DRIVING PERFORMANCE TO SUSTAIN OUR PURPOSE

Summarised consolidated financial statements
and notice of annual general meeting 2021
(Summarised financials and notice)

CONTENTS

SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The full set of consolidated annual financial statements can be found at: https://www.ppc.africa/investors-relations/reports/?t=final-results-reports or from the group company secretary.

FEEDBACK

We encourage feedback on our integrated reporting suite.

Kindly direct feedback to the group company secretary,

Mr Kevin Ross
kevin.ross@ppc.co.za
+27(11) 386 9585

Details for obtaining copies of the integrated report are also available from our group company secretary.

www.ppc.africa

PPC AT A GLANCE

SNAPSHOT OF PERFORMANCE FROM CONTINUING OPERATIONS

R8,9 billion	Group revenue	FY20: R8,7 billion
R1,6 billion	Group EBITDA	FY20: R1,4 billion
R1,3 billion reversal	Impairments	FY20: R1,9 billion
65 cents	Earnings per share	FY20: (43) cents
R1,4 billion	Cash generated from operations	FY20: R0,7 billion
R1,9 billion	South African gross debt	FY20: R2, billion
R0,7 billion	International gross debt	FY20: R1,1 billion
R0 billion	International debt with recourse to South Africa	FY20: R2,7 billion

- Achieved significant milestones in the capital restructuring project
- While COVID-19 impacted sales in all markets, we maintained production in all markets post-lockdown and sales recovered strongly once hard lockdown restrictions eased
- Experienced unstable electricity supply in various markets
- Cement imports remain an issue across the portfolio
- Pressure on logistics cost due to unreliable rail services in South Africa
- Delivered improved results and cash generation despite the challenging conditions

OUR PURPOSE

To empower people to experience a better quality of life.

OUR VALUES

R — PPC always does the RIGHT thing

Holding each other accountable and always acting with integrity

E — PPC strives for EXCELLENCE

Striving for excellence in everything

P — PPC's PEOPLE are its strength

PPC values its people and recognises that every person is essential to the company's success

P — PPC has a PASSION for winning

Inspiring each other with a positive attitude and energy in striving to be the best

C — PPC is CUSTOMER-focused

Customers are at the heart of everything as PPC strives to exceed expectations every time

COMMENTARY

Roland van Wijnen, CEO, said:

My gratitude goes to all my colleagues at PPC. They have worked tirelessly under very stringent health and safety protocols to keep PPC going and sustain our purpose of empowering people to experience a better quality of life.

Despite the difficult trading conditions in most of our markets, our businesses have benefited from a recovery in cement demand, resulting in improved financial performance. The strategic repositioning of PPC as a leading cementitious player is progressing well, and we will redouble our efforts in the new financial year. We also achieved significant milestones in our capital restructuring and refinancing project, which remains a priority for PPC. So far, we have concluded an agreement with PPC Barnet's lenders, which terminates their right to recourse to PPC. We signed agreements for the sale of PPC Lime and our aggregates business in Botswana. We also agreed with our South African lending partners to defer the equity capital raise in South Africa from March 2021 to September 2021. We continue to engage with our lenders to find the most economically efficient way to recapitalise the South African business.

REVIEW OF OPERATIONS

The group has, in accordance with IFRS 5 Non-current assets held for sale, accounted for PPC Lime, Botswana Aggregates and PPC Barnet as discontinued operations. Accordingly, the assets, liabilities and profit or loss are reported separately in the financial statements for the year ended 31 March 2021.

GROUP PERFORMANCE FROM CONTINUING OPERATIONS

The group experienced volatile and challenging trading conditions in most of its markets due to the ongoing COVID-19 pandemic and its impact on economic activity. The group's results were adversely impacted by the 75% depreciation of the Zimbabwean dollar against the South African rand, thus reducing PPC Zimbabwe's contribution to group profitability.

Group revenue for the year increased by 3% to R8 938 million (March 2020: R8 671 million) due to a recovery in cement sales following the easing of lockdown restrictions imposed by the relevant authorities at the beginning of the 2021 financial year. Opportunistic cement sales resulting from PPC's ability to respond to an increase in demand in some markets also contributed positively to revenue growth. Excluding Zimbabwe, group revenue increased by 7%.

Cost of sales reduced by 1% to R6 877 million (March 2020: R6 792 million) compared with the previous year. Lower depreciation expense, and efficiency gains offset increases in input cost inflation. Administration and other operating expenditure, including once-off capital restructuring and refinancing costs of R81 million, decreased by 14% to R1 007 million (March 2020: R1 170 million). Administration and other operating expenditure benefited from efforts to improve the group's cost competitiveness.

Group EBITDA increased by 16% to R1 598 million (March 2020: R1 381 million) with an EBITDA margin of 17,9% (March 2020: 15,9%) due to increased cement sales and lower costs. Excluding PPC Zimbabwe, group's EBITDA from continuing operations increased by 66%.

Earnings per share ("EPS") for the period for continuing operations increased to 65 cents (March 2020: 43 cents loss) while headline earnings per share for continuing operations ("HEPS") reduced to 3 cents (March 2020: 54 cents). Operating profit increased by 75% year-on-year from R600 million to R1 051 million. Headline earnings from continuing operations, however, decreased from R787 million to R77million, due to the impact of the following non-cash pre-tax items impacted headline earnings:

- Fair value adjustments and foreign exchange movements resulted in a loss of R376 million (March 2020: R151 million gain), mainly due to the strengthening of the South African rand against the US dollar during the year. The South African rand depreciated against the US dollar in the prior year.

COMMENTARY continued

- A profit of R251 million in the previous year relating to the DRC put option.
- A net fair value gain on the Zimbabwe financial asset of R256 million (2020: R7 million).
- A net fair value loss on the Zimbabwe blocked funds of R17 million (2020: R258 million).
- Accounting for Zimbabwe in terms of IAS 29 Financial reporting in hyperinflationary economies, resulted in a net monetary loss of R200 million (March 2020: R651 million gain).

Excluding the above in both the current and the prior year, headline earnings would have changed from a loss of R15 million in the prior year to a profit of R414 million in the current year.

Finance costs decreased by 19% to R283 million (March 2020: R349 million) due to lower average borrowings. Finance costs in South Africa decreased by 19% to R161 million (March 2020: R199 million), while finance costs in the international operations decreased by 19% to R122 million (March 2020: R150 million). The decrease in finance costs due to a reduction in debt levels in South Africa and Zimbabwe. Excluding unfavourable currency movements, finance costs in the international operations decreased by 26%.

The group taxation charge for the year amounts to R742 million relative to a credit of R181 million in March 2020. The effective cash tax rate is 26%, however, the impact of non-cash deferred tax adjustments due to Zimbabwe hyperinflation and deferred tax not raised on certain assessed losses resulted in a disclosed effective tax rate 42%.

Discontinued operations, which include PPC Barnet, PPC Lime and Botswana Aggregates, generated a loss of R1 141 million (March 2020: R1 710 million) for the year. Impairments of R761 million for PPC Barnet at the consolidated level to reflect the economic position post the restructuring agreements entered into on 31 March 2021, negatively impacted the results of the discontinued operations and the total group.

The total loss for the year, including discontinued operations, reduced to R118 million compared with a loss of R2 388 million in the previous year. Total headline earnings, including discontinued operations, reduced to a loss of R303 million compared with a gain of R205 million in the prior year.

Cash available from operations amounted to R1 022 million (March 2020: R273 million, outflow). Cash generation benefited from improvements in EBITDA, reduction in working capital absorption and lower finance cost paid. Cash generation and preservation is a key performance measure for PPC.

Net cash outflow from investing activities reduced to R392 million (March 2020: R 662 million) mainly due to a 36 % reduction in investment in property, plant, and equipment. Net cash inflow before financing activities improved to R972 million (March 2020: R289 million outflow).

Gross debt amounted to R2 628 million on 31 March 2021 (March 2020: R5 800 million). The R3 172 million decline in gross debt includes R2 482 million relating to the DRC transferred to liabilities associated with assets held for sale and disposal groups.

CEMENT SOUTH AFRICA AND BOTSWANA

South Africa and Botswana cement volumes increased by approximately 6 %, driven by sales to the retail sector with robust demand experienced in the rural and informal markets.

Growth in the inland areas offset declines in the coastal regions and Botswana. A muted recovery in commercial construction activity and the unavailability of slag following the closure of Saldanha steel accounted for the decrease in sales in the coastal regions. In the last quarter of the financial period, sales trends suggest stabilisation in demand in the coastal areas.

The industry has engaged the relevant authorities to have locally produced cement classified as a designated product. The designation will make it compulsory for locally produced cement to be used in government-funded construction projects and prohibit the use of imported cement in such projects. Upon implementation, the local cement industry is expected to benefit from increased demand once the Government's infrastructure build programme gathers momentum.

Cement imports, which continue to threaten the industry, rebounded after the easing of lockdown restrictions. PPC estimates that cement imports increased by 8 % to 1 438 million tonnes and accounted for approximately 8 % of demand for the twelve months ended March 2021. Together with The Concrete Institute and other industry players, PPC continues to engage the relevant authorities for assistance against unfair competition. PPC has submitted all the necessary documentation and has received a verification report to that effect. The industry is now awaiting the initiation of an investigation by the regulator.

South Africa and Botswana cement revenues increased by 7 % to R5 196 million (March 2020: R4 843 million). The inland region and Botswana accounted for 73 % of cement sales relative to 66 % in the prior year. EBITDA improved by 41 % to R866 million (March 2020: R613 million) with a margin of 16,7 % (March 2020: 12,7 %). EBITDA margin benefited from increased cement sales, higher realised prices and stringent cost control.

COMMENTARY continued

MATERIALS BUSINESS

AGGREGATES, READYMIX AND ASH

The materials business lost six weeks of sales due to the hard lockdown and could not recover the lost sales. Post the easing of the trading restrictions, ash sales benefited from increased cement demand and the shortage of alternative extenders like slag. Muted readymix demand in the rural areas offset a recovery in Gauteng. Demand for aggregates increased due to construction demand in Gauteng, while sales to the steel sector reduced.

