BKB

The Trusted Home of Agriculture
Die Betroubare Tuiste van Landbou



2026

Remuneration **Report**

Remuneration **report**

for the year ended 30 June 2026

This report explains BKB Limited's ("BKB" or "the Group") remuneration policy and principles and how they were implemented in FY26. The implementation report also explains how Executive directors' remuneration reflects the Group's performance.

The remuneration provisions of the Companies Amendment Act 16 of 2024 came into effect on 22 May 2026. Public companies are now subject to a statutory remuneration governance framework under sections 30A and 30B of the Companies Act. The amendments require shareholder approval of remuneration policies and annual remuneration reports, as well as additional remuneration reporting and certain pay-gap disclosures. This Remuneration Report aligns the Group's remuneration reporting with these legislative requirements.

It is important to note that no material changes were made to the remuneration policy or implementation framework during the past financial year.

Shareholder approval, by ordinary resolution, is required for the Group's Remuneration Policy and annual Implementation Report (Parts 2 and 3 of this report respectively). Shareholders will be asked to vote on these matters at the AGM to be held on 18 November 2026.

Part 1: Background statement

BKB's remuneration approach and framework are designed to position the Group as an employer of choice in the agricultural sector. It aims to attract, retain and motivate high-performing employees, while aligning reward with the Group's strategy, performance and long-term value creation.

Our remuneration structure is underpinned by the remuneration policy and, where relevant, informed by benchmarking surveys. The policy promotes internal and external pay equity, market competitiveness, and fair and responsible remuneration outcomes. In making remuneration decisions for FY26, the Remuneration Committee and the Board considered the Group's record profitability, strong cash generation, improved return on funds employed (ROFE), reduced debt levels, and the need to retain key skills for the next phase of growth.

Strategic context for FY26 remuneration decisions

BKB delivered excellent financial results for FY26 despite a persistently challenging business environment. The Board is satisfied with the Group's overall performance.

The remuneration outcomes described in this report reflect the performance of the Group, its executives and senior management during FY26.

FY26 Group outcome	Why it mattered for remuneration
Operating profit increased by 24.5% to R332,2 million and profit before tax increased by 46.9% to R273,0 million.	Performance-based remuneration recognised a stronger year, while remaining subject to affordability and Remuneration Committee oversight.
Free cash flow increased to R340,4 million and net interest-bearing debt reduced by 53.0% to R262,4 million.	Reward outcomes considered cash conversion and balance sheet discipline, and not only profit in isolation.
ROFE improved to 16.7%, moving above the Group's cost-of-capital hurdle for the first time.	ROFE remains a key measure in aligning management reward with sustainable value creation and disciplined capital allocation.

Remuneration governance

The Board is ultimately responsible for setting the Group's remuneration policy.

The Remuneration Committee reports to the Board and ensures structured and transparent remuneration governance across the Group. It oversees the remuneration of Non-Executive directors, the Managing Director, Executive directors and key senior managers, and makes recommendations to the Board.

The Remuneration Committee comprises four non-executive directors and meets twice a year. Special meetings are convened when required.

Further information on the role and responsibilities of the Committee is set out in the Governance Section of the FY26 Annual Report (page 61).

Part 2: Remuneration Policy

This section of the report sets out BKB's Group-wide remuneration policies and principles for all employees, while also providing additional information on the principles applicable to executives and senior management.

As a leading agricultural company operating across South Africa, BKB applies its Remuneration Policy consistently across the Group while recognising regional and industry norms. A combination of fixed and incentive-based remuneration helps attract and retain the expertise and experience needed to achieve the Group's strategic objectives, while enabling employees to share in its financial success.

Both the Board and Remuneration Committee are satisfied that the Group's remuneration policies and framework are well understood and align with our strategic objectives.

Key principles of our remuneration policy

Principle 1	We reward outputs achieved rather than tasks, duties and responsibilities.
Principle 2	Incentive and variable pay are visible and based on performance.
Principle 3	As pay becomes more closely linked to competency, teamwork and performance, the proportion of variable pay may increase where employees have greater influence over outcomes.
Principle 4	The reward structure is an outcome of sound management practices and supports clear accountability for performance.
Principle 5	Employees are expected to achieve required output and quality levels. Incentives recognise performance and value creation above ordinary role expectations.

