over the three-year period place it in:

- › Position 15 out of 30: the targeted number (one-third of maximum number) of performance shares awarded will vest;
- › Position 7 or better: the maximum number (three times targeted number) of performance shares awarded will vest;
- › Position 23 or worse: all performance shares awarded will be forfeited; and
- › Between position 7 and 15, or between 15 and 23: a pro rated number of performance shares will vest.

As far as the awards of performance shares made in February 2016 and May 2016 are concerned, the performance of the company can be summarised as follows:

February 2016 award

The company's TSR over the three-year period ended February 2019 placed it in 20th position, resulting in a vesting of 37,5% of the performance shares awarded.

May 2016 award

The company's TSR over the three-year period ended May 2019 placed it in 26th position, resulting in a forfeiture of the award.

BEE shares

The following two schemes were established as part of the company's black empowerment strategy:

- › Tiger Brands Black Managers Trust (BMT I)
 - ✓ Established in 2005 to attract and retain diverse talent.
 - ✓ Rights allocated – Tiger Brands shares. Rights are settled after making the required capital contributions to BMT I. For all rights allocated on or before 31 July 2010, settlement may take place at any time after the initial lock-in period, ie from 1 January 2015. For all rights allocated after 31 July 2010, the lock-in date varies depending on the date of allocation. Periodically, new allocations are made to new joiners and top-up allocations are made to existing participants promoted to higher grades out of shares that may become available as a consequence of forfeitures.
- › Thusani Trust
 - ✓ Established in 2005 as part of the company's BEE phase I empowerment initiative. The trust's resources were enhanced in 2009 under the company's BEE phase II transaction.
 - ✓ The trust provides bursaries for tertiary education to dependants of permanently employed black people who might not otherwise be able to afford this cost.

Dilution

Under the rules of the Tiger Brands Phantom Cash Option Scheme (replaced by the LTIP), at any point the aggregate number of unexercised phantom options is limited to 10% of the total issued share capital of the company.

At 30 September 2019, aggregate outstanding options under this scheme represented 0,0% (2018: 0,02%) of the company's issued share capital. The maximum aggregate number of shares that may be acquired by participants under the LTIP and any other share plan may not exceed 5,5 million shares, and for any one participant 550 000 shares. In determining these limits, shares acquired through the JSE and transferred to participants are not considered. At 30 September 2019, the aggregate number of shares that may be acquired by participants under the various schemes was 2 543 551 (2018: 1 898 112), which represents approximately 1,3% of the number of issued ordinary shares. This is in line with JSE regulations.

Changes for FY20

As from FY20, performance shares will be awarded to executive management, prescribed officers, senior management and middle management. Grants of restricted shares (ie specific retention shares) will be made to selected senior management and key people whose contribution has been identified as being critical to achieving Strategy 2022.

The table below provides further details regarding performance and restricted shares:

INSTRUMENT	PERFORMANCE SHARES	RESTRICTED SHARES
	Employee category	Performance shares multiple
Award mechanism	CEO	81,3%
	CFO	81,3%
	Prescribed officers and executive directors	61,0%
	Senior management and below	10,6% – 27,7%
	Employee category	Restricted shares multiple
	CEO	–
	CFO	–
	Prescribed officers and executive directors	–
	Senior management and below	14,5% – 16,3%
Calculation	> (GP x performance share multiple/share price) x performance multiplier	> (GP x restricted share multiple/share price) x performance multiplier
Performance multiplier	> The personal performance multiplier is used to modify the standard quantum of performance shares and restricted shares, based on an individual's personal sustained performance and potential > This is a discretionary percentage ranging from 0% to 200%	
Vesting	> Three-year vesting based on anniversary of award	> Three-year time-based vesting based on anniversary of grant
Performance conditions applicable to performance shares	HEPS (weighted at 50%): > 0 – less than CPI + GDP > 25% vesting (threshold) – CPI + GDP > 100% vesting – CPI + GDP +2% > 200% vesting (stretch) – CPI + GDP +4% The HEPS calculation is performed on an annual compound basis over the three-year vesting period Linear vesting to apply between threshold and stretch ROIC – (weighted at 50%) > 0 – less than WACC +1% > 25% vesting (threshold) – WACC +1% > 100% vesting – WACC +2% > 200% vesting (stretch) – WACC +5% and above The measurement will be the average ROIC over the three-year vesting period Linear vesting to apply between threshold and stretch	
Share price	> Based on the volume-weighted average price (VWAP) for a Tiger Brands share calculated for the 10-trading day period ending immediately prior to the date of award/grant.	

Minimum shareholding policy

We have a minimum shareholding policy, where senior executives are expected to build up their personal shareholding in the company over a specific period of time. In the case of the CEO, the target is 200% of guaranteed package whilst the target for executive directors, prescribed officers and other members of the executive committee is 100% of guaranteed package. Senior executives who were in service when the policy was adopted in 2016 have six years to build up their shareholding from date of adoption. Senior executives appointed after adoption have six years to build their shareholding from date of appointment. They may use any vesting LTIs or their own resources to acquire these shares.

Current minimum shareholding summary

Name	Date of engagement	GP*	Number of shares held	Original value of shares held	Current value of shares held**	% of GP	Target % of GP	Years remaining to meet target
LC Mac Dougall	10 May 2016	9 537 728	699	257 309	147 181	3	200	3
NP Doyle	1 July 2012	6 877 238	11 750	4 106 615	2 474 080	60	100	3
P Spies	1 February 2017	5 095 650	2 318	893 102	488 078	18	100	4
Y Maharaj	1 July 2018	5 092 500	–	–	–	–	100	5
PD Sithole	1 August 2012	5 097 331	7 000	2 701 072	1 473 920	53	100	3

* GP as at 30 September 2019.

** Value calculated with reference to the closing price of a Tiger Brands share as at 30 September 2019, ie R210,56.

REMUNERATION REPORT CONTINUED

Clawback and malus

A clawback and malus policy is in place with the intention to minimise risk.

With respect to malus, if the remuneration committee, in consultation with the board and/or any committee of the board, believes that a trigger event has occurred, it has full discretion to reduce, in part or whole, unvested variable remuneration (ie STIs and LTIs) before the end of the vesting or payment period. In the case of clawback, it is the responsibility of the remuneration committee, in consultation with the board and/or any committee of the board, to implement clawback for the whole or portion of vested variable remuneration in the event of a trigger event occurring over a period of three years from the date on which payment was made of such vested variable remuneration. Trigger events include, but are not limited to:

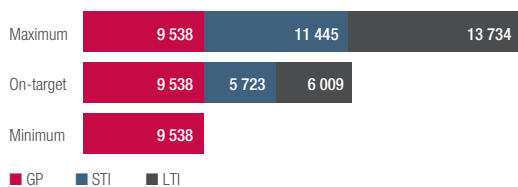
- › Material misstatement of financial results;
- › Misconduct, incompetence, fraud, dishonesty;
- › Negligence or material breach of obligations to the company;
- › Deliberate harm to the company's reputation; and
- › Material failure of risk management.

