

REMUNERATION REPORT

The remuneration committee's main objective is to provide the board with assurance that the employees, directors and senior executives of the group are fairly rewarded for their individual contributions to the group's performance. The group views the inclusion of share incentives as an essential element in the remuneration package, as this promotes an alignment of interests with shareowners and incentivises long-term commitment. Share incentive schemes and fringe benefit policies are regularly reviewed by the remuneration committee.

The remuneration strategy includes the determination of incentive pay structures for directors and senior executives, for both the short and long term, and the positioning of these levels in accordance with trends in local and international markets.

Non-executive directors

Non-executive directors do not have service agreements. Letters of appointment confirm the terms and conditions of their service. Remuneration packages of non-executive directors are agreed and determined by the remuneration committee. Directors fees are structured so as to encourage maximum board and subcommittee participation. Certain non-executive directors were paid additional fees varying between US\$11 250 and US\$36 750 for the year, depending on the time spent on certain activities of the group.

The following scale of fees for meeting attendance was in place for the year:

- US\$2 750 per meeting as a member of the Brait S.A. board
- US\$3 150 per meeting as the chairman of the Brait S.A. board
- US\$1 365 per meeting as a member of other board committees
- US\$2 100 per meeting as the chairman of other board committees

For the 2007 financial year, a fee increase of 5% was recommended and approved by the board.

Executive directors and employees

Service agreements entered into with executive directors are initially fixed for a certain term and, thereafter, may be terminated by either party giving requisite written notice to each other. The terms of employment and remuneration packages are approved by the remuneration committee. Executive directors are not permitted to accept external remunerative work or board appointments without approval of the Brait S.A. board.

Remuneration packages for executive directors and employees comprise some or all of the following:

- Base salary and benefits
- Annual bonus
- Long-term equity and/or share incentive plans

Base salary and benefits

Executive directors and employees are permitted to structure their base salaries and benefits in terms of existing legislation in their employment domicile. Salary packages, including benefits, are reviewed annually with reference to relevant geographical and industry criteria as a benchmark. Benefits largely include provident fund, group life, disability, medical aid and other benefits as dictated by competitive market practices.

Annual bonuses

Annual bonuses are closely linked to performance and pre-determined targets on both formulaic and discretionary bases.

Share equity and incentive schemes

A summary of the scheme rules and share entitlements outstanding and granted to directors and employees of the group under the various schemes are as follows:

Brait S.A. Share Incentive Scheme

Salient features

- The scheme is a share option scheme with deferred delivery.
- Entitlements are granted at market price at the date of grant.
- Vesting typically accrues within six years.
- Entitlements expire after eight years.
- Entitlements are forfeited if the participant leaves the group before vesting.

Entitlements granted under the scheme:

	2006	2005
Share entitlements outstanding at beginning of year	2 975 262	2 568 624
Granted and exercised	150 000	1 374 480
Delivered	(808 018)	(61 151)
Cancelled (by resignation, retrenchment or repurchase)	(578 740)	(906 691)
Share entitlements outstanding at end of year	1 738 504	2 975 262

Analysis of share entitlements outstanding at 31 March 2006

Entitlement expiry date	Number of shares	Issue price (ZAR)
31 December 2010	48 750	8,57
31 December 2011	648 690	7,19
30 June 2012	670 964	7,20
6 July 2012	220 100	7,22
1 October 2013	150 000	18,04
	1 738 504	

The Brait Executive Share Purchase Scheme

Salient features

- The scheme is structured as a share purchase scheme and participants are offered an opportunity to acquire ordinary shares in the company at a price fixed on a leveraged, deferred payment and delivery basis. Critically, participants are required to make an upfront contribution equal to one third of the market value of their entitlements granted.
- Participants are offered ordinary shares at market price.
- Participants are offered leverage (loan finance) based on twice the value of their contributions.
- The leverage is subject to an arm's length related interest rate.
- The scheme shares or any rights flowing from such shares vest over three years.
- Participants may only take delivery of their entitlements under the scheme on vesting and full settlement of their loan accounts.
- Loan accounts must be settled within five years of the grant of shares or the entitlements expire.