Elements of remuneration

The Group's remuneration packages comprise the following elements, as appropriate for each job grade.

Salary and benefits

Fixed remuneration packages, including applicable employee benefits, such as travel allowances, medical aid, retirement fund arrangements, death and disability benefits and broader employee care benefits supplement basic monthly salaries. Fixed remuneration is reviewed with reference to role requirements, market competitiveness, internal equity, performance and affordability. Variable remuneration comprising commission and overtime pay is also included.

Short Term Incentive scheme (STI)

The STI scheme shares the Group's success proportionately with key employees and reinforces performance. Payments depend on achieving defined Group, divisional, personal and non-financial criteria. Measures are predominantly profit-driven and include appropriate ROFE and strategic performance considerations.

Long Term Incentive share participation scheme (LTI)

The LTI share participation scheme (The BKB Limited Bonus and Performance Share Entitlement Plan) is a discretionary award for executive directors and qualifying senior key employees, as recommended by the Remuneration and Human Resources Committees and approved by the Board. The scheme recognises service and performance and aligns eligible executives with BKB's long-term growth strategy. Performance criteria include ROFE, debt management relative to EBITDA and growth in normalised earnings per share (EPS).

Remuneration mix and performance linkage

BKB's remuneration mix balances fixed remuneration, STIs and LTIs. This structure provides competitive guaranteed pay while linking variable remuneration to Group and divisional profit performance, ROFE, cash generation, debt discipline and individual contribution.

Remuneration benchmarking

BKB seeks to ensure that executive directors, senior managers and other employees are rewarded fairly and competitively.

The Group uses independent external remuneration specialists to monitor market and industry developments to ensure that fixed remuneration packages for employees remain competitive. Benchmarking for employees' remuneration is performed every second year, or as requested by the Remuneration Committee.

The remuneration of Executive directors and key Senior Management is independently benchmarked every two years to ensure market competitiveness. Comparison with industry norms and publicly available competitor information is an integral part of setting remuneration levels for Executives and senior management.

Annual salary and wage increases

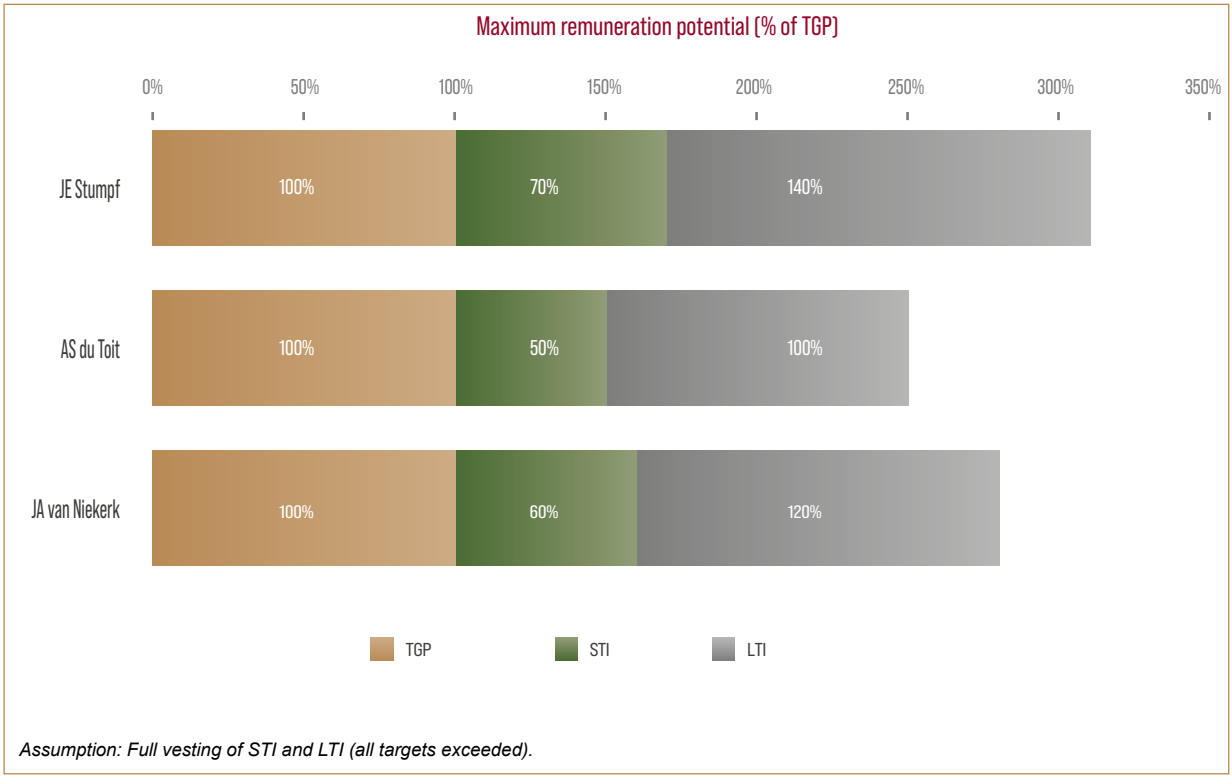
Salaries and benefits are reviewed on an annual basis. Increases are effective from 1 July each year.