Illustrating potential remuneration outcomes

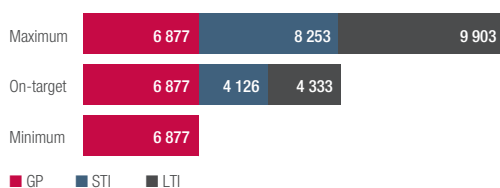
The variable pay arrangements described above have various potential outcomes. These outcomes could be from zero (minimum) to the expected level of performance outcomes (target) to the maximum potential variable pay outcomes (maximum). In the illustrations presented alongside, it should be noted that:

- › STI represents the cash component of short-term performance; and
- › LTI represents the total share appreciation rights awards, bonus-matching awards, deferred bonus shares and company-matching shares.

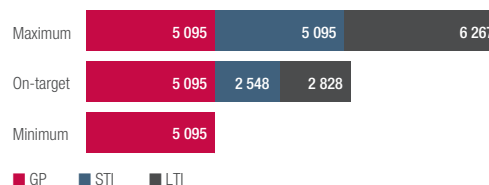
CEO (R000)



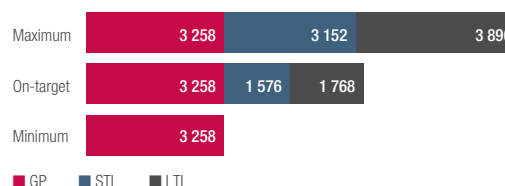
CFO (R000)



Prescribed officers (average) (R000)



Other executives (average) (R000)



EXECUTIVE SERVICE CONTRACTS

Senior executives are employed full-time under standard agreements, with a notice period of three months. We strive to bind all senior executives by a restraint-of-trade agreement. To the extent that executives have access to proprietary business insights and intellectual property, Tiger Brands will enforce the agreement should they join a competitor. The restraint comprises a three-month notice period or three months' special leave (paid as a three-month lump sum (based on guaranteed package) on termination).

SIGN ON AND SPECIFIC RETENTION PAYMENTS

In exceptional circumstances (mainly for the recruitment and retention of critical and/or scarce talent), Tiger Brands will award a sign on/retention payment which will be subject to the following conditions:

Employees must remain in the service of Tiger Brands as a permanent employee for an uninterrupted period of 24 months from date of the payment. Should the employee or Tiger Brands decide to terminate the employment relationship for any reason, excluding those listed below, before the expiration of 24 months, the employee will be required to repay Tiger Brands the full gross amount. There will be no pro rata refunds. Should Tiger Brands terminate the employment relationship because of operational reasons (for example, retrenchment or redundancy) or ill health, or if termination occurs as a result of death, the employee will not be required to repay Tiger Brands the full gross amount.

Payments on termination of employment

REMUNERATION POLICY COMPONENT	VOLUNTARY TERMINATION (IE RESIGNATION)	INVOLUNTARY TERMINATION (RETRENCHMENT, RETIREMENT, DEATH)
Guaranteed package	Paid up to last day of service	Paid up to last day of service including notice period, where applicable.
Medical aid	Benefit continues to last day of service	Benefit continues up to last day of service. Employees who qualify for post-retirement medical aid funding will continue to receive the employer contribution with effect from their normal retirement date.
Retirement and risk plans	Employer contributions paid until last day of service. Employee is entitled to the value of the investment, but all risk benefits cease on termination of service.	
Other benefits	Not applicable	Severance package in respect of retrenchments – one or two weeks for every completed year of service in terms of the relevant rules.
Short-term incentive	No pro rata bonus paid	Pro rata STI payment (based on extent of achieving specified financial and strategic targets for the period and a personal performance agreement being in place at the date of exit).
Long-term incentives	All unvested awards (other than certain deferred bonus shares) will be forfeited	Depending on the nature of the instrument and reasons for termination, a participant may retain all units or a pro rata portion. Accelerated vesting and settlement of retained units may apply in certain circumstances.

EXTERNAL BOARD APPOINTMENTS

Tiger Brands encourages members of the executive committee to consider accepting appropriate opportunities to serve as non-executive directors on the main board or committees of external companies. We believe this encourages our executives to broaden their skills base and experience.

Under a formal policy, an executive is limited to one substantive outside directorship. The chairman of the Tiger Brands board, chairman of the nominations committee, and chairman of the remuneration committee are required to authorise these appointments based on a recommendation from the CEO. Other than in respect of their appointment to the boards of associate companies, directors' fees under this policy may be retained by the individual. Other than associate companies, Tiger Brands currently has no executive members serving as non-executive directors on the main boards or committees of external companies. Details of executive committee

members serving on the boards of associate companies appear on page 51.

Non-executive directors

Fees and approval process

Non-executive directors are paid an annual retainer that reflects their overall contribution and input to the company, and not just for attendance at board and committee meetings. Fees are reviewed annually, and increases are implemented in March after approval at the AGM.

A bespoke survey is conducted every two years to benchmark these fees against South African companies listed on the JSE, based on market capitalisation, revenue, total assets and number of people. These are similar metrics to that of the benchmark group for executive directors and prescribed officers, but further expanded to include the diversity of skill and calibre required on the board or relevant committee. Companies comprising the peer group are detailed below:



RCL Foods Limited

Blue Label Telecoms Ltd

Pioneer Food Group Ltd

Telkom SA SOC Ltd

Distell Group Ltd

The Spar Group Ltd

Clicks Group Ltd

Sappi Group

Woolworths Holding Ltd

Aspen Pharmacare Holdings Ltd

MTN Group Ltd

Vodacom Group Ltd

Standard Bank Group Ltd

Datatec Ltd

JD Group Ltd

REMUNERATION REPORT CONTINUED

Targeted remuneration for FY19 was based on the 65th percentile of the peer group, which is in line with the revision of our internal anchor point. Non-resident non-executive directors are paid a premium in comparison to resident directors. The table below shows the range of the premium paid to non-resident non-executive directors across large JSE-listed organisations in various industries:

Target position	Premium for non-resident non-executive directors
Minimum	72%
Maximum	296%
Average	171%
Median	155%

The median for non-resident non-executive directors' fees reflects a premium of 155% above resident director fees. Tiger Brands currently pays a premium of 130% for non-resident non-executive directors, which is below the market median. The chairman does not receive any additional remuneration for participating in committees of the board. Non-executive directors who perform services outside the scope of their ordinary duties will not receive additional remuneration. Shareholder approval will be sought for increasing non-executive directors' fees, including fees paid for attending special board meetings. Details of proposed increases for FY20 appear in the notice of AGM of shareholders to be held on 18 February 2020. Details of non-executive directors' fees paid in the review period appear on pages 80 and 81.