- Unvested entitlements are forfeited if the participant leaves the group before vesting.

The executives carry market risk on any decline in the Brait share price during the tenure of the scheme up to a maximum limit of their pre-paid contribution and will benefit from any market price increase, but only to the extent that the increase exceeds the compounded prime interest rate on the advance, net of dividends.

Entitlements granted under the scheme:

	2006	2005
Share entitlements outstanding at beginning of year	16 563 460	17 296 489
Granted	2 500 000	500 000
Delivered	(12 185 907)	(778 105)
Cancelled (by resignation, retrenchment or repurchase)	—	(454 924)
Share entitlements outstanding at end of year	6 877 553	16 563 460

Analysis of share entitlements outstanding at 31 March 2006

Repayment date of loan balance	Interest rate of loan	Prepaid contributions by participants US\$	Outstanding loan account balances US\$	Number of shares granted	Share purchase price US\$
31 March 2008	US dollar Prime	457 605	537 344	1 933 269	0,7101
25 October 2008	US dollar Prime	460 212	550 767	1 944 284	0,7101
13 May 2009	US dollar Prime	167 700	246 053	500 000	1,0062
31 March 2010	US dollar Prime	1 565 833	3 758 062	2 500 000	1,8790
		2 651 350	5 092 226	6 877 553	

Brait South Africa Share Scheme 2005

Salient features

- A new scheme implemented with effect from 1 April 2005.
- The scheme consists of a management scheme and an executive scheme.
- The executive scheme requires a capital contribution on which the executive is exposed to market risk.
- The scheme is based on a share appreciation right linked to a Brait S.A. share.
- A vested share appreciation is converted into shares at market price.
- Entitlements are granted at market price at the date of grant.
- Vesting accrues between three and five years.
- Entitlements are forfeited if the participant leaves the group before vesting.

Entitlements granted under the scheme:

	Management scheme	Executive scheme	Total
Share entitlements outstanding at beginning of year	—	—	—
Granted	2 110 823	—	2 110 823
Cancelled (by resignation or retrenchment)	—	—	—
Share entitlements outstanding at end of year	2 110 823	—	2 110 823

REMUNERATION REPORT CONTINUED

Analysis of share entitlements outstanding at 31 March 2006

	Expiry date	Number of shares	Issue price (ZAR)
A shares – 5 years	31 March 2010	1 250 823	11,83
A shares – 5 years	30 September 2010	125 000	18,04
A shares – 5 years	31 December 2010	135 000	18,99
C shares – 3 years	31 March 2008	500 000	11,83
C shares – 3 years	31 December 2008	100 000	18,99
		2 110 823	

Directors' emoluments

For Brait S.A. and its subsidiaries

Remuneration

For the year ended 31 March 2006	Fees and expenses as directors US\$000	Cash salary US\$000	Performance bonus US\$000	Other benefits (note 1) US\$000	Other services (note 2) US\$000	2006 Total US\$000
Executive directors						
AC Ball	12,4	507,7	781,5	33,4	–	1 335,0
BI Childs	8,3	48,0	–	–	–	56,3
JJ Coulter (note 3)	8,3	232,0	–	804,6*	–	1 044,9
JA Gnodde (note 3)	8,3	298,3	922,6	24,7	–	1 253,9
CJ Tayelor	11,2	339,1	518,0	32,9	–	901,2
SJP Weber	–	–	–	–	36,8	36,8
	48,5	1 425,1	2 222,1	895,6	36,8	4 628,1
Non-executive directors						
PAB Beecroft	8,3	–	–	–	14,0	22,3
J Bodoni	8,3	–	–	–	–	8,3
ME King	20,1	–	–	–	184,0	204,1
RJ Koch	17,8	–	–	–	21,0	38,8
AM Rosenzweig	8,3	–	–	–	21,0	29,3
HRW Troskie	8,3	–	–	–	11,2	19,5
PL Wilmot	19,4	–	–	–	21,0	40,4
	90,5	–	–	–	272,2	362,7
Total US\$000	139,0	1 425,1	2 222,1	895,6	309,0	4 990,8

* Mr Coulter was paid a US\$750 000 'sign-on' consideration in June 2005. Should he leave the group's services prior to 1 June 2008, a pro-rata portion will be refundable

Note 1 Other benefits represent provident fund contributions, motor vehicle allowances, medical aid and group life cover.