Revenues for the materials division decreased by 4% to R991 million (March 2020: R1 031 million) due to a decline in volumes across all segments of the business. EBITDA reduced to a loss of R8 million (March 2020: R4 million profit). Management is implementing several initiatives to improve the profitability of this business.

INTERNATIONAL

Zimbabwe

Despite the challenging economic environment and the impact of COVID-19 related lockdown restrictions on sales, PPC Zimbabwe cement volumes increased by approximately 10%, supported by ongoing infrastructure projects. PPC implemented price increases in local currency to offset input cost inflation and the devaluation of the local currency.

Revenue decreased by 13% to R1 623 million (March 2020: R1 861 million). The impact of hyperinflation accounting and the 75% depreciation of the Zimbabwean dollar (ZWL) against the South African rand reduced PPC Zimbabwe's contribution to the group's financial performance. In functional currency, PPC Zimbabwe's revenues increased by 251%. EBITDA in South African rand declined by 32% to R481 million (March 2020: R707 million) with EBITDA margin contracting to 29,6%, versus 38,0% in March 2020. In functional currency, EBITDA increased by 173% to ZWL2 718 million (March 2020: ZWL994 million). In light of the prevailing economic conditions affecting the value of the Zimbabwean dollar, PPC Zimbabwe is focused on cash preservation and maximising US$ EBITDA. The business is financially self-sufficient and declared and paid a cash dividend to PPC of US$4,4 million in December 2020. Subsequent to the year-end, a further dividend of US$2,6 million was paid to PPC. The Reserve Bank of Zimbabwe continues to honour its obligation to settle PPC Zimbabwe's debt from legacy funds with a further US$11,2 million paid during FY21. Management expects the debt to be fully repaid during the FY22 year.

Rwanda

COVID-19 trading restrictions imposed by the Rwandan authorities impacted cement sales for the year. After the initial lockdowns in April 2020, the authorities imposed a second lockdown in early 2021, resulting in a slowdown in economic activity. Despite these challenges, CIMERWA grew cement sales benefiting from infrastructure projects, growth in the retail market, and export demand from the eastern DRC. Cement sales also benefited from a school building programme by the government, which is unlikely to be repeated in FY22.

During the period under review, a new cement producer in Rwanda commenced operations, but, to date, the impact on CIMERWA´s cement sales are negligible as demand in Rwanda exceeds domestic production.

CIMERWA achieved revenue growth of 21 % to R1 128 million (March 2020: R936 million), supported by an 8 % increase in volumes, price growth in US$, and translation gains. EBITDA increased by 51 % to R342 million (March 2020: R226 million) due to higher revenues and stringent cost control. EBITDA margins improved to 30,3 % from 24,1 % in March 2020. Costs incurred to enhance the output of the plant impacted EBITDA in March 2020.

Discontinued operations

The group classified PPC Barnet DRC Holdings and its DRC subsidiaries (PPC Barnet), PPC Lime Limited (PPC Lime) and PPC Aggregate Quarries Botswana Proprietary Limited (PPC Aggregates Quarries) as non-current assets held for sale, due to pending sales of PPC Lime and PPC Aggregates Quarries and the pending restructuring of PPC Barnet which will result in a loss of control. The results and assets and liabilities have therefore been extracted from the consolidated statement of profit and loss and the consolidated statement of financial position and separately disclosed as discontinued operations.

As previously communicated to shareholders, PPC has embarked on a restructuring and refinancing project to align the business with its revised strategy and implement a sustainable capital structure. In terms of the strategy, PPC identified PPC Lime and PPC Aggregates Quarries as non-core operations. In addition, the settlement agreement and related agreements reached with PPC Barnet's lenders effectively derisk PPC from future economic downside risks and directs most of the economics of PPC Barnet to the lenders. Given that limited economic benefits are expected to flow to PPC in the near term. The group assessed the criteria of IFRS 5 and concluded that the agreement entered into to restructure the DRC, met the requirements to present the DRC as held for sale.

COMMENTARY continued

DRC

PPC Barnet in the DRC achieved revenue growth of 26 % to R766 million (March 2020: R607 million), driven by volume growth of 16 %, higher pricing in US$ and translation gains. EBITDA improved by 46 % to R142 million (March 2020: R97 million) with corresponding margins of 18,5 %. EBITDA benefited from stringent cost control and entrenchment of a new route to market strategy. Although PPC Barnet continues to experience positive cement demand, the market's overall supply and demand dynamics are unfavourable, with the industry operating at suboptimal levels of capacity utilisation. The manufacturing capacity in the addressable market far exceeds demand. PPC estimates industry cement production capacity of 2,3 million tonnes relative to demand of 1,2 million tonnes. Given the supply and demand imbalances in the market, PPC Barnet cannot generate sufficient cash flow to service its debt repayment obligations based on its current capital structure.

PPC Lime

Revenue declined by 26 % to R604 million (March 2020: R816 million), with volumes and pricing under pressure due to the decline in activity in the steel and allied sectors. The COVID-19 related lockdowns also hurt sales. Initiatives are underway to optimise costs and diversify the customer base to mitigate these challenges, and a strong recovery is expected. Strict cost management and focus on networking capital reduction have resulted in a more robust cash generation than the prior year. EBITDA contracted by 97 % to R3 million (March 2020: R110 million) due to the decline in volumes.

Botswana aggregates

Revenue declined by 13 % to R128 million (March 2020:R147 million). EBITDA declined by 50 % to R8 million (March 2020: R16 million).

RESTRUCTURING AND REFINANCING UPDATE

On 31 March 2021, PPC signed a settlement agreement and a restructuring term sheet with the senior lenders to the DRC operations. The settlement agreement extinguishes all future obligations on PPC to provide deficiency funding to the DRC. Moreover, the terms of the restructuring term sheet will result in PPC losing control over the DRC on implementation and hence the investment in the DRC has been accounted for as a non-current asset held for sale.

OUTLOOK

Despite the recovery in cement demand in most of its markets, PPC is mindful of the prevailing uncertainties around the COVID-19 pandemic and its impact on economic activity. PPC will remain focused on improving cost competitiveness and cash generation. It will take the necessary strategic and operational measures to ensure that it can continue to serve its customers, protect its employees, and implement strategic initiatives to ensure financial sustainability through all demand cycles.

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2021

	Notes	March 2021 Rm	March 2020 Rm
ASSETS			
Non-current assets		**10 147**	13 522
Property, plant and equipment	2	**9 577**	12 277
Right-of-use-assets		**68**	112
Goodwill		**38**	48
Other intangible assets		**194**	458
Equity-accounted investments		**—**	3
Financial assets		**196**	309
Other non-current assets		**50**	289
Deferred taxation assets		**24**	26
Current assets		**2 676**	3 389
Inventories		**1 111**	1 596
Trade and other receivables		**993**	1 281
Taxation receivable		**115**	114
Cash and cash equivalents		**457**	398
Assets held for sale and held by disposal groups	3.1	**2 984**	182
Total assets		**15 807**	17 093
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	4	**3 965**	3 965
Other reserves		**(2 731)**	225
Retained profit		**5 649**	3 590
Equity attributable to shareholders of PPC Ltd		**6 883**	7 780
Non-controlling interests		**(153)**	(227)
Total equity		**6 730**	7 553
Non-current liabilities		**2 855**	2 603
Provisions		**219**	446
Deferred taxation liabilities		**1 621**	1 255
Long-term borrowings	5	**983**	766
Lease liabilities		**32**	90
Other non-current liabilities		**—**	46
Current liabilities		**2 923**	6 937
Provisions		**30**	4
Trade and other payables		**1 167**	1 794
Lease liabilities		**28**	40
Short-term borrowings	5	**1 645**	5 034
Taxation payable		**30**	65
Other current liabilities		**23**	—
Liabilities associated with assets held for sale and disposal groups	3.2	**3 299**	—
Total equity and liabilities		**15 807**	17 093

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

as at 31 March 2021

	Notes	March 2021 Rm	March[a] 2020 Rm
Continuing operations			
Revenue	6	**8 938**	8 671
Cost of sales		**(6 877)**	(6 792)
Gross profit		**2 061**	1 879
Expected credit losses on trade receivables		**(3)**	(109)
Administration and other operating expenditure		**(1 007)**	(1 170)
Operating profit before items listed below:		**1 051**	600
Empowerment transactions IFRS 2 charges		**—**	(16)
Fair value and foreign exchange movements	7.1	**(376)**	151
Remeasurement gain on put option		**—**	251
Fair value gain on Zimbabwe financial asset	8.1	**256**	7
Fair value loss on Zimbabwe blocked funds	8.2	**(17)**	(258)
Expected credit loss on Zimbabwe government bonds		**—**	40
Net monetary (loss)/gain on hyperinflation in Zimbabwe	1.6	**(200)**	651
Reversal of impairments/(impairments)	9	**1 317**	(1 946)
Profit/(loss) before finance costs, investment income and equity-accounted investments		**2 031**	(520)
Finance costs	10	**(283)**	(349)
Investment income		**15**	9
Profit/(loss) before equity-accounted investments		**1 763**	(860)
Profit from equity-accounted investments		**2**	1
Profit/(loss) before taxation		**1 765**	(859)
Taxation	11	**(742)**	181
Profit/(loss) for the year from continuing operations		**1 023**	(678)
Loss for the year from discontinued operations	3.3	**(1 141)**	(1 710)
Loss for the year		**(118)**	(2 388)
Attributable to:			
Shareholders of PPC Ltd – Continuing operations		**983**	(652)
Shareholders of PPC Ltd – Discontinued operations		**(794)**	(1 220)
Non-controlling interests		**(307)**	(516)
		(118)	(2 388)
Earnings/(loss) per share (cents)	12.4		
Basic – Group		**12**	(124)
Diluted – Group		**13**	(124)
Basic – Continuing operations		**65**	(43)
Diluted – Continuing operations		**65**	(43)
Basic – Discontinued operations		**(53)**	(81)
Diluted – Discontinued operations		**(52)**	(81)

[a] *The 2020 comparative figures have been represented to separately disclose discontinued operations. Refer to note 3.*