Voting statement

This remuneration policy is subject to a non-binding advisory vote by shareholders at the upcoming AGM.

Section 3: Implementation report

In this section of the remuneration report we explain the implementation of our remuneration policy, providing details of the remuneration paid to our executive directors, prescribed officers and senior management for the financial year ended 30 September 2019.

SALARY ADJUSTMENTS

The remuneration committee approved an overall guaranteed package salary increase budget of 5% for the period 1 December 2018 to 30 November 2019. This included executive management.

An additional budget was ringfenced and managed centrally to correct pay disparities.

2019 GUARANTEED PACKAGE

The following increases to guaranteed packages were implemented in the reporting period for executive directors and prescribed officers. New amounts were effective from 1 December 2018:

	1 Dec 2018 to 30 Nov 2019 Rand	1 Dec 2017 to 30 Nov 2018 Rand	% increase
Executive directors			
LC Mac Dougall	9 537 728	9 083 550	5%
NP Doyle	6 877 238	6 549 750	5%
Prescribed officers			
PW Spies	5 095 650	4 853 000	5%
Y Maharaj	5 092 500	4 850 000	5%
PD Sithole	5 097 331	4 549 157	12,1%*

* PD Sithole was awarded a 12,1% increase to align remuneration with the market and that of his peers.

An average increase of 6% (2018: 6%) was awarded to executive directors and prescribed officers in comparison to an average increase of 5,32% (2018: 6%) for the rest of the company.

2019 SHORT-TERM INCENTIVE

As indicated in the policy section, the STI for executive directors and prescribed officers is based on the combination of a business performance component and personal performance component.

EXECUTIVE DIRECTORS

The business multiplier for executive directors is weighted according to the table below. Results for FY19 were as follows:

Strategic objective	Strategic objective weighting	Key performance indicator	Key performance indicator weighting	Key performance indicator			Achievement	
				Threshold Score = 50%	Target Score = 100%	Stretch Score = 200%	Actual result	Weighted result
Growth	60%	Sales volume growth	10%	40,0%	100,0%	140,0%	<40%	-
		Absolute gross margin	10%	98,6%	100,0%	103,6%	<98,6%	-
		PBIT	40%	98,6%	100,0%	103,6%	<98,6%	-
Efficiency	10%	Cost-saving initiatives	5%	98,6%	100,0%	123,4%	100%	-
		Net working capital	5%	101,2%	100,0%	97,7%	>101,2%	-
People and sustainability	30%	Quality	10%	Reduction in execution-related marketplace incidents yoy by			>20%	-
				10%	15%	20%		
		Safety (LTIFR)	10%	120,0%	100,0%	80,0%	<120%	-
		BBBEE score	10%	Level 7 (60 to 61)	Level 7 (61,1 to 65)	Level 6	Level 6	-

The targeted percentages for "threshold", "target" and "stretch" as set out above per KPI represent the targeted percentage achievement of the underlying budgeted amounts.

Linear vesting will apply if the actual result falls between "threshold" and "target" or between "target" and "stretch". Targets for the STI for 2018 and 2019 were not met, hence no STI was paid. Note for 2019, the EBIT threshold was not met to trigger payment of the STI. This is an overriding condition of the scheme. Therefore the weighted result for each KPI was zero in FY19.

REMUNERATION REPORT CONTINUED

For the review period, in addition to the financial targets above, the following KPIs as per the balanced scorecard applied to the CEO, CFO and prescribed officers. The level of achievement is reflected alongside each KPI in the table below.

The FY19 personal performance multiplier is the aggregated result of assessing the KPIs for the relevant executive, as follows:

Executive directors

The business multiplier for executive directors is weighted according to the table below. The results for FY19 were as follows:

Key performance indicators	LC Mac Dougall				NP Doyle			
	Not met	Partially met	Met	Exceeded	Not met	Partially met	Met	Exceeded
Top-tier financial results								
Revenue		■				■		
Gross margin		■				■		
Cost savings			■				■	
Return on net assets		■				■		
Market performance								
On-shelf availability				■				■
Innovation rate		■				■		
Power in Mind (Brand Health)*		■				■		
Compliance								
Zero high level 1 audit findings	■				■			
Reduction in consumer complaints				■				■
Safety (LTIFR)	■				■			
BBBEE implementation				■				■
People								
Improved employee engagement		■				■		
Percentage of leadership positions filled internally				■				■
Diversity and inclusion		■				■		
Individual KPIs								
				■				■

* Brand Health is measured on an individual category and not on an aggregated basis.

Name	GP*	On-target %	Actual group performance factor %	Actual personal performance factor %	2019 STI (Rand)	2018 STI** (Rand)
LC Mac Dougall	9 537 728	x 60%	-	+	-	-
NP Doyle	6 877 238	x 60%	-	+	-	-

Prescribed officers

The business multiplier for the prescribed officers is weighted according to the table below. Results for FY19 were as follows:

Strategic objective	Strategic objective weighting	Key performance indicator	Key performance indicator weighting	Key performance indicator			Achievement	
				Threshold Score = 50%	Target Score = 100%	Stretch Score = 200%	Actual result	Weighted result
Growth	60%	Sales volume growth	10%	40,0%	100,0%	140,0%	<40%	-
		Absolute gross margin	10%	98,6%	100,0%	103,6%	<98,6%	-
		PBIT	40%	98,6%	100,0%	103,6%	<98,6%	-
Efficiency	10%	Cost savings initiatives	5%	98,6%	100,0%	123,4%	100%	-
		Net working capital	5%	101,2%	100,0%	97,7%	>101,2%	-
People and sustainability	30%	Quality	10%	Reduction in execution-related marketplace incidents yoy by			>20%	-
		Safety (LTIFR)	10%	10%	15%	20%	<120%	-
		BBBEE score	10%	Level 7 (60 to 61)	Level 7 (61.1 to 65)	Level 6	Level 6	-

The targeted percentages for "threshold", "target" and "stretch" as set out above per key performance indicator represent the targeted percentage achievement of the underlying budgeted amounts.