At all times BKB adheres to the annual National Minimum Wage as determined by the Department of Employment and Labour. Where employees in the Group are registered with bargaining councils, the applicable minimum wages are adhered to.

Executive directors' remuneration

All Executive directors are employed on a full-time basis. Their terms of employment and remuneration mix, comprising fixed remuneration, STIs and LTIs, are approved by the Board.

Their remuneration packages reflect the scope of their responsibilities and are designed to motivate and retain them, support delivery of the Group's short- and long-term objectives, and promote satisfactory shareholder returns. The group's approach and framework, as it applies to Executive director remuneration, is summarised in the graph below.



Assumption: Full vesting of STI and LTI (all targets exceeded).

Incentives

Short-term incentives

Performance-based cash incentives are offered to key senior employees who significantly influence the Group's performance. Short-term incentives are mostly capped below 50% of TGP. Targets and potential earning thresholds are set in consultation with the Remuneration Committee.

Long-term incentives

The BKB Limited Bonus and Performance Share Entitlement Plan

The BKB Limited Bonus and Performance Share Entitlement Plan was approved by the board of directors on 1 April 2021. Participation in the plan is at the board's discretion, and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The plan is designed to provide long-term incentives for Executive directors and key senior managers to deliver long-term sustainable returns acceptable to shareholders. Annual conditional awards of Performance shares and Bonus shares are allocated to eligible employees.

Elements of the LTI scheme will be reviewed by the Remuneration Committee and the Board in FY27 to ensure that it remains aligned with the Group's business strategy and that it is fair and efficient for both the Group and the participating employees.

Performance shares

Annual conditional awards are made at a zero-strike price and vest after the fourth anniversary of award to the extent that specified performance criteria over the assessment period have been met. Vesting follows Board approval of the BKB Group annual financial statements for the final year of the assessment period.

If an eligible employee ceases to be employed by the Group by reason of a "no fault termination" before performance shares vest, BKB Limited determines the number available to vest and the settlement date in consultation with the employee and under the share plan, ultimately at BKB Limited's discretion.

Performance conditions applied to performance shares awarded from 2022 to 2024

- 50% weighting: Return on Funds Employed (ROFE) outperforming BKB Limited's Weighted Average Cost of Capital (WACC)
- 25% weighting: Net Debt divided by Earnings Before Interest, Tax, Depreciation and Amortisation (Net Debt ratio) outperforming a benchmark of peer group companies
- 25% weighting: Growth in Normalised earnings per share outperforming Consumer Price Index

Performance conditions applied to performance shares awarded from 2025 to 2026

- 50% weighting: Return on Funds Employed (ROFE) outperforming BKB Limited's Weighted Average Cost of Capital (WACC)
- 20% weighting: Net Debt divided by Earnings Before Interest, Tax, Depreciation and Amortisation (Net Debt ratio) outperforming a benchmark of peer group companies
- 30% weighting: Growth in Normalised earnings per share outperforming Consumer Price Index

Performance conditions applied to performance shares awarded from 2027 to 2029

- The performance criteria remain unchanged, although the weightings may vary depending on the company's phase, for example, a growth-focussed expansion phase.