SUMMARISED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2021

	Foreign currency translation reserve		Financial assets at fair value through other comprehensive income		Retained profit		Total comprehensive loss	
	March 2021 Rm	March 2020 Rm	**March 2021 Rm**	March 2020 Rm	**March 2021 Rm**	March 2020 Rm	**March 2021 Rm**	March 2020 Rm
Loss for the year	**—**	—	**—**	—	**(118)**	(2 388)	**(118)**	(2 388)
Items that will be reclassified to profit or loss on disposal								
Translation of foreign operations[(a)]	**(3 101)**	(2 144)	**—**	—	**—**	—	**(3 101)**	(2 144)
Revaluation of financial assets[(b)]	**—**	—	**(2)**	(2)	**—**	—	**(2)**	(2)
Other comprehensive loss net of taxation	**(3 101)**	(2 144)	**(2)**	(2)	**—**	—	**(3 103)**	(2 146)
Total comprehensive loss	**(3 101)**	(2 144)	**(2)**	(2)	**(118)**	(2 388)	**(3 221)**	(4 534)
Attributable to:								
Shareholders of PPC Ltd – continuing operations	**(3 065)**	(2 139)	**(2)**	(2)	**983**	(652)	**(2 084)**	(2 793)
Shareholders of PPC Ltd – discontinued operations	**—**	—	**—**	—	**(794)**	(1 220)	**(794)**	(1 220)
Non-controlling interests	**(36)**	(5)	**—**	—	**(307)**	(516)	**(343)**	(521)

[(a)] *The currency conversion guide is presented in note 1.5.*
[(b)] *Revaluation of financial assets has tax impact of R0,6 million (2020: R0,5 million).*

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2021

	Stated capital Rm	Other reserves[a]: Foreign currency translation reserve[b] Rm	Other reserves[a]: Financial assets at fair value through other comprehensive income Rm	Other reserves[a]: Equity compensation reserve Rm	Retained profit Rm	Equity attributable to shareholders of PPC Ltd Rm	Non-controlling interest Rm	Total equity Rm
March 2021								
Balance at 31 March 2020	3 965	(568)	(2)	795	3 590	7 780	(227)	7 553
Movement for the year	—	(3 065)	(2)	111	2 059	(897)	74	(823)
IFRS 2 charges	—	—	—	21	—	21	—	21
Other movement	—	—	—	(24)	14	(10)	—	(10)
Reclassification of non-controlling interest on put option	—	—	—	—	(422)	(422)	422	—
Zimbabwe hyperinflation impact[c]	—	—	—	114	2 278	2 392	—	2 392
Total comprehensive income/(loss)[d]	—	(3 065)	(2)	—	189	(2 878)	(343)	(3 221)
Dividends declared	—	—	—	—	—	—	(5)	(5)
Balance at 31 March 2021	3 965	(3 633)	(4)	906	5 649	6 883	(153)	6 730
March 2020								
Balance at 31 March 2019	3 936	1 571	—	624	2 767	8 898	294	9 192
IFRS 2 charges	—	—	—	59	—	59	—	59
Vesting of FSP share incentive scheme	29	—	—	(29)	—	—	—	—
Other movement	—	—	—	(32)	32	—	—	—
Zimbabwe hyperinflation impact	—	—	—	173	2 663	2 836	—	2 836
Total comprehensive loss	—	(2 139)	(2)	—	(1 872)	(4 013)	(521)	(4 534)
Balance at 31 March 2020	3 965	(568)	(2)	795	3 590	7 780	(227)	7 553

[a] *Description of other equity reserves:*
The foreign currency translation reserve includes exchange differences arising on monetary items that form part of PPC's net investment in a foreign operation.
Financial assets at fair value through other comprehensive income includes fair value changes and impairment adjustments on fair value through other comprehensive income assets. The cumulative gain or loss is recognised in the statement of profit or loss on derecognition of the financial assets.
Equity compensation reserve represents the increase in equity from the issuance of shares relating to the forfeitable share incentive scheme (FSP) and BEE transactions.

[b] *An amount of R102 million will be recycled through profit or loss in FY22 when control is lost over PPC Barnet DRC.*

[c] *Refer to note 1.6 for the hyperinflation impact on PPC Zimbabwe.*

[d] *The reduction in the foreign currency translation reserve is due to the devaluation of the Zimbabwean dollar against the South African rand.*

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2021

	Note	March 2021 Rm	March[a] 2020 Rm
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating cash flows before movements in working capital		**1 559**	1 422
Working capital movements		**(184)**	(694)
Cash generated from operations		**1 375**	728
Finance costs paid		**(219)**	(316)
Taxation paid		**(134)**	(139)
Cash available from operations		**1 022**	273
Net operating activities from discontinued operations		**342**	190
Net cash inflow from operating activities		**1 364**	463
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in intangible assets		**(16)**	(18)
Investment in property, plant and equipment (adjusted for capital expenditure accruals)		**(367)**	(552)
Proceeds from disposal of property, plant and equipment		**10**	8
Net investing activities from discontinued operations		**(19)**	(100)
Net cash outflow from investing activities		**(392)**	(662)
Net cash inflow/(outflow) before financing activities		**972**	(199)
CASH FLOWS FROM FINANCING ACTIVITIES[b]			
Repayment of borrowings		**(538)**	—
Proceeds from borrowings raised		**250**	152
Repayment of lease liabilities		**(39)**	(32)
Dividends paid to non-controlling interest		**(5)**	—
Net financing activities from discontinued operations		**(5)**	(1)
Net cash outflow from financing activities		**(337)**	119
Net movement in cash and cash equivalents		**635**	(80)
Cash and cash equivalents at the beginning of the year		**398**	452
Effect of exchange rate movements on cash and cash equivalents – continuing operations		**(148)**	11
Effect of exchange rate movements on cash and cash equivalents – discontinued operations		**(15)**	15
Cash and cash equivalents at the end of the year		**870**	398
Cash and cash equivalents comprise			
Cash and cash equivalents – continuing operations		**457**	398
Cash and cash equivalents – discontinued operations	3	**413**	
Group cash and cash equivalents at the end of the year		**870**	398

[a] *The 2020 comparative figures have been represented to separately disclose discontinued operations. Refer to note 3.*

[b] *During the period the favourable non-cash changes on borrowings amounted to R710 million, (March 2020: unfavourable R638 million) arising from unrealised foreign exchange differences. Refer to note 1.5 for the relevant currency conversions.*

SEGMENTAL INFORMATION

for the year ended 31 March 2021

The group discloses its operating segments according to the business units which are reviewed by the group executive committee, who are also the chief operating decision makers for the group. The group executive committee includes executive directors. The operating segments are initially identified based on the products produced and sold and then per geographical location.

The operating segments are South Africa and Botswana cement, international cement, lime, aggregates and readymix and group shared services.

No individual customer comprises more than 10% of the group revenue.

			Cement		Cement		Materials business					
							Lime		Aggregates and readymix		Group services and other[b]	
	Consolidated		South Africa and Botswana		International[a]		South Africa		South Africa and Botswana			
	March 2021 Rm	March 2020 Rm	**March 2021 Rm**	March 2020 Rm	**March 2021 Rm**	March 2020 Rm	**March 2021 Rm**	March 2020 Rm	**March 2021 Rm**	March 2020 Rm	**March 2021 Rm**	March 2020 Rm
Revenue												
Gross revenue	**9 140**	8 866	**5 398**	5 038	**2 751**	2 797	**—**	—	**991**	1 031	**—**	—
Inter-segment revenue[c]	**(202)**	(195)	**(202)**	(195)	**—**	—	**—**	—	**—**	—	**—**	—
Total revenue[d]	**8 938**	8 671	**5 196**	4 843	**2 751**	2 797	**—**	—	**991**	1 031	**—**	—
Operating profit before items listed below	**1 051**	600	**587**	215	**638**	662	**—**	—	**(84)**	(77)	**(90)**	(200)
Empowerment transactions IFRS 2 charges	**—**	(16)	**—**	—	**—**	(1)	**—**	—	**—**	—	**—**	(15)
Fair value and foreign exchange gains/(losses)	**(376)**	151	**4**	(19)	**(260)**	(78)	**—**	—	**(1)**	—	**(119)**	248
Remeasurement gain on put option	**—**	251	**—**	—	**—**	—	**—**	—	**—**	—	**—**	251
Fair value gain on Zimbabwe financial asset	**256**	7	**—**	—	**256**	7	**—**	—	**—**	—	**—**	—
Fair value loss on Zimbabwe blocked funds	**(17)**	(258)	**—**	—	**—**	—	**—**	—	**—**	—	**(17)**	(258)
Expected credit loss on Zimbabwe blocked funds	**—**	40	**—**	—	**—**	—	**—**	—	**—**	—	**—**	40
Net monetary (loss)/gain on hyperinflation in Zimbabwe	**(200)**	651	**—**	—	**(200)**	651	**—**	—	**—**	—	**—**	—
Reversals of impairments/(impairments)	**1 317**	(1 946)	**1 450**	(1 819)	**2**	—	**—**	—	**(135)**	(127)	**—**	—
Profit/(loss) before finance costs, investment income and equity-accounted investments	**2 031**	(520)	**2 041**	(1 623)	**436**	1 241	**—**	—	**(220)**	(204)	**(226)**	66
Finance costs	**(283)**	(349)	**(234)**	(235)	**(122)**	(149)	**—**	—	**(26)**	(6)	**99**	41
Investment income	**15**	9	**158**	78	**5**	3	**—**	—	**13**	8	**(161)**	(80)
Profit/(loss) before equity-accounted earnings	**1 763**	(860)	**1 965**	(1 780)	**319**	1 095	**—**	—	**(233)**	(202)	**(288)**	27
Earnings from equity-accounted investments	**2**	1	**—**	—	**—**	—	**—**	—	**—**	—	**2**	1
Profit/(loss) before taxation	**1 765**	(859)	**1 965**	(1 780)	**319**	1 095	**—**	—	**(233)**	(202)	**(286)**	28
Taxation	**(742)**	181	**(570)**	454	**(199)**	(252)	**—**	—	**24**	8	**3**	(29)
Profit/(loss) for the year from continuing operations	**1 023**	(678)	**1 395**	(1 326)	**120**	843	**—**	—	**(209)**	(194)	**(283)**	(1)
Loss for the year from discontinued operations	**(1 141)**	(1 710)	**—**	—	**(1 098)**	(1 752)	**(33)**	37	**2**	5	**(12)**	—
Profit/(loss) for the year	**(118)**	(2 388)	**1 395**	(1 326)	**(978)**	(909)	**(33)**	37	**(207)**	(189)	**(295)**	(1)
Attributable to:												
Shareholders of PPC Ltd – continuing operations	**983**	(652)	**1 395**	(1 326)	**80**	869	**—**	—	**(209)**	(194)	**(283)**	(1)
Shareholders of PPC Ltd – discontinued operations	**(794)**	(1 220)	**—**	—	**(751)**	(1 262)	**(33)**	37	**2**	5	**(12)**	—
Non-controlling interests	**(307)**	(516)	**—**	—	**(307)**	(516)	**—**	—	**—**	—	**—**	—
	(118)	(2 388)	**1 395**	(1 326)	**(978)**	(909)	**(33)**	37	**(207)**	(189)	**(295)**	(1)
Basic – continuing operations	**65**	(43)	**93**	(88)	**5**	57	**—**	—	**(14)**	(12)	**(19)**	—