Linear vesting will apply if the actual result falls between "threshold" and "target" or between "target" and "stretch". Targets for the STI for 2018 and 2019 were not met, hence no STI was paid. Note for 2019, the EBIT threshold was not met to trigger payment of the STI. This is an overriding condition of the scheme. Therefore the weighted result for each KPI was zero in FY19.

Key performance indicators	PW Spies				Y Maharaj				PD Sithole			
	Not met	Partially met	Met	Exceeded	Not met	Partially met	Met	Exceeded	Not met	Partially met	Met	Exceeded
Top-tier financial results												
Revenue		■				■				■		
Gross margin		■				■				■		
Cost savings			■				■				■	
Return on net assets		■				■				■		
Market performance												
On-shelf availability				■								■
Innovation rate		■				■				■		
Power in Mind (Brand Health)*		■				■				■		
Compliance												
Zero high level 1 audit findings	■				■				■			
Reduction in consumer complaints				■					■			■
Safety (LTIFR)	■				■				■			
BBBEE implementation				■					■			■
People												
Improved employee engagement		■				■				■		
Percentage of leadership positions filled internally				■					■			■
Diversity and inclusion		■				■				■		
Individual KPIs												
		■				■				■		

* Brand Health is measured on an individual category and not on an aggregated basis.

No STI was awarded to prescribed officers as illustrated below:

Name	GP*	On-target %			Actual group performance factor %		Actual business unit performance factor %		Actual personal performance factor %		2019 STI (Rand)	2018 STI** (Rand)
P Spies	5 095 650	x	50%	x	-	+	-	+	-	-	-	
Y Maharaj	5 092 500	x	50%	x	-	+	-	+	-	-	-	
PD Sithole	5 097 331	x	50%	x	-	+	-	+	-	-	-	

* Annual guaranteed package in rand as at 30 September 2019.

** Includes the value of bonus deferrals.

REMUNERATION REPORT CONTINUED

2019 LONG-TERM INCENTIVES

Long-term incentive awards made during the year to executive directors and prescribed officers are set out below:

SARs

Name	PDT multiplier***	GP	Award %	Face value	Number
LC Mac Dougall*	137,5%	9 537 728	120%	15 737 099	57 420
NP Doyle*	175,0%	6 877 238	120%	14 443 489	52 700

* Allocated on 6 December 2018 at a VWAP of R274,07.

** STI in respect of the year ended 30 September 2018.

***A performance differentiation tool (PDT) is used to modify the standard quantum of SARs and bonus-matching shares, based on an individual's personal performance, leadership and ability. This is a discretionary percentage ranging from 0% to 200%.

SARs

Name	PDT multiplier***	GP	Award %	Face value	Number
P Spies*	125,0%	5 095 650	110%	7 007 970	25 570
Y Maharaj*	137,5%	5 092 500	110%	7 704 108	28 110
PD Sithole*	175,0%	5 097 331	110%	9 814 447	35 810

* Allocated on 6 December 2018 at a VWAP of R274,07.

** STI in respect of the year ended 30 September 2018.

***A performance differentiation tool (PDT) is used to modify the standard quantum of SARs and bonus-matching shares, based on an individual's personal performance, leadership and ability. This is a discretionary percentage ranging from 0% to 200%.

Only share appreciation rights were awarded. Bonus-matching shares, deferred bonus shares and company-matching shares were not awarded to executive directors and prescribed officers in addition to Share Appreciation Rights as the STI targets were not met.




Bonus-matching shares				Deferred bonus shares and company-matching shares			Expected value (based on fair value)			
STI**	Award %	Face value	Number	Match %	Face value	Number	SARS	Bonus-matching shares	Deferred bonus shares and company-matching shares	
–	50%	–	–	100%	–	–	4 721 130	–	–	
–	50%	–	–	100%	–	–	4 333 047	–	–	

Bonus-matching shares				Deferred bonus shares and company-matching shares			Expected value (based on fair value)			
STI**	Award %	Face value	Number	Match %	Face value	Number	SARS	Bonus-matching shares	Deferred bonus shares and company-matching shares	
–	50%	–	–	100%	–	–	2 102 391	–	–	
–	50%	–	–	100%	–	–	2 311 232	–	–	
–	50%	–	–	100%	–	–	2 944 334	–	–	

REMUNERATION REPORT CONTINUED

LTI AWARDS VESTING OR WITH A PERFORMANCE PERIOD ENDING IN 2019

The outcome for awards due to vest in FY19, and whose performance conditions ended by 30 September 2019, are shown below. This applies to all eligible participants.

LTI allocation	LTI measures		Performance condition result
	Total shareholder return	Real HEPS growth	(% vesting)
Company-matching shares granted in 2016	N/A	N/A	100% (time-based vesting)
Deferred bonus shares granted in 2016	N/A	N/A	100% (time-based vesting)
Bonus-matching shares granted in 2016	N/A	N/A	100% (time-based vesting)
Performance shares granted in 2016 [#]	9 February 2016 – partially met, and 24 May 2016 – not met	N/A	37,5%/0%
Share appreciation rights granted in 2014 – third tranche	N/A		5%
Share appreciation rights granted in 2015 – second tranche	N/A		–
Share appreciation rights granted in 2016 – first tranche	N/A		–

* Performance conditions for awards made on 9 February 2016 partially met, but not met for awards made on 24 May 2016.

The last allocation of performance shares was in May 2016.

 Met  Partially met  Not met

Payments for termination of office

No additional payments were made for executives terminating office.

Compliance with remuneration policy

There were no deviations from the remuneration policy in the financial year.