Bonus shares

Special allocations of bonus shares vest after three years, conditional on continued employment. Bonus shares are granted at a zero-strike price. Vesting occurs 36 months after expiry of the applicable assessment period and coincides with the vesting date of the related Performance Shares.

If an eligible employee ceases to be employed by the Group by reason of a "no fault termination" before bonus shares vest, the bonus shares available to vest are deemed vested and settled under the share plan with effect from the employment termination date.

Non-Executive directors' remuneration

The remuneration of Non-Executive directors is reviewed annually and benchmarked against market standards. Non-Executive director remuneration is tabled for approval by shareholders at the Annual General Meeting.

Non-Executive directors are remunerated for their Board responsibilities, roles and overall contributions, rather than solely for meeting attendance. Remuneration comprises a fixed annual Board fee and an additional fee for committee participation, paid quarterly. Non-Executive directors are reimbursed for travelling and other costs relating to their duties. They do not receive STIs, participate in the Group's LTI scheme or have employment contracts with BKB.

Part 3: Implementation Report

The Remuneration Committee is committed to ensuring that our remuneration practices continue to support BKB's strategic objectives, including the retention of talent and long-term value creation.

In FY26 the Remuneration Committee made several decisions in accordance with its responsibilities. These decisions included, inter-alia, executive salary increases, evaluation of performance conditions and vesting of shares.

The FY26 remuneration outcomes reflect the Group's strong FY26 financial performance and progress against strategic priorities, while taking account of affordability, fairness, retention of key skills and responsible governance. The improved performance resulted in higher STI and LTI awards.

BKB's remuneration mix remained consistent with the prior year, balancing fixed remuneration, STIs and LTIs. Variable remuneration remained linked to Group and divisional performance, ROFE, cash generation, debt discipline and individual contribution.

No significant changes were made to the Group's remuneration policies or framework during FY26.

Annual salary reviews

During FY26 the average salary and wage increases were 5% and 5.5% respectively. Employees remunerated at National Minimum Wage levels received an increase of 5.5%. Bargaining council wage agreements resulted in an effective increase of 6% for affected employees.

Executive directors received board approved increases of 4.75% to their guaranteed packages.

Non-Executive directors received an average remuneration increase of 4.75%.

Long-term incentives

The BKB Limited Bonus and Performance Share Entitlement Plan

Company and its subsidiaries

Number of shares – thousands

Performance shares

Deferred performance shares awarded and expected to vest as at 30 June 2026	Forfeitable shares as at 30 June 2025	Shares granted during the year	Shares vested during the year	Shares forfeited during the year	Forfeitable shares as at 30 June 2026	Shares expected to vest (based on performance projections) as at 30 June 2026*
JE Stumpf	1 974	580	(76)	(344)	2 134	1 281
AS du Toit	763	272	(33)	(132)	870	568
JA van Niekerk	975	327	(28)	(109)	1 165	716
Management	2 550	732	(70)	(447)	2 764	1 554
Total	6 261	1 911	(206)	(1 032)	6 933	4 120

Award date	Shares as at 30 June 2026	Shares expected to vest (based on performance projections) as at 30 June 2026	Shares as at 30 June 2025	Shares expected to vest (based on performance projections) as at 30 June 2025	Expected vesting date	Share price at grant date (cents)
1 July 2021			1 239	230	September 2025	900
1 July 2022	1 272	523	1 272	523	September 2026	1 010
1 July 2023	1 794	850	1 794	850	September 2027	570
1 July 2024	1 956	1 272	1 956	1 272	September 2028	500
1 July 2025	1 911	1 474			September 2029	510
Total	6 933	4 120	6 261	2 875		

* *At 30 June 2026, the fair value of these shares based on a "last traded share price" of 930c (2025: 510c) was R37,6m (2025: R12,5m); The income statement charge/expense was R8,29m for FY2026 (2025: R4,9m)*