SEGMENTAL INFORMATION continued

for the year ended 31 March 2021

			Cement		Cement		Materials business					
							Lime		Aggregates and readymix		Group services and other[b]	
	Consolidated		South Africa and Botswana		International[a]		South Africa		South Africa and Botswana			
	March 2021 Rm	March 2020 Rm	**March 2021 Rm**	March 2020 Rm	**March 2021 Rm**	March 2020 Rm	**March 2021 Rm**	March 2020 Rm	**March 2021 Rm**	March 2020 Rm	**March 2021 Rm**	March 2020 Rm
Basic – discontinued operations	**(53)**	(81)	**—**	—	**(50)**	(82)	**(2)**	1	**—**	—	**(1)**	—
Depreciation and amortisation	**547**	781	**279**	398	**165**	261	**—**	—	**76**	81	**27**	41
EBITDA[f]	**1 598**	1 381	**866**	613	**803**	923	**—**	—	**(8)**	4	**(63)**	(159)
EBITDA margin (%)[f]	**17,9**	15,9	**16,7**	12,7	**29,2**	33,0	**—**	—	**—**	0,4		
Assets												
Non-current assets (excluding equity-accounted investments)	**10 147**	13 519	**4 378**	2 908	**6 137**	9 645	**—**	312	**240**	466	**(608)**	188
Equity-accounted investments	**—**	3	**—**	—	**—**	—	**—**	—	**—**	—	**—**	3
Assets held for sale and held by disposal groups	**2 984**	182	**—**	—	**2 439**	182	**467**	—	**78**	—	**—**	—
Current assets	**2 676**	3 389	**1 324**	1 250	**1 149**	1 596	**—**	240	**221**	296	**(18)**	7
Total assets	**15 807**	17 093	**5 702**	4 158	**9 725**	11 423	**467**	552	**539**	762	**(626)**	198
Investments in property, plant and equipment and intangibles (refer note 2 and 5)	**396**	572	**251**	311	**108**	180	**9**	29	**10**	28	**18**	24
Liabilities												
Non-current liabilities	**2 855**	2 603	**652**	112	**4 967**	5 464	**—**	19	**289**	352	**(3 053)**	(3 344)
Liabilities associated with assets held for sale and disposal groups	**3 299**	—	**—**	—	**3 114**	—	**147**	—	**38**	—	**—**	—
Current liabilities	**2 923**	6 937	**2 129**	2 467	**499**	4 047	**—**	95	**184**	186	**111**	142
Total liabilities	**9 077**	9 540	**2 781**	2 579	**8 580**	9 511	**147**	114	**511**	538	**(2 942)**	(3 202)
Capital commitments (refer to note 26)	**144**	485	**27**	155	**101**	269	**—**	—	**1**	52	**15**	9

[a] International comprises Zimbabwe, Rwanda, DRC, Mozambique and cross-border sales from Southern Africa.
[b] Group shared services and other comprises group shared services, BEE entities and group eliminations.
[c] Segments are disclosed net of inter-segment transactions.
[d] Revenue from external customers generated by the group's material foreign operations is as follows:
Botswana R432 million (2020: R509 million)
DRC R766 million (2020: R607 million)
Rwanda R1 128 million (2020: R936 million)
Zimbabwe R1 623 million (2020: R1 861 million)
[e] EBITDA is defined as operating profit before empowerment transactions IFRS 2 charges, depreciation and amortisation.
[f] EBITDA Margin is defined as EBITDA divided by Total Revenue.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

1. BASIS OF PREPARATION

The summarised audited consolidated financial statements have been prepared in accordance with the provisions of the JSE Limited Listings Requirements for abridged reports, and the requirements of the Companies Act of South Africa applicable to the summary financial statements. The Listings Requirements require the abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council, and contain at a minimum the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the summarised consolidated financial statements were derived in terms of IFRS. These summarised audited consolidated financial statements do not include all the information required for the full consolidated financial statements. The summarised audited consolidated financial statements have been prepared using the historical cost convention except for certain financial instruments which are stated at fair value, the impact of inflation as a result of hyperinflationary economies and assets held for sale that are measured at fair value less costs to sell. These summarised consolidated financial statements are extracted from the audited annual financial statements and integrated report.

These summarised audited consolidated financial statements have been prepared under the supervision of B Berlin CA(SA), chief financial officer, and were approved by the board of directors on Friday, 18 June 2021. The directors take full responsibility for the preparation of these summarised audited consolidated financial statements.

The accounting policies are consistent with the prior year, except where the group has adopted new or revised accounting standards, amendments and interpretations of those standards, which became effective during the year in review. The group adopted the following standards during the year:

Standard, amendment or interpretation	Impact on the financial statements
Amendments to IFRS 3 – *Definition of a Business*	No significant impact on the group financial statements
Amendments to IAS 1 and IAS 8 – *Definition of Material*	No significant impact on the group financial statements
The Conceptual Framework for Financial Reporting	No significant impact on the group financial statements
Amendments to IFRS 9, IAS 39 and IFRS 7 – *Interest Rate Benchmark Reform*	No significant impact on the group financial statements
COVID-19-Related Rent Concessions (Amendment to IFRS 16)	No significant impact on the group financial statements

All monetary information and figures presented in these summarised audited consolidated financial statements are stated in rand, unless otherwise indicated.

1. BASIS OF PREPARATION continued

1.1 BASIS OF CONSOLIDATION

The group consolidates all of its subsidiaries.

Subsidiaries are all entities over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group.

All subsidiaries, with the exception of CIMERWA Limitada and the PPC Barnet DRC entities, have the same financial year-end as the company. The financial year-end of the respective DRC incorporated entities is December, which is prescribed by local legislation, while CIMERWA has a September financial year-end. For the purpose of preparing these consolidated financial statements, an external audit has been performed on the financial results of these two entities for the year ended 31 March 2021.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of financial position respectively. Non-controlling interest comprehensive income or loss is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Management accounts together with the financial statements are used to align earnings of equity-accounted investments, noting that both Habesha Cement Share Company as well as Olegra Oil (Pty) Ltd have a different year-end to that of the group, being December and February respectively.

1.2 ACCOUNTING POLICIES

All accounting policies applied in the preparation of these financial statements are in compliance with IFRS.

1.3 SIGNIFICANT JUDGEMENTS MADE BY MANAGEMENT AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with IFRS requires management to make estimates, assumptions and judgements that affect reported amounts and related disclosures, and therefore actual results, when realised in the future, could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Judgements made by management in applying the accounting policies that could have a significant effect on the amounts recognised in the financial statements are disclosed in the respective notes.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

1. BASIS OF PREPARATION continued

1.4 GOING CONCERN

The directors have considered whether the group can continue as a going concern in the foreseeable future and concluded that it can, taking into account all the considerations mentioned in note 17. On that basis, these summarised audited consolidated financial statements have been prepared on the going concern basis.

Refer to note 17 for the detailed going concern assessment.

1.5 FOREIGN CURRENCY CONVERSION GUIDE

Items included in the financial reports of each entity in the group are measured using the entity's functional currency. The summarised consolidated financial statements are presented in South African rand, which is the functional and presentation currency of the group. Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. The statement of profit or loss and other comprehensive income, cash flows and financial position of group entities which are not accounted for as entities operating in hyperinflationary economies and that have a functional currency different from the presentation currency of the group are translated into the presentation currency. An entity may have a monetary item that is receivable from a foreign operation. An item for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the entity's net investment in that foreign operation. On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income and accumulated in the foreign currency translation reserve.

Approximate value of foreign currencies relative to the rand.