SINGLE TOTAL FIGURE OF REMUNERATION

The following tables disclose total remuneration received and receivable by executive directors and prescribed officers for the period 1 October 2018 to 30 September 2019:

EXECUTIVE DIRECTORS

Remuneration element	LC Mac Dougall			NP Doyle		
	FY2019	FY2018	%	FY2019	FY2018	%
	R'000	R'000		R'000	R'000	
Basic salary	8 973 398	8 511 653		5 831 685	5 497 977	
Retirement funding	328 810	339 880		960 971	913 148	
Other benefits	159 824	153 092		30 000	72 000	
Guaranteed package	9 462 032	9 004 625		6 822 656	6 483 125	
Short-term incentive	–	–		–	–	
Cash remuneration	9 462 032	9 004 625		6 822 656	6 483 125	
SARs	–	–		4 446 313	–	
Bonus-matching shares	–	–		–	–	
Deferred bonus shares and company-matching shares	–	–		–	–	
Total remuneration	9 462 032	9 004 625	5,1	11 268 969	6 483 125	73,8

PRESCRIBED OFFICERS

Remuneration element	PW Spies			Y Maharaj			PD Sithole		
	FY2019	FY2018	%	FY2019	FY2018*	%	FY2019	FY2018	%
	R'000	R'000		R'000	R'000		R'000	R'000	
Basic salary	4 354 374	4 029 942		4 347 451	1 021 587		4 547 133	3 988 160	
Retirement funding	338 725	344 639		338 732	84 797		338 836	344 981	
Other benefits	363 917	408 446		365 901	1 106 116		120 000	141 624	
Guaranteed package	5 057 016	4 783 027		5 052 084	2 212 500		5 005 969	4 474 765	
Short-term incentive	–	–		–	–		–	–	
Cash remuneration	5 057 016	4 783 027		5 052 084	2 212 500		5 005 969	4 474 765	
SARs	–	–		–	–		1 674 224	–	
Bonus-matching shares	–	–		–	–		–	–	
Deferred bonus shares and company-matching shares	–	–		–	–		–	–	
Total remuneration	5 057 016	4 783 027	5,7	5 052 084	2 212 500	128,3	6 680 193	4 474 765	49,3

* Y Maharaj appointed 1 July 2018.

NUMBER AND VALUE OF LTI SHARE AWARDS

Disclosure of the quantum and value of awards for the CEO and CFO outstanding at the beginning and end of the reporting period, as well as new awards made in the period, are provided in the tables on pages 78 and 79, with the cash value of awards settled during the reporting period indicated in the value-based tables.



REMUNERATION REPORT CONTINUED

Name and awards	Award date	Vesting date	Grant price at award ZAR	Revised grant price due to Oceana unbundling***	Opening number	Adjustment due to Oceana unbundling***
LC Mac Dougal						
2016 Deferred bonus shares	07/12/2016	07/12/2019	–	–	650	49,00
2016 Company-matching shares	07/12/2016	07/12/2019	–	–	650	49,00
2016 Bonus-matching shares	07/12/2016	07/12/2019	–	–	650	49,00
2016 Performance shares	24/05/2016	24/05/2019	–	–	8 160	618,00
2016 SARS	24/05/2016	24/05/2019	341,68	317,64	12 000	–
		24/05/2020	341,68	317,64	12 000	908,00
		24/05/2021	341,68	317,64	12 000	908,00
2016 SARS	07/12/2016	07/12/2019	395,97	368,11	10 946	828,33
		07/12/2020	395,97	368,11	10 947	828,33
		07/12/2021	395,97	368,11	10 947	829,00
2017 SARS	11/12/2017	11/12/2020	414,45	385,29	2 996	227,00
		11/12/2021	414,45	385,29	2 997	227,00
		11/12/2022	414,45	385,29	2 997	227,00
2018 SARS	06/12/2018	06/12/2021	274,07	254,79	–	–
		06/12/2022	274,07	254,79	–	–
		06/12/2023	274,07	254,79	–	–
Total					87 940	5 748
NP Doyle						
2015 Company-matching shares	03/12/2015	03/12/2018	–	–	2 688	–
2015 Deferred bonus shares	03/12/2015	03/12/2018	–	–	2 688	–
2016 Company-matching shares	07/12/2016	07/12/2019	–	–	1 060	80,00
2016 Deferred bonus shares	07/12/2016	07/12/2019	–	–	1 060	80,00
2015 Bonus-matching shares	04/02/2015	04/02/2018*	–	–	2 320	–
2016 Bonus-matching shares	09/02/2016	09/02/2019	–	–	1 330	–
2016 Bonus-matching shares	07/12/2016	07/12/2019	–	–	1 590	120,00
2015 Performance shares	04/02/2015	04/02/2018*	–	–	4 358	–
2016 Performance shares	09/02/2016	09/02/2019	–	–	5 720	–
2012 Phantom cash share options	02/07/2012	02/07/2015**	252,01	–	5 000	–
		02/07/2016**	252,01	–	5 000	–
		02/07/2017**	252,01	–	5 000	–
2013 Phantom cash share options	13/02/2013	13/02/2016	299,83	–	5 000	–
		13/02/2017	299,83	–	5 000	–
		13/02/2018*	299,83	–	5 000	–
2014 SARs	28/02/2014	28/02/2017	254,45	236,55	6 067	459,00
		28/02/2018*	254,45	236,55	6 067	459,00
		28/02/2019	254,45	236,55	6 066	23,00
2015 SARs	04/02/2015	04/02/2018*	385,33	358,22	1 038	79,00
		04/02/2019	385,33	358,22	3 847	291,00
		04/02/2020	385,33	358,22	3 847	–
2016 SARs	09/02/2016	09/02/2019	291,71	271,19	7 623	–
		09/02/2020	291,71	271,19	7 623	577,00
		09/02/2021	291,71	271,19	7 624	577,00
2016 SARs	07/12/2016	07/12/2019	395,97	368,11	11 260	852,00
		07/12/2020	395,97	368,11	11 260	852,00
		07/12/2021	395,97	368,11	11 260	852,00
2017 SARS	11/12/2017	11/12/2020	414,45	385,29	15 276	1 156,00
		11/12/2021	414,45	385,29	15 277	1 156,00
		11/12/2022	414,45	385,29	15 277	1 156,00
2018 SARS	06/12/2018	06/12/2021	274,07	254,79	–	–
		06/12/2022	274,07	254,79	–	–
		06/12/2023	274,07	254,79	–	–
Total					182 226	8 769

* Vesting date and, where applicable, settlement of shares extended as a consequence of the voluntary closed period.

** Lapsing of shares extended as a consequence of closed period. Shares should have been exercised by 02/07/2018.

*** Tiger Brands implemented the unbundling of its investment in Oceana Group Limited on 29 April 2019. Shareholders were notified that participants in the Tiger Brands 2013 Share Plan will be placed in a position which is as close as possible to the position they would have been in, had the unbundling not taken place.

Consequently, the number of instruments that had been awarded in terms of the rules of the plan were increased by 7,5679% and the strike prices applicable to SARs were reduced by 7,035%.