Note 2 Other services represent time spent by directors in the management and/or day-to-day activities of the company and/or its subsidiaries.

Note 3 Messrs Coulter and Gnodde were appointed directors of the company on 27 July 2005. Their remuneration is in respect of the eight month period from this date.

Directors' emoluments (continued)

For Brait S.A. and its subsidiaries

Remuneration

For the year ended 31 March 2005	Fees and expenses as directors US\$000	Cash salary US\$000	Performance bonus US\$000	Other benefits (note 1) US\$000	Other services (note 2) US\$000	2005 Total US\$000
For the year ended 31 March 2005						2005 Total
Executive directors						
AC Ball	16,0	461,0	800,0	34,0	—	1 311,0
CJ Tayelor	10,0	307,0	400,0	33,0	—	750,0
SJP Weber	—	—	—	—	36,0	36,0
	26,0	768,0	1 200,0	67,0	36,0	2 097,0
Non-executive directors						
J Bodoni	8,0	—	—	—	—	8,0
FZ Haller (resigned 7 February 2005)	12,0	—	—	—	17,0	29,0
ME King	25,0	—	—	—	185,0	210,0
RJ Koch	16,0	—	—	—	20,0	36,0
AM Rosenzweig	10,0	—	—	—	20,0	30,0
PL Wilmot	39,0	—	—	—	—	39,0
	110,0	—	—	—	242,0	352,0
Total US\$000	136,0	768,0	1 200,0	67,0	278,0	2 449,0

Share entitlements

(a) Brait S.A. Share Incentive Scheme	2006			2005		
	Expiry date	Shares granted	Issue price (ZAR)	Expiry date	Shares granted	Issued price (ZAR)
RJ Koch	31 Dec 11	15 300	7,19	31 Dec 11	15 300	7,19
	6 July 12	34 700	7,22	6 July 12	34 700	7,22
ME King	31 Dec 11	24 000	7,19	31 Dec 11	24 000	7,19
	6 July 12	76 000	7,22	6 July 12	76 000	7,22
AM Rosenzweig	31 Dec 11	15 300	7,19	31 Dec 11	15 300	7,19
	6 July 12	34 700	7,22	6 July 12	34 700	7,22
SJP Weber	31 Dec 11	10 000	7,19	31 Dec 11	10 000	7,19
	6 July 12	40 000	7,22	6 July 12	40 000	7,22
PL Wilmot	31 Dec 11	15 300	7,19	31 Dec 11	15 300	7,19
	6 July 12	34 700	7,22	6 July 12	34 700	7,22
BI Childs	1 Oct 13	50 000	18,04	—	—	—
HRW Troskie	1 Oct 13	50 000	18,04	—	—	—
PAB Beecroft	1 Oct 13	50 000	18,04	—	—	—
		450 000			300 000	

(b) Brait Executive Share Purchase Scheme

	2006					2005			
	Prepaid contribution by the participant US\$000	Outstanding loan account balance US\$000	Expiry date	Shares granted	Issue price US\$	Outstanding loan account balance US\$000	Expiry date	Shares granted	Issue price US\$
CJ Tayelor	—	—	—	—	—	822	31 Mar 08	1 895 307	0,7101
JA Gnodde	318	373	31 Mar 08	1 342 377	0,7101	—	—	—	—
JJ Coulter	1 566	3 758	31 Mar 10	2 500 000	1,8790	—	—	—	—