	Average rate		Closing rate	
	2021	2020	**2021**	2020
Botswana pula	**1,42**	1,36	**1,33**	1,49
US dollar	**16,26**	14,83	**14,77**	17,78
Rwandan franc	**0,02**	0,02	**0,01**	0,02
Mozambican metical	**0,23**	0,24	**0,22**	0,26
Zimbabwe dollar (ZWL)	**0,18**	0,71	**0,18**	0,71

1. BASIS OF PREPARATION continued

1.6 IAS 29 FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES

The general price index used as published by the Zimbabwe National Statistics Agency is as follows:

Date	Base year	General price index	Inflation rate
3/31/2021	2019	2 759,8	240,6

Hyperinflation impact	31 March 2021 Including Hyperinflation Rm	31 March 2021 Hyperinflation Adjustment Rm	31 March 2021 Excluding Hyperinflation Rm
Statement of profit or loss			
Revenue	8 938	367	8 571
EBITDA[(a)]	1 598	136	1 462
Profit for the year from continuing operations	1 023	(225)	1 248
Earnings per share (cents)			
Basic – continuing operations	65	(15)	80
Diluted – continuing operations	65	(15)	80
Statement of financial position			
Property, plant and equipment	9 577	3 719	5 858
Right-of-use-assets	68	1	67
Other intangible assets	194	10	184
Inventories	1 111	195	916
Trade and other receivables	993	25	968
Retained profit	5 649	5 472	177
Total comprehensive (loss)/income	189	(225)	414
Other movement	14	—	14
Reclassification of non-controlling interest on put option	(422)	—	(422)
Opening balances	5 868	5 697	171
Other Reserves	(2 731)	(2 414)	(317)
Equity Compensation Reserve	906	289	617
Financial assets at fair value through other comprehensive income	(4)	—	(4)
FCTR	(3 633)	(2 703)	(930)
Long-term provisions	219	11	208
Short-term provisions	30	—	30
Deferred taxation liabilities	1 621	882	739

[(a)] *EBITDA is defined as operating profit before empowerment transactions IFRS 2 charges, depreciation and amortisation.*

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

2. PROPERTY, PLANT AND EQUIPMENT

	March 2021 Rm	March 2020 Rm
Movements during the year		
Net carrying value at the beginning of the year	**12 277**	12 600
Additions	**387**	553
To enhance existing operations	**277**	441
To expand operations	**110**	112
Depreciation	**(651)**	(911)
Disposals	**(13)**	(61)
(Impairments)/impairment reversals (refer to note 9)	**646**	(2 767)
Other movements[(a)]	**42**	120
Hyperinflation impact[(b)]	**2 709**	4 072
Transfer to assets held for sale and held by disposal groups (refer to note 3)	**(1 621)**	(28)
Translation differences	**(4 199)**	(1 301)
Net carrying value at the end of the year	**9 577**	12 277
Comprising:		
Freehold and leasehold land, buildings and mineral rights[(c)]	**2 104**	2 966
Decommissioning assets	**262**	409
Plant, vehicles, furniture and equipment	**7 211**	8 902
	9 577	12 277
Translation differences comprise:		
Botswana	**(3)**	3
Rwanda	**(320)**	236
DRC	**(435)**	534
Zimbabwe[(d)]	**(3 441)**	(2 075)
Mozambique	**—**	1
Total	**(4 199)**	(1 301)

[(a)] *Other movements include:*
- *Reclassification of assets between different categories*
- *Movement in the remeasurement of the decommissioning assets*
- *A reallocation of R4 million to Intangible assets included under work in progress in the prior year (plant, vehicles, furniture and equipment category)*
- *Reclassification of critical spares from inventory of R22 million*
- *R11 million under work in progress that has not met the capitalisation criteria and was expensed in the statement of profit or loss*

[(b)] *Hyperinflation resulted in a R3 179 million uplift of the carrying amount of property, plant and equipment, which comprise:*

	Rm
Hyperinflation impact included in opening balance	*4 037*
Additions	*15*
Depreciation	*(7)*
Hyperinflation impact on current year	*2 709*
Translation differences	*(3 035)*
Net impact	*3 719*

[(c)] *Mineral rights comprise capitalised exploration and evaluation costs.*

[(d)] *As a result of a significant devaluation of the Zimbabwean dollar (ZWL) against the South African rand (ZAR), from March 2020 to March 2021, of ZAR:ZWL 0,711 to 0,18, the group recognised a R3 billion decrease in the net carrying value of property, plant and equipment, which is included in translation differences.*

2. PROPERTY, PLANT AND EQUIPMENT continued

	March 2021 Rm	March 2020 Rm
Carrying amount of assets pledged as security:		
PPC Cement SA	**2 202**	—
DRC[(a)]	**—**	2 798
Rwanda	**1 164**	1 591
Zimbabwe	**3 955**	4 608
	7 321	8 997

[(a)] *Transferred to assets held for sale and held by disposal groups. Refer to note 3.*

3. ASSETS CLASSIFIED AS HELD FOR SALE AND DISPOSAL GROUPS

	Notes	31 March 2021 Rm	31 March 2020 Rm
Disposal of houses in PPC Zimbabwe		**—**	154
Disposal of land in PPC Barnet DRC Trading		**—**	28
Non-current assets held for sale	3.1	**2 984**	—
Liabilities associated with assets held for sale and disposal groups	3.2	**(3 299)**	—
		(315)	182

Judgements made by management and sources of estimation uncertainty
Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

3. ASSETS CLASSIFIED AS HELD FOR SALE AND DISPOSAL GROUPS continued

PPC Barnet DRC Holdings and its DRC subsidiaries (PPC Barnet)

On 31 March 2021 PPC Ltd entered into a binding agreement with PPC Barnet's lenders terminating their right of recourse to PPC Ltd. Simultaneously, PPC Ltd entered into a binding term sheet to restructure the debt in PPC Barnet and to reorganise the governance of PPC Barnet ("the Restructuring"). On implementation of the Restructuring, PPC Ltd will lose control of PPC Barnet, and therefore the Restructuring is a deemed disposal within the scope of IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*. All the parties to the term sheet agreed that the long-stop date for the Restructuring to occur is 30 September 2021 from which date PPC Ltd will no longer consolidate its stake in PPC Barnet. As the terms of the Restructure have been agreed between PPC and the PPC Barnet's Lenders and the implementation of the Restructure as set out in the term sheet is largely of an administrative nature, it is highly probable that the Restructure will be complete by 30 September 2021. Because PPC Barnet is a separate geographical component, it has been accounted for as a discontinued operation.

The property, plant and equipment ("PPE") was impaired in FY20 in the amount of R1 128 million. In the current year, it was considered whether further impairment or, alternatively, a reversal of the prior year impairment should be taken. Given, amongst other things, a decrease in the investment committee approved weighted average cost of capital for PPC Barnet of some 2%, it was evident that an impairment reversal would be appropriate at the PPC Barnet company level which, in accordance with IAS36, does not take into account the debt in the business. Regardless of whether the prior year impairment is reversed or not at the business unit level, upon classification of PPC Barnet as an asset held for sale at group level, the carrying amount (before an impairment reversal) was in excess of the fair value less cost to sell and accordingly an impairment loss of R761 million has been recognised on PPC Barnet in the consolidated annual financial statements.

PPC Barnet was previously presented in the International – Cement segment.

3. ASSETS CLASSIFIED AS HELD FOR SALE AND DISPOSAL GROUPS continued

PPC Lime Limited (PPC Lime)

PPC Ltd indirectly holds 100% of the shares in PPC Lime. One of PPC Ltd's objectives, as part of the restructuring and refinancing project disclosed in the 31 March 2020 consolidated financial statements, was to raise capital from non-core asset sales. PPC Lime was identified by the board as non-core and PPC Ltd actively commenced a process to sell PPC Lime in January 2021.

PPC Ltd appointed financial advisers to manage a structured sales process and by 31 March 2021 preferred bidders had completed their due diligence and certain of such preferred bidders had submitted binding offers. Subsequent to the year-end the board approved that PPC Ltd enter into binding substantive agreements for the sale of 100% of PPC Lime and on 2 May 2021, PPC South Africa Holdings Proprietary Limited, a wholly-owned subsidiary of PPC Ltd, entered into transaction agreements with Kgatelopele Lime Proprietary Limited, to dispose of the entire issued share capital of PPC Lime for an enterprise value of R520 million on a debt-free and cash-free basis. This R520 million was also subject to a positive or negative adjustment if the net working capital was above or below of an amount of R169 million. As at 31 March 2021, the net working capital of PPC Lime was R124 million which will result in net proceeds to PPC Ltd being reduced to R475 million The transaction is subject to certain conditions precedent normal for a transaction of this nature, which PPC Ltd expects to be met before 30 September 2021.

PPC Lime was previously presented in the South Africa – Lime segment.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

3. ASSETS CLASSIFIED AS HELD FOR SALE AND DISPOSAL GROUPS continued

PPC Aggregate Quarries Botswana Proprietary Limited (PPC Aggregates Quarries)

PPC Ltd indirectly holds 100% of the shares in PPC Aggregate Quarries Botswana (Pty) Ltd. One of PPC Ltd's objectives, as part of the restructuring and refinancing project disclosed in the 31 March 2020 consolidated financial statements, was to raise capital from non-core asset sales. PPC Aggregate Quarries Botswana (Pty) Ltd was identified by the board as non-core and PPC Ltd actively commenced a process to sell PPC Aggregate Quarries Botswana (Pty) Ltd in January 2021.

PPC Ltd received expressions of interest from four prospective buyers and selected a preferred bidder. The preferred bidder completed its due diligence and, subsequent to year-end, a Sale and Purchase Agreement has been signed. Management is of the opinion that the conditions precedent, that are customary for a transaction of this nature, will be met before 1 August 2021.

PPC Aggregates Quarries was previously presented in the South Africa and Botswana – Aggregates and Readymix segment

All the above mentioned entities have been classified as disposal groups held for sale and as discontinued operations. The comparative for the consolidated statement of profit or loss and consolidated statement of cash flows has been represented to show the discontinued operations separately from continuing operations.