Granted during the year	Adjustment due to Oceana unbundling***	Forfeited during the year	Performance condition achieved	Settled during the year	Closing number	Face value at award ZAR	Cash received ZAR	Value of shares acquired ZAR	Closing fair value vesting ZAR
-	-	-	-	-	699	257 308,89	-	-	146 803,98
-	-	-	-	-	699	257 308,89	-	-	146 803,98
-	-	-	-	-	699	257 308,89	-	-	146 803,98
-	-	8 778	-	-	-	-	-	-	-
-	-	12 000	-	-	-	-	-	-	-
-	-	-	-	-	12 908	4 100 097,12	-	-	113 461,32
-	-	-	-	-	12 908	4 100 097,12	-	-	159 671,96
-	-	-	-	-	11 774	4 334 249,84	-	-	79 947,72
-	-	-	-	-	11 775	4 334 617,95	-	-	90 787,82
-	-	-	-	-	11 776	4 334 863,36	-	-	92 794,88
-	-	-	-	-	3 223	1 241 789,67	-	-	24 430,34
-	-	-	-	-	3 224	1 242 174,96	-	-	30 015,44
-	-	-	-	-	3 224	1 242 174,96	-	-	44 168,80
19 140	1 448,00	-	-	-	20 588	5 245 616,52	-	-	734 579,84
19 140	1 448,00	-	-	-	20 588	5 245 616,52	-	-	823 520,00
19 140	1 448,00	-	-	-	20 588	5 245 616,52	-	-	888 578,08
57 420	4 344	20 778	-	-	134 674	41 438 841	-	-	3 522 368
-	-	-	-	2 688	-	-	497 243	231 323	-
-	-	-	-	2 688	-	-	497 512	231 050	-
-	-	-	-	-	1 140	419 645,40	-	-	239 422,80
-	-	-	-	-	1 140	419 645,40	-	-	239 422,80
-	-	-	-	2 320	-	-	429 411,36	199 407	-
-	-	-	-	1 330	-	-	161 916,00	190 634	-
-	-	-	-	-	1 710	629 468,10	-	-	359 134,20
-	-	-	-	4 358	-	-	806 396,16	374 808	-
-	-	3 575	-	2 145	-	-	261 214,00	307 371	-
-	-	-	-	5 000	-	-	89 950	-	-
-	-	-	-	5 000	-	-	89 950	-	-
-	-	-	-	5 000	-	-	89 950	-	-
-	-	5 000	-	-	-	-	-	-	-
-	-	5 000	-	-	-	-	-	-	-
-	-	5 000	-	-	-	-	-	-	-
-	-	-	-	-	6 526	1 543 725,30	-	-	18 077,02
-	-	-	-	-	6 526	1 543 725,30	-	-	18 077,02
-	-	5 766	-	-	323	76 405,65	-	-	894,71
-	-	-	-	-	1 117	400 131,74	-	-	793,07
-	-	-	-	-	4 138	1 482 314,36	-	-	2 937,98
-	-	3 847	-	-	-	-	-	-	-
-	-	7 623	-	-	-	-	-	-	-
-	-	-	-	-	8 200	2 223 758,00	-	-	76 014,00
-	-	-	-	-	8 201	2 224 029,19	-	-	146 797,90
-	-	-	-	-	12 112	4 458 548,32	-	-	82 240,48
-	-	-	-	-	12 112	4 458 548,32	-	-	93 383,52
-	-	-	-	-	12 112	4 458 548,32	-	-	95 442,56
-	-	-	-	-	16 432	6 331 085,28	-	-	124 554,56
-	-	-	-	-	16 433	6 331 470,57	-	-	152 991,23
-	-	-	-	-	16 433	6 331 470,57	-	-	225 132,10
17 566	1 329,00	-	-	-	18 895	4 814 257,05	-	-	674 173,60
17 567	1 329,00	-	-	-	18 896	4 814 511,84	-	-	755 840,00
17 567	1 330,00	-	-	-	18 897	4 814 766,63	-	-	815 594,52
52 700	3 988	35 811	-	30 529	181 343	57 776 055	2 923 542	1 534 593	4 120 924

REMUNERATION REPORT CONTINUED

INTERESTS OF DIRECTORS AND PRESCRIBED OFFICERS IN BBBEE SCHEMES

No executive director or prescribed officer, was granted shares in terms of the Black Managers Trust (BMT) Scheme.

Non-executive directors' remuneration 2019

The non-executive director remuneration paid for the year ended 30 September 2019 is disclosed below, excluding VAT in rand:

Committee	MO Ajukwu	MJ Bowman	MP Fandeso	CH Fernandez	GA Klintworth
Notes			4	2	
Board fees	938 898	408 216	104 543	209 086	938 898
Audit committee fees	207 382	133 619	–	93 426	–
Investment committee fees	–	38 418	–	–	–
Remuneration committee, nomination and governance committee fees	–	225 390	–	–	–
Social, ethics and transformation committee fees	–	–	–	–	113 236
Risk and sustainability committee fees	334 080	–	–	109 636	–
Extraordinary fees	50 837	–	22 103	22 103	50 837
Ad hoc work/meetings	–	–	–	–	–
Total FY19	1 531 197	805 643	126 646	434 251	1 102 971
Total FY18	1 208 332	647 384	–	–	229 000

* Member of the remuneration committee only.

1. YGH Suleman resigned on 22 November 2018.

2. CH Fernandez appointed on 1 March 2019.

3. DG Wilson appointed on 1 June 2019.

4. MP Fandeso appointed on 1 July 2019.

M Makanjee	TE Mashilwane	KD Mokhele	RD Nisbet	MP Nyama	YGH Suleman	BS Tshabalala	DG Wilson
					1		3
408 216	408 216	1 895 752	–	408 216	99 565	–	104 543
–	314 782	–	–	–	43 453	–	46 712
–	–	–	–	–	10 417	–	8 792
103 586	–	–	–	49 920	–	–	13 416*
188 730	–	–	–	94 820	–	–	–
–	145 252	–	–	74 050	70 155	–	–
22 103	22 103	22 103	–	22 103	–	–	22 103
–	8 334	–	–	–	8 334	–	–
722 635	898 687	1 917 855	–	649 109	231 924	–	195 566
683 284	555 884	1 805 504	873 012	572 598	876 207	525 362	–

REMUNERATION REPORT CONTINUED

NON-EXECUTIVE DIRECTORS' REMUNERATION FY20

The following table reflects the proposed fees from 1 March 2020, excluding VAT, subject to the approval of shareholders at the AGM on 18 February 2020:

Forum	Capacity	Current rate effective March 2019	Proposed rate resident board members – effective March 2020	Proposed fees to be paid to non-resident board members – effective March 2020
Main board	Chairman	1 941 990	2 077 929	*
	Member	418 173	435 000	1 000 500
Audit	Chairman	326 890	344 869	*
	Member	186 851	194 325	*
Remuneration and nominations	Chairman	229 810	245 897	*
	Member	107 331	114 844	*
Risk and sustainability	Chairman	290 443	302 061	*
	Member	148 100	154 024	354 255
Social, ethics and transformation	Chairman	195 111	202 915	*
	Member	98 467	103 883	238 930
Hourly fees*		4 396	4 572	10 516
Extraordinary meetings**		22 103	22 987	52 870

* Hourly fees are for the sole purpose of the calculation of fees for the investment committee meetings which are held on an ad hoc basis.