Bonus shares

Deferred bonus shares awarded and expected to vest as at 30 June 2026	Forfeitable shares as at 30 June 2025	Shares granted during the year	Shares vested during the year	Shares forfeited during the year	Forfeitable shares as at 30 June 2026**
JE Stumpf	593	390	(183)	–	800
AS du Toit	367	134	(126)	–	376
JA van Niekerk	330	218	(78)	–	470
Management	1 158	544	(223)	–	1 479
Total	2 449	1 287	(611)	–	3 125

Award date	Shares as at 30 June 2026	Shares as at 30 June 2025	Expected vesting date	Share price at grant date (cents)
30 June 2022		611	September 2025	1 010
30 June 2023	192	192	September 2026	570
30 June 2024	865	865	September 2027	500
30 June 2025	780	781	September 2028	510
30 June 2026	1 287		September 2029	930
Total	3 125	2 449		

*** At 30 June 2026, the fair value of these shares based on a "last traded share price" of 930c (2025: 510c) was R30,8m (2025: R12,98m); The income statement charge/expense was R9,8m for FY2026 (2025: R7,5m)*

Director's remuneration

Details of the total remuneration paid to Executive and Non-Executive directors are set out below. The directors were remunerated in accordance with the Group's remuneration policy.

Executive directors

Company and its subsidiaries	Salary and employee benefits R'000	Bonus paid R'000	Shares vested R'000	Total remuneration R'000	*4 year avg Bonus paid R'000*
Year ended 30 June 2026					
JE Stumpf	7 360	1 498	1 333	10 191	*1 249*
AS du Toit	4 675	1 220	818	6 713	*787*
JA van Niekerk	4 689	1 057	546	6 292	*692*
	16 724	3 775	2 697	23 196	*2 728*
Year ended 30 June 2025					
JE Stumpf	7 021	1 797	2 021	10 839	*1 537*
AS du Toit	4 465	763	621	5 849	*664*
JA van Niekerk	4 262	985	857	6 104	*709*
	15 748	3 545	3 499	22 792	*2 910*

Non-Executive directors

	Directors' fees		Expenses re-imbursed	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
GEJ Kingwill	857	818	13	60
EA Meyer	553	528	77	89
CF Fick	388	370	12	17
CD Hobson	374	357	21	18
JF Janse van Rensburg	422	403	21	27
JG Louw	422	403	9	18
MC Mogase (Appointed February 2026)	118	–	–	–
TP Mthembu (Resigned September 2025)	76	309	–	4
V Pillay	388	370	–	–
HC Staple	553	528	–	–
	4 151	4 086	153	233

Pay gap disclosures

The remuneration reflected in the table below includes total salaries and benefits, variable remuneration such as commission and overtime, bonuses and the value of the equity and cash settled incentives that have vested during the year. Remuneration paid to employees over a period of less than a year have been annualised.

Guaranteed package represents fixed remuneration only and excludes all variable remuneration.

Employees included are permanent employees and contracted temporary employees. The Group employs a substantial number of unskilled and semi-skilled employees.

As the Group has a performance-oriented reward system, a substantial portion of the remuneration paid to executive directors and senior managers is of a variable nature and therefore their remuneration can fluctuate significantly. On a total remuneration basis, the pay for performance model widens the range of incomes.

Measure	*Unit*	Total Remuneration R'000	Guaranteed package R'000
Total remuneration – top earner	*ZAR '000*	10 206	7 375
Total remuneration – bottom earner	*ZAR '000*	71	60
Average remuneration – all employees	*ZAR '000*	307	257
Median remuneration – all employees	*ZAR '000*	141	116
Highest-paid 5%	*ZAR '000*	168 342	135 803
Lowest-paid 5%	*ZAR '000*	6 652	6 195
Highest 5% : Lowest 5% ratio	*times*	25 : 1	22 : 1

Statement about compliance with BKB Limited's Remuneration Policy

The Remuneration Committee is satisfied that the Remuneration Policy, as set out in Part 2 of this report, was complied with and that there were no material deviations from the policy during the year.

Geoff Kingwill

Chairman of the Remuneration Committee

16 October 2026



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