3. ASSETS CLASSIFIED AS HELD FOR SALE AND DISPOSAL GROUPS continued

3.1 ASSETS HELD FOR SALE AND BY DISPOSAL GROUPS

	PPC Barnet – DRC	PPC Lime	PPC Botswana aggregates	Total
Property, plant and equipment[(a)]	1 359	250	12	1 621
Right-of-use assets	5	5	—	10
Other intangibles	92	—	4	96
Financial assets	—	30	—	30
Other non-current assets	183	—	—	183
Deferred taxation assets	—	—	3	3
Inventory	221	79	27	327
Trade and other receivables	187	89	13	289
Taxation receivable	—	12	—	12
Cash and other equivalent	392	2	19	413
Total assets	**2 439**	**467**	**78**	**2 984**
3.2 LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE AND DISPOSAL GROUPS				
Provisions	(60)	(22)	(14)	(96)
Deferred taxation liabilities	—	(41)	—	(41)
Lease liabilities	(8)	(6)	(1)	(15)
Other non-current liabilities	(18)	—	—	(18)
Trade and other payables	(544)	(85)	(23)	(652)
Short-term portion of long-term borrowings	(2 482)	—	—	(2 482)
Taxation payable	(2)	7	—	5
Total liabilities	**(3 114)**	**(147)**	**(38)**	**(3 299)**
Total equity	**(675)**	**320**	**40**	**(315)**

[(a)] *The DRC property, plant and equipment are pledged as security.*

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

3. ASSETS CLASSIFIED AS HELD FOR SALE AND DISPOSAL GROUPS continued

		31 March 2021 Rm	31 March 2020 Rm
3.3	**DISCONTINUED OPERATIONS**		
	Revenue	**1 498**	1 570
	Cost of sales	**(1 371)**	(1 456)
	Gross profit	**127**	114
	Expected credit losses on trade receivables	**(3)**	(12)
	Administration and other operating expenditure	**(168)**	(116)
	Operating profit before items listed below:	**(44)**	(14)
	Fair value and foreign exchange loss	**(20)**	—
	Impairments	**(761)**	(1 128)
	Loss before finance costs, investment income	**(825)**	(1 142)
	Finance costs	**(338)**	(314)
	Investment income	**10**	24
	Loss before taxation	**(1 153)**	(1 432)
	Taxation	**12**	(278)
	Loss for the year from discontinued operations	**(1 141)**	(1 710)
	Attributable to:		
	Shareholders of PPC Ltd	**(794)**	(1 220)
	Non-controlling interests	**(347)**	(490)
		(1 141)	(1 710)
	Loss per share (cents)		
	Basic – discontinued operations	**(53)**	(81)
	Diluted – discontinued operations	**(52)**	(81)
3.4	**CASH FLOWS FROM DISCONTINUED OPERATIONS**		
	Net operating cash flows from discontinued operations	**342**	190
	Net investing cash flows from discontinued operations	**(19)**	(100)
	Net financing cash flows from discontinued operations	**(5)**	(1)
	Effect of exchange rate movements on cash and cash equivalents	**(15)**	15
	Net increase in cash and cash equivalents	**303**	104

4. STATED CAPITAL

	31 March 2021 Shares	31 March 2020 Shares
Stated capital		
Authorised ordinary shares	**10 000 000 000**	10 000 000 000
Refer to note 12 for total shares in issue		
Authorised preference shares	**20 000 000**	20 000 000
Twenty million preference shares of R1 000 each. No preference shares have been issued.		

	Rm	Rm
Stated capital		
Balance at the beginning of the year	**3 965**	3 936
Vesting of shares held in terms of the FSP share incentive scheme	**—**	29
Balance at the end of the year	**3 965**	3 965

	Shares	Shares
Unissued shares		
Ordinary shares	**8 406 885 699**	8 406 885 699
Preference shares	**20 000 000**	20 000 000

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

5. BORROWINGS

	Terms	Security	Interest rate	March 2021 Rm	March 2020 Rm
South Africa long-term funding				**1 691**	1 442
	R350 million amortising loan facility, maturing 30 September 2021	Secured	Variable rates at 370 basis points above three-month JIBAR	**350**	350
	R800 million general banking facility expiring 31 March 2022	Secured	Variable rates at 405 basis points above three-month JIBAR	**800**	800
	R300 million general banking facility expiring 19 June 2023	Secured	Variable rates at 425 basis points above three-month JIBAR	**300**	300
	R400 million general banking facility expiring 19 June 2024	Secured	Variable rates at 445 basis points above three-month JIBAR	**250**	—
	Capitalised transaction costs			**(9)**	(8)
Project funding				**602**	3 761
	US$53 million, repayable in monthly instalments over a 10-year period starting March 2016[(a)]	Secured by CIMERWA's property, plant and equipment (refer to note 2)	Variable at 725 basis points above six-month US dollar LIBOR	**140**	248
	RWF35 billion, repayable in monthly instalments over a 10-year period starting March 2016[(b)]	Secured by CIMERWA's property, plant and equipment (refer to note 2)	Fixed rate of 16%	**323**	483
	US$55 million, interest payable bi-annually. Bi-annual repayments in equal instalments over five years starting December 2016	Secured by PPC Zimbabwe's property, plant and equipment (refer to note 2), inventory (refer to note 11) and trade and other receivables (refer to note 12)	Six-month US dollar LIBOR plus 700 basis points	**139**	361
	US$163 million, capital and interest payable bi-annually starting July 2017 ending January 2027[(c)]	Secured by PPC Barnet DRC's property, plant and equipment (refer to note 2)	Six-month US dollar LIBOR plus 975 basis points	**—**	2 669
				2 293	5 203
Short-term facilities and bank overdrafts				**335**	597
South African short-term facilities and overdrafts[(d)]				**204**	513
CIMERWA				**131**	24
DRC				**—**	60
Total borrowings				**2 628**	5 800

[(a)] Interest amounting to R10 million has been capitalised to this loan balance.
[(b)] Interest amounting to R42 million has been capitalised to this loan balance.
[(c)] An amount of R2,5 billion, which includes R323 million capitalised interest, was transferred to liabilities associated with asset held for sale and disposal groups.
[(d)] Deferred interest amounting to R12 million is included in the short-term facilities.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

5. BORROWINGS continued

	March 2021 Rm	March 2020 Rm
Broken down as follows:		
Long term portion of long-term funding		
South Africa[(a)]	542	—
CIMERWA	441	586
Zimbabwe	—	180
	983	766
Short-term portion of long-term funding		
South Africa	1 148	1 442
CIMERWA	23	145
Zimbabwe	139	181
DRC	—	2 669
	1 310	4 437
Short-term facilities and bank overdrafts	335	597
	2 628	5 800
Maturity analysis of total borrowings:		
One year	1 645	5 034
Two years	462	361
Three years	436	201
Four years	85	204
	2 628	5 800
Carrying amount of assets encumbered		
Property, plant and equipment (refer to note 2)	7 321	8 997
Inventories	674	402
Trade receivables	38	61

(a) As disclosed in the FY20 annual financial statements, PPC did not meet all its bank covenants at 31 March 2020 and as such, all term debt was disclosed as short-term debt. The covenants were also not met at 30 June 2020 but subsequent to June 2020, PPC entered into revised facility agreements with the South African banking group and, as part of such agreements, the lenders waived the covenants for 31 March 2020 and 30 June 2020.

5. BORROWINGS continued

PPC has concluded its security pool arrangement with FirstRand Bank Limited (acting through its Rand Merchant Bank division) ("RMB") and Nedbank Limited (acting through its Nedbank Corporate and Investment Banking Division)(Nedbank) (collectively the SA Lenders). As is the practice in South Africa, PPC established a special purpose company (the shareholding of which is held 100% by a special purpose owner trust) to hold and enforce security for the benefit of the SA Lenders.

The Debt Guarantor established for PPC and its subsidiaries' South African refinancing with the SA Lenders is Maitlantic 6060 (RF) Proprietary Limited (the SPV). The SPV is ring-fenced, the effect of this is that its memorandum of incorporation only permits it to enter into the relevant finance documents associated with the South African PPC refinancing with the SA Lenders.

The shares in the SPV are held by a special purpose owner trust established in terms of a trust deed, which has been registered with the Master of the High Court. The Trust and the SPV are administered by a reputable corporate fiduciary service provider called Maitland Group South Africa Limited.

PPC registered bonds over immovable property, including certain property, plant and equipment, inventories and trade receivables, in favour of the SPV.

The SPV has issued guarantees in favour of the SA Lenders (collectively the Debt Guarantor Guarantees). In terms of the Debt Guarantor Guarantees, the SPV guarantees the liabilities and obligations of PPC Cement SA Proprietary Limited, PPC Limited, PPC South Africa Holdings Proprietary Limited, PPC Lime Limited, Pronto Holdings Proprietary Limited, Pronto Building Materials Proprietary Limited (collectively the Obligors) that are owing from time to time by the Obligors to the SA Lenders under the relevant finance documents.

The obligations of the SPV under the Debt Guarantor Guarantees is limited to what the SPV recovers from the Obligors. This is achieved in terms of a counter indemnity agreement that the SPV entered into with the Obligors.

PPC does not have any power over either the SPV or the Trust and as such these entities are not consolidated. PPC is not exposed to any risk from either entity or any variable return from either entity.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

6. REVENUE FROM CONTRACTS WITH CUSTOMERS

The group's revenue is derived from the sale of cementitious products to the group's customers. For cementitious products, revenue is recognised when the related performance obligations are satisfied by transferring control of the promised cementitious product to the group's customers. Revenue is disclosed net of indirect taxes, rebates and discounts offered to customers and after eliminating intergroup sales.

Revenue is recognised at the amount of the transaction price that is allocated to each performance obligation. For contracts that contain multiple performance obligations, the transaction price is allocated to each performance obligation based on relative standalone selling prices. Revenue recognised is based on the amount that depicts the consideration to which the group expects to be entitled in exchange for transferring the goods and services promised to the customer.

The group has the following revenue stream, which is recognised at a point in time:

	March 2021 Rm	March 2020 Rm
Disaggregation of revenue		
Revenue from the sale of cementitious goods	**8 938**	8 671
Total revenue	**8 938**	8 671
Major goods and services per primary geographical markets		
Cementitious goods	**8 938**	8 671
South Africa	**5 755**	5 365
Botswana	**432**	509
Zimbabwe	**1 623**	1 861
Rwanda	**1 128**	936

[(a)] *The 2020 comparative figures have been represented to separately disclose discontinued operations. Refer to note 3.*

Refer to the segmental information for a disaggregation of revenue presented per segment as a disaggregation between key geographic regions best depicts the impact of economic factors on the recognition of revenue. No further disaggregation is deemed necessary based on the homogenous nature of the subcategories of cementitious goods.

6. REVENUE FROM CONTRACTS WITH CUSTOMERS continued

Sale of cementitious products

The group manufactures and sells a range of cementitious products that include the sale of cement, readymix, limestone, clinker, and aggregates. Revenue from the sale of cementitious goods is recognised when delivery has taken place and control of the goods has been transferred to the customer. The customer obtains control of the goods when the significant risks and rewards of products sold are transferred according to the specific delivery terms that have been formally agreed with the customer. This occurs upon delivery, when the bill of lading is signed by the customer as evidence that they have obtained physical possession and accepted the products delivered.