** Payment of fees for extraordinary meetings are at the discretion of the chairman of the board and chairman of the remuneration committee.

NON-BINDING ADVISORY VOTE

This implementation report is subject to a non-binding advisory vote by shareholders at the AGM on 18 February 2020.

INTERVIEW WITH THE CHAIRMAN OF THE SOCIAL, ETHICS AND TRANSFORMATION (SET) COMMITTEE



Q Last year was a very challenging year for Tiger Brands as it engaged in managing the listeriosis crisis and the class action instituted against the company. What has the company done since the outbreak to regain consumer confidence?

Yes, it certainly was a challenging period and we have worked very hard to regain the trust of our consumers regarding the quality of our products. We have implemented a comprehensive seven-step safety promise and accompanying protocols that include full traceability from raw material sourcing through to the finished product. This year, we commissioned an independent international auditing body to undertake food safety and quality audits at all relevant operations; it is pleasing to report that all of Tiger Brands' manufacturing sites have achieved external certification aligned with the Global Food Safety Initiative (GFSI).

To promote broader food safety, Tiger Brands funded the establishment of the Centre for Food Safety at Stellenbosch University, which conducts academic research in this area. The results of its independent research activities will be used to inform government on food safety regulation, raise consumer awareness and improve communication on food safety. The centre is also training postgraduate students in food safety, which will ensure that regulators and the food industry in South Africa and the southern African region will have increased access to qualified food safety scientists.

We have engaged actively with the class action process to facilitate a speedy resolution of the matter for all stakeholders, by co-funding the class action communication campaign once it was certified. We will continue to act with integrity and do the right thing once the courts have ruled on the matter.

Q A further challenge experienced last year was the significant drop in Tiger Brands' BBBEE rating, from a level 3 to a level 8 contributor. You indicated in your chairman's report last year that plans will be put in place to improve the BBBEE score to level 4 by 2022. What improvement measures have been put in place?

The revised agri-sector codes introduced sub-minimum elements last year which, if missed, result in discounting. These revisions impacted our enterprise and supplier development scores, which in turn also impacted our preferential procurement score. I am, however, pleased with the significant progress that we made in 2019, and I am confident that the plans we are putting in place will set us firmly on the path to achieving a level 4 contributor status by 2022.

This year we launched the Dipuno Enterprise and Supplier Development Fund to support smallholder farmers and other emerging suppliers and enterprises to transform our supply value chain. The fund will be managed as an independent entity with its own board. It will be used as a vehicle through which Tiger Brands will execute its enterprise and supplier development projects and drive job creation and procurement spend with black-owned enterprises.

We have also done some work to understand who the beneficiaries of the mandated investments are, as these were formerly excluded from our scorecard calculations. This year we will be including mandated investments as we now have a better understanding of the profile of the beneficiaries.

INTERVIEW WITH THE CHAIRMAN OF THE SOCIAL, ETHICS AND TRANSFORMATION (SET) COMMITTEE CONTINUED

Skills development and employment equity continued to receive focus in 2019, with detailed and refreshed training and development programmes being implemented across the company. Our socio-economic development unit continues to implement the community development strategy which now places greater emphasis on community skills and enterprise development, in addition to building on the company's successful community and university food and nutrition programmes.

Q Tiger Brands had a protracted strike by its bakery employees in Pretoria; unfortunately at times the strike turned violent. How has this matter been resolved?

The SET committee monitors and considers the employee relations climate as part of its mandate. The strike was as a result of wage negotiations and was a protected strike. What was unfortunate was the violence against and intimidation of those staff members who decided to return to work. The perpetrators of the violence were put through disciplinary processes when they returned to work and appropriate consequence management was implemented. The strike was limited to the Pretoria bakeries.

Q One of the company's top 10 risks is employee safety. How was the company's performance this year?

Employee safety is not negotiable for us and remains a top priority at Tiger Brands. We are very conscious that our Bakery drivers sometimes travel into unsafe areas as part of their delivery routes. To enhance employee safety on these routes we have implemented security monitoring and support, and we are looking at solutions to remove cash from the vehicles. We are continuing to work with law enforcement agencies to gather information on the delivery routes and safety of the areas to which we deliver our products.

Despite our strong focus on employee safety, I am deeply saddened that one of our employees died while on duty. In April 2019, Mr Aubrey Tornado Skosana, a driver at Albany Pretoria, died following a multi-vehicle collision while on a delivery. I extend my sincere condolences to his family and colleagues. Regrettably, there was also an increase in the group's lost-time injury frequency rate (LTIFR) to 0,38; this was accompanied by a 20,19% increase in the number of lost-time injuries. We will continue to look for solutions to improve the safety and security of our employees.

Q There has been increasing evidence recently of corruption within both the public and the private sector; what is Tiger Brands doing to prevent this from happening within the company?

We recognise that there is a need for an agreed set of values that are unique to Tiger Brands, and we firmly believe that our values will help drive the right behaviours across the business. We have recently rolled out our refreshed values and culture programme, supported by an intensive communication campaign. The company has a confidential tip-off line that can be accessed by all employees and external stakeholders. All complaints received through the tip-off line or our consumer care line, or those that are uncovered through internal audits, are investigated and reported to the SET committee. All senior employees are required to undergo annual anti-bribery and anti-corruption training.

Q As a food company, product quality is clearly very important. Last year you reported that the consumer contact centre received an increased number of consumer complaints because of the listeriosis crisis. Have the consumer complaints reduced significantly during this review period?

Quality of our products is critical to our success and we monitor consumer complaints very closely to ensure swift responses to any issues. This year, we reported an 18% year-on-year reduction in consumer complaints; five of the six cases referred to the consumer goods services Ombudsman were closed with one pending closure. We will continue to implement continuous improvement to ensure that our consumers are provided with quality products they can trust.