Cementitious products are often sold with retrospective volume rebates based on aggregate sales over a specified period. Revenue from these sales is recognised based on the selling price specified in the contract, net of the estimated volume rebates. Accumulated experience is used to estimate and provide for the rebates using the most likely amount method. In this regard, revenue is recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognised for expected volume rebates payable to customers in relation to sales made until the end of the reporting period. As part of the assessment of whether the estimated volume rebate should be constrained, it was noted that there were no significant reversals from the refund liability that were recognised in the current year. Management will continue to reassess its ability to reasonably estimate the expected volume rebates.

A receivable is recognised when the goods are delivered. This is the point in time that the consideration becomes unconditional as only the passage of time is required before the payment is due. No significant financing element is deemed present as the sales are made with credit terms largely ranging between 30 and 60 days which is consistent with market practice.

Generally, cementitious products are not returned as a customer will only accept these products once they have passed a stringent quality check at delivery. No warranty provision of right of return contract liabilities have therefore been recognised by the group in this regard.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

7. FAIR VALUE AND FOREIGN EXCHANGE MOVEMENTS

Items included in the financial statements of each entity in the group are measured using the entity's functional currency. The group financial statements are presented in South African rand, which is the functional and presentation currency of the company.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Translation of foreign operations

The results, cash flows and financial position of group entities which are not accounted for as entities operating in hyperinflationary economies and that have a functional currency different from the presentation currency of the group are translated into the presentation currency as follows:

- Assets and liabilities, including goodwill and fair value adjustments arising on acquisition, are translated at rates of exchange ruling at the reporting date
- Specific transactions in equity are translated at rates of exchange ruling at the transaction dates
- Income and expenditure and cash flow items are translated at weighted average exchange rates for the period or translated at exchange rates at the date of the transaction, where applicable
- Foreign exchange translation differences are recognised as other comprehensive income and accumulated in the foreign currency translation reserve, except to the extent the difference is allocated to non-controlling interests.

The results, cash flows and financial position of the group entities that are accounted for as entities operating in hyperinflationary economies and that have functional currencies different from the presentation currency of the group are translated into the presentation currency of its immediate parent at rates of exchange ruling at the reporting date.

Judgements made by management

Valuation of financial instruments

The valuation of financial instruments is based on the market position at the reporting date and other assumptions such as volatility, intrinsic value, time value and interest rates. The value of the derivative instrument fluctuates and the actual amounts realised may differ materially from their value at the reporting date.

7. FAIR VALUE AND FOREIGN EXCHANGE MOVEMENTS continued

7.1 FAIR VALUE AND FOREIGN EXCHANGE MOVEMENTS

Movements in the fair value and foreign exchange gains/losses are recognised in the statement of profit or loss and comprise the following:

	March 2021 Rm	March[a] 2020 Rm
Fair value gain/(loss) on ineffective portion of economic hedge[b]	**6**	(6)
Fair value gain/(loss) on remeasurement of interest rate swap liability	**1**	(24)
Fair value loss on unlisted collective investments	**(17)**	(4)
Foreign exchange movements on translation of foreign currency-denominated monetary items[c]	**(366)**	185
	(376)	151

[a] *The 2020 comparative figures have been represented to separately disclose discontinued operations. Refer to note 3.*
[b] *Gains on open forward exchange contracts held for capital purchases and working capital requirements.*
[c] *Loss on translation of foreign currency-denominated monetary items.*

Included in the gain/(loss) on translation of foreign currency-denominated monetary items is the following:

- A remeasurement loss of R8 million (2020: R10 million) has been recorded against the US dollar-denominated project funding in Rwanda
- A remeasurement loss of R228 million (2020: R67 million) is due to devaluation of ZWL against the US$ from ZWL25 to ZWL 84,4, from 31 March 2020 at 31 March 2021

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

7. FAIR VALUE AND FOREIGN EXCHANGE MOVEMENTS continued

7.2 TRANSLATION OF FOREIGN OPERATIONS

Movements in the translation of foreign operations are recognised in the statement of comprehensive income. The group's foreign currency translation reserve arises from the following foreign subsidiaries:

	March 2021 Rm	March[(a)] 2020 Rm
PPC Zimbabwe[(b)]	**(3 028)**	(2 109)
CIMERWA Limitada	**(243)**	83
PPC DRC Barnett	**180**	(125)
PPC Botswana	**(11)**	7
PPC Mozambique	**1**	—
	(3 101)	(2 144)

(a) The 2020 comparative figures have been represented to separately disclose discontinued operations. Refer to note 3.
(b) PPC Zimbabwe was significantly impacted by the devaluation of ZWL to the US$ as a result of Zimbabwe being a hyperinflationary economy.

The loss recorded in the current year is due to the strengthening of the rand against the functional currencies of the group's subsidiaries.

Details on fair value hierarchies are disclosed in note 13.

Details on foreign exchange rates can be found in note 1.5.

8. FAIR VALUE GAIN/(LOSS) ON ZIMBABWE ASSETS

8.1 FAIR VALUE GAIN ON ZIMBABWE FINANCIAL ASSET

	March 2021 Rm	March 2020 Rm
Fair value adjustment – intrinsic value	**152**	131
Fair value adjustment – credit risk	**104**	(124)
Fair value gain on Zimbabwe financial asset	**256**	7

8.2 FAIR VALUE LOSS ON ZIMBABWE BLOCKED FUNDS

	March 2021 Rm	March 2020 Rm
Fair value adjustment – intrinsic value	**(68)**	74
Fair value adjustment – credit risk	**51**	(332)
Fair value loss on Zimbabwe blocked funds	**(17)**	(258)

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

9. IMPAIRMENTS AND REVERSALS OF IMPAIRMENTS

	March 2021 Rm	March 2020 Rm
Impairment of intangible assets	**(83)**	(102)
Impairment of property, plant and equipment (refer to note 2)	**(808)**	(2 767)
Impairment of goodwill	**—**	(205)
Impairment of right-of-use asset	**(8)**	—
Reversal of impairment of property, plant and equipment (refer to note 2)	**1 454**	—
Reversal of impairment of intangible assets	**1**	—
Transfer to discontinued operations (refer to note 3)	**761**	1 128
Gross impairments and reversals of impairments	**1 317**	(1 946)
Taxation impact	**(369)**	519
Net impairments	**948**	(1 427)

Impairment of property, plant and equipment, goodwill and other intangible assets
IAS 36 states that an entity shall assess assets for impairment at the end of each reporting period or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. When an impairment indicator exists, the recoverable amount of an asset is calculated and compared to the carrying value. During the year an impairment of R808 million relating to property, plant and equipment (refer to note 2), R8 million relating to right-of-use assets and R83 million relating to other intangible assets were recognised. Included in the above impairment losses is R761 million (R711 million – property, plant and equipment, R2 million – right-of-use assets and R48 million – other intangible assets) relating to assets held for sale and disposal groups.

Impairments of property, plant and equipment and other intangible assets that were raised in the prior year were reversed in the current year, resulting in a reversal of R1 454 million relating to property, plant and equipment and R1 million relating to other intangible assets.

9. IMPAIRMENTS AND REVERSALS OF IMPAIRMENTS continued

Judgements made by management and sources of estimation uncertainty

The future cash flows expected to be generated by the business units are forecast, taking into account market conditions and the expected useful lives of the assets. These matters require judgement. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are written down to the present value calculated.

The recoverable amounts of the cash generating units ("CGUs") are determined using value-in-use assessments. These calculations use cash flow projections based on the most recent financial budgets approved by management and the board for the next five years. These financial budgets are the quantification of board approved strategies derived from the strategic planning process followed across the group and adjusted for the estimated impact of COVID-19 on the various businesses in the short-term as well as the expected prolonged recovery from this global crisis. The process ensures that significant risks and sensitivities are appropriately considered and factored into the strategic plans.

Management estimates discount rates using the weighted average cost of capital for each CGU , adjusted for risks associated with the geographical markets in which the CGUs operate. Additionally, management considers the impact of sales volumes both from a market and customer variation point of view, production efficiencies and the impact of fluctuations in overheads when determining the cash flow projections used in value-in-use calculations.

Impairment indicators

IAS 36 – *Impairment of assets* requires assets within its scope to be tested for impairment when indicators of impairment exist at the end of a reporting period. PPC group's practice is to test all assets for impairment at year-end regardless of whether an impairment indicator exists.

Impairment losses recognised in prior periods are assessed for any indications that the loss has decreased or no longer exists. Impairment losses are reversed if there has been a change in the estimates used to determine the recoverable amount. Impairment losses are reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

9. IMPAIRMENTS AND REVERSALS OF IMPAIRMENTS continued

Impairments and impairment reversals	Rm	Reasons for impairments and impairment reversals
Impairments of CGU's during the current financial year comprise:		
Readymix (Gauteng region)	(100)	The Gauteng region continues to be adversely impacted by the increased competitiveness from blended cement producers, which have an impact on sales volumes. Slowdown in the residential market has a negative effect on sales volumes. Management's outlook on volumes and prices for this CGU remains cautious.
Impairment of individual assets in PPC Cement SA (Pty) Ltd	(3)	Refer to note 2 for the details of individual property, plant and equipment that were impaired in PPC Cement SA (Pty) Ltd.
PPC Aggregates SA	(34)	PPC Aggregates SA has not recovered from the COVID-19 lockdown period to the same extent as the other CGU's in the group. This lack of recovery during the second half of the current financial year was taken into account in the business planning parameters which management believe are realistic. This approach has led to an impairment of R35 million.
Impairment of individual assets in PPC Zimbabwe	(1)	Refer to note 5 for the details of individual assets that were impaired in PPC Zimbabwe, relating to intangible assets.
Impairments reversals of CGU's during the current financial year comprise:		
Inland business unit (PPC Cement SA)	1 263	Improved market conditions were experienced in the construction and industrial sectors in the Inland business unit, with the post-COVID-lockdown recovery being better than originally anticipated. A number of cost-savings initiatives and restructures have also been implemented, improving the cash flow forecasts for this CGU. Improved macro-economic data resulted in improved discount rates compared to the prior year.
Coastal business unit (PPC Cement SA)	192	Improved market conditions were experienced in the construction and industrial sectors in the Coastal business unit. A number of cost-savings initiatives and restructures have been implemented, improving the cash flow forecasts for this CGU. The Coastal business unit also benefited from the government's infrastructure development strategies. Improved macro-economic data resulted in improved discount rates compared to the prior year.
Net impairment reversal	1 317	

9. IMPAIRMENTS AND REVERSALS OF IMPAIRMENTS continued

Impairment indicators continued

Key assumptions used for value-in-use calculations:

	Terminal growth rate		Discount rate	
	31 March 2021 %	31 March 2020 %	**31 March 2021 %**	31 March 2020 %
PPC Cement SA	**4**	4	**13**	15
PPC Aggregates SA	**4**	4	**17**	17
Readymix	**4**	4	**17**	16
PPC Botswana Cement	**5**	5	**14**	11
PPC Zimbabwe (US$)	**5**	5	**17**	19
CIMERWA	**5**	5	**16**	20

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

9. IMPAIRMENTS AND REVERSALS OF IMPAIRMENTS continued

Impairment indicators continued

In preparing the financial statements, management has considered whether a reasonable possible change in the key assumptions on which management has based its determination of the recoverable amounts of the CGUs would result in the units' carrying amounts to exceed their recoverable amounts. If the discount rate and growth rate increase or decrease by 2,5% or 1% respectively, the impairment charge will (increase) or decrease and the headroom will increase or (decrease) as follows:

				Impact on impairment and headroom				
	Segment	Recoverable amount	(Impairment)/ headroom	**WACC increase 2,5%**	WACC decrease 2,5%	**Growth rate increase %**	Growth rate decrease 1%	**Overall cash flows increase/ decrease by 5%**
31 March 2021								
Inland business unit	Southern Africa – Cement	6 367	4 003	**(1 453)**	2 618	**640**	(509)	**318**
Coastal business unit	Southern Africa – Cement	2 052	1 424	**(464)**	837	**205**	(163)	**103**
Port Elizabeth plant	Southern Africa – Cement	111	17	**(26)**	47	**12**	(9)	**6**
PPC Botswana Cement	Southern Africa – Cement	465	489	**(109)**	196	**48**	(38)	**25**
PPC Aggregates SA	Southern Africa – Aggregates and Readymix	80	(35)	**(14)**	21	**5**	(4)	**4**
Readymix – Gauteng Region	Southern Africa – Aggregates and Readymix	93	(100)	**(14)**	21	**5**	(4)	**5**
Readymix – East Region	Southern Africa – Aggregates and Readymix	149	132	**(22)**	32	**7**	(6)	**7**
Readymix – West Region	Southern Africa – Aggregates and Readymix	80	73	**(12)**	18	**4**	(4)	**4**
Readymix – Nelspruit	Southern Africa – Aggregates and Readymix	37	34	**(7)**	10	**2**	(2)	**2**
Readymix – Projects	Southern Africa – Aggregates and Readymix	19	12	**(3)**	4	**1**	(1)	**1**
Ulula Ash	Southern Africa – Aggregates and Readymix	349	329	**(56)**	82	**19**	(16)	**17**
PPC Zimbabwe	International – Cement	3 148	1 513	**(569)**	859	**203**	(173)	**173**
CIMERWA	International – Cement	2 520	1 285	**(482)**	756	**180**	(151)	**143**

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

9. IMPAIRMENTS AND REVERSALS OF IMPAIRMENTS continued

Impairment indicators continued

				Impact on impairment and headroom				
	Segment	Recoverable amount	(Impairment)/ headroom	WACC increase 2,5%	WACC decrease 2,5%	Growth rate increase %	Growth rate decrease 1%	Overall cash flows increase/ decrease by 5%
31 March 2020								
Inland business unit	Southern Africa – Cement	2 486	(1 465)	(495)	783	171	(143)	124
Coastal business unit	Southern Africa – Cement	691	(242)	(124)	194	42	(35)	35
Port Elizabeth plant	Southern Africa – Cement	145	15	(16)	24	5	(4)	7
PPC Botswana Cement	Southern Africa – Cement	904	834	(241)	590	128	(91)	41
PPC Aggregates SA	Southern Africa – Aggregates and Readymix	209	56	(32)	48	10	(8)	10
Readymix – Gauteng Region	Southern Africa – Aggregates and Readymix	246	(127)	(36)	57	13	(9)	13
Readymix – East Region	Southern Africa – Aggregates and Readymix	34	3	(7)	11	2	(2)	2
Readymix – West Region	Southern Africa – Aggregates and Readymix	32	7	(5)	8	2	(1)	2
Readymix – Nelspruit	Southern Africa – Aggregates and Readymix	19	12	(5)	7	2	(1)	1
Readymix – Projects	Southern Africa – Aggregates and Readymix	52	49	(9)	13	3	(2)	3
Ulula Ash	Southern Africa – Aggregates and Readymix	195	139	(31)	46	10	(8)	10
PPC Aggregates Botswana	Southern Africa – Aggregates and Readymix	182	308	(59)	146	32	80	8
PPC Lime	Southern Africa – Lime	596	196	(90)	136	28	(24)	30
PPC Zimbabwe	International – Cement	2 885	2 209	(332)	452	84	(75)	120
CIMERWA	International – Cement	3 103	1 124	(351)	488	94	(83)	133
PPC Barnet DRC	International – Cement	2 865	(1 128)	(412)	645	42	(6)	232

Events after the reporting period

There were no events after the reporting period that, should they have been taken into account, would have had a material impact on the impairments/impairment reversals taken in the current financial year.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

10. FINANCE COSTS

	March 2021 Rm	March[(a)] 2020 Rm
Bank and other short-term borrowings	32	23
Notes	—	6
Interest expense on lease liabilities	8	12
Long-term loans and project funding	231	295
Finance costs before time value of money adjustments and interest on penalties	271	336
Interest on penalties	7	3
Time value of money adjustments on rehabilitation and decommissioning provisions	5	10
	283	349
Southern Africa	161	199
International	122	150

(a) The 2020 comparative figures have been represented to separately disclose discontinued operations. Refer to note 3.

11. TAXATION

	31 March 2021 %	31 March 2020[a] %
Taxation rate reconciliation		
Effective tax rate	**42**	21
Prior years' taxation impact	**2**	(1)
Income taxation effect of:		
Foreign taxation rate differential	**1**	(1)
Expenditure attributable to non-taxable income	**(1)**	1
Transfer pricing adjustment	**(1)**	1
Expenditure not deductible in terms of taxation legislation	**—**	1
Withholding taxation	**(1)**	—
Fair value adjustments on financial instruments not taxable or deductible	**1**	(7)
Deferred taxation not raised	**(8)**	1
Impairment of investments	**—**	6
Impairment of capitalised costs	**—**	1
Expected credit loss provision on Zimbabwe bonds	**—**	11
Fair value adjustment on Zimbabwe financial asset	**2**	—
Tax effect of Zimbabwe hyperinflation and SI 33	**(9)**	(6)
South African normal taxation rate	**28**	28

[a] *The 2020 comparative figures have been represented to separately disclose discontinued operations. Refer to note 3.*

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

12. EARNINGS AND HEADLINE EARNINGS PER SHARE

12.1 NUMBER OF SHARES AND WEIGHTED AVERAGE NUMBER OF SHARES

	31 March 2021 shares	31 March 2020 shares
Total shares in issue	**1 593 114 301**	1 593 114 301
Treasury shares	**(84 902 185)**	(86 325 889)
Weighted average number of shares for calculation of basic earnings per share	**1 508 212 116**	1 506 788 412
Adjusted for:		
Shares held by consolidated Safika Trust treated as treasury shares	**1 354 347**	1 354 347
FSP share incentive scheme shares not expected to vest	**7 450 326**	7 911 823
Weighted average number of shares for calculation of diluted earnings per share	**1 517 016 789**	1 516 054 582

12.2 THE TREASURY SHARES

The difference between earnings and diluted earnings per share relates to shares held under the forfeitable share plan (FSP) incentive scheme that have not vested.

Shares held by consolidated participants of the second BBBEE transaction

Shares issued in terms of the second BBBEE transaction which was facilitated by means of a notional vendor funding (NVF) mechanism, with the transaction concluding on 30 September 2019. These shares participated in 20% of the dividends declared by PPC during the NVF period. With the exception of the Bafati Investment Trust, entities participating in this transaction are consolidated into the PPC group in terms of IFRS 10 – *Consolidated Financial Statements* during the transaction term. The group is in the process of winding up these Trusts and SPV's.

Shares held by consolidated BBBEE trusts and trust funding SPVs

In terms of IFRS 10 – *Consolidated Financial Statements*, certain BBBEE trusts and trust funding SPVs from PPC's first BBBEE transaction are consolidated and, as a result, shares owned by these entities are carried as treasury shares on consolidation. The group is in the process of winding up these Trusts and SPV's.

Shares held by consolidated Porthold Trust (Pvt) Ltd

Shares owned by a Zimbabwe employee trust company are treated as treasury shares.

12. EARNINGS AND HEADLINE EARNINGS PER SHARE continued

12.2 THE TREASURY SHARES

FSP incentive scheme

In terms of the forfeitable share plan (FSP) incentive scheme, 23 750 769 shares (2020: 23 767 987 shares) are held in total for participants of this long-term incentive scheme. The shares are treated as treasury shares during the vesting periods of the awards. During the year,6 231 000 shares (2020: 3 384 804 shares) vested, but could not be transferred to the participants as the group was in a closed period due to it being under a cautionary announcement for the full year.

In terms of IFRS requirements, shares held by consolidated BBBEE entities, employee trusts and incentive share schemes are treated as treasury shares. As at 31 March 2021 a total of 5% (2020: 5%)of the total shares in issue are thus treated as treasury shares.

Shares held by the Safika consolidated Management Trust

Shares issued in 2019 in order to retain and incentivise the Safika key management employees. This transaction was also facilitated through a NVF mechanism.

12.3 BASIC EARNINGS/(