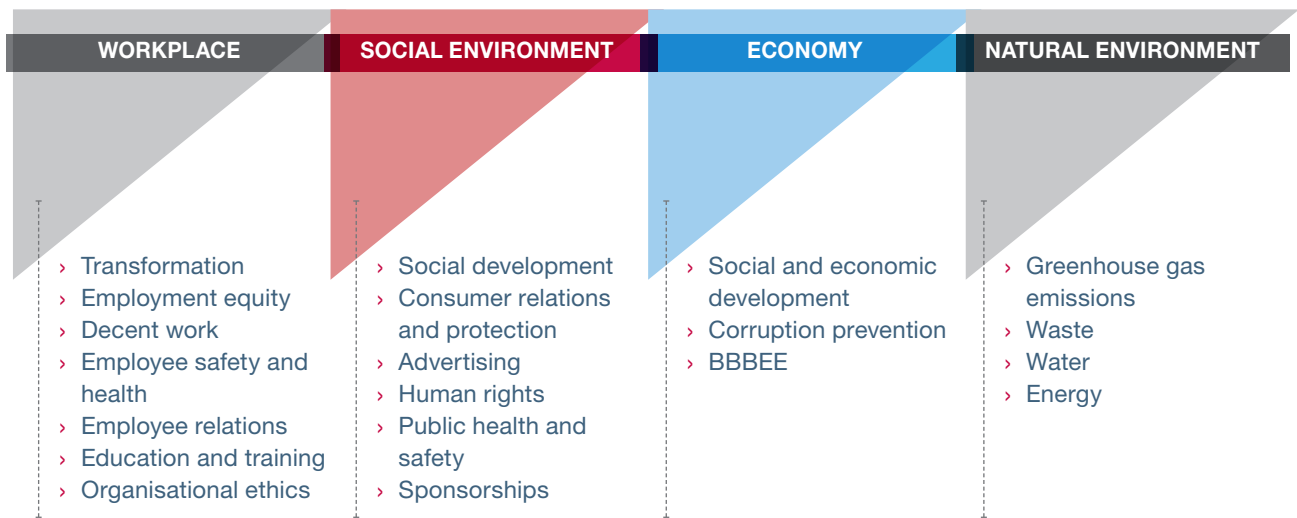
Q Do you have any closing remarks?

It is increasingly clear that environmental, social and governance (ESG) issues influence our ability to generate value and could ultimately affect the company's future sustainability. For the Tiger Brands SET committee these are issues that receive as much focus as financial matters, as they have the potential to have a material negative impact on the company's financial performance. Strategically, ESG issues also offer Tiger Brands a potential competitive advantage to be a source for revenue generation. With this in mind, we are exploring some exciting business opportunities relating to closed loop economies, inclusive business, conversion of waste into energy or other valuable products, plant-based protein, and regenerative agriculture. These are some of the areas we will be focusing on and will progress as part of our sustainability strategy going forward.

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE (SET) MANDATE

The SET committee is primarily focused on areas that impact the long-term growth and sustainability of the business; these cover the broader issues around economic, social and environmental impacts. The SET committee provides oversight of the company's social and ethical performance through its monitoring and reporting function to the board; it receives and considers reports from the risk and sustainability committee covering the environmental risks that they monitor.

This year the SET committee reviewed the following issues to ensure that there is effective and ethical leadership and an integrated approach to how Tiger Brands carries out its business activities:



The SET committee's annual work plan is structured to focus on material ESG issues. The committee provides guidance to the CEO and the executive committee in respect of continuous improvement within these performance areas.

SHAREHOLDERS' DIARY

Financial year end	30 September
Annual general meeting	18 February 2020

Reports and accounts

Announcement of interim results and dividend for the six months ending 31 March 2020	May 2020
Announcement of annual results and final dividend for the year ending 30 September 2020	November 2020
Integrated annual report	December 2020

Dividends 2020	Declaration	Payment
Ordinary shares		
Interim dividend	May 2020	July 2020
Final dividend	November 2020	January 2020

DECLARATION OF FINAL DIVIDEND **NUMBER 150**

The board has approved and declared a final gross cash dividend of 434 cents per ordinary share in respect of the year ended 30 September 2019.

The dividend will be subject to the dividends tax introduced with effect from 1 April 2012.

In accordance with paragraphs 11.17(a)(i) to (x) and 11.17(c) of the JSE Listings Requirements the following additional information is disclosed:

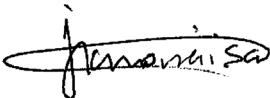
- › The dividend has been declared out of income reserves
- › The local dividends tax rate is 20% (twenty percent) effective 22 February 2017
- › The net local dividend amount is 434 cents per ordinary share for shareholders exempt from the dividends tax
- › The net local dividend amount is 347,2 cents per ordinary share for shareholders liable to pay the dividends tax
- › Tiger Brands has 189 818 926 ordinary shares in issue (which includes 10 326 758 treasury shares)
- › Tiger Brands Limited's income tax reference number is 9325/110/71/7.

Shareholders are advised of the following dates in respect of the final dividend:

Declaration date	Friday, 22 November 2019
Last day to trade cum the final dividend	Tuesday, 7 January 2020
Shares commence trading ex the final dividend	Wednesday, 8 January 2020
Record date to determine those shareholders entitled to the final dividend	Friday, 10 January 2020
Payment date in respect of the final dividend	Monday, 13 January 2020

Share certificates may not be dematerialised or rematerialised between Wednesday, 8 January 2020 and Friday, 10 January 2020, both days inclusive.

By order of the board



JK Monaisa

Company secretary

Bryanston

21 November 2019

COMPANY INFORMATION

TIGER BRANDS LIMITED

Registration number: 1944/017881/06

COMPANY SECRETARY

JK Monaisa

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Sandton

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AUDITORS

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PRINCIPAL BANKER

Nedbank Limited

SPONSOR

JP Morgan Equities South Africa (Pty) Limited

SOUTH AFRICAN SHARE TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196
PO Box 61051, Marshalltown, 2107

AMERICAN DEPOSITORY RECEIPT (ADR) FACILITY

ADR Administrator
The Bank of New York Mellon

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FORWARD-LOOKING INFORMATION

This integrated annual report contains forward-looking statements that, unless otherwise indicated, reflect the company's expectations at the time of finalising the report. Actual results may differ materially from these expectations if known and unknown risks or uncertainties affect the business, or if estimates or assumptions prove inaccurate. Tiger Brands cannot guarantee that any forward-looking statement will materialise and, accordingly, readers are cautioned not to place undue reliance on these statements. The company assumes no obligation to update or revise any forward-looking statements, even if new information becomes available as a result of future events or for any other reason, save as required by legislation or regulation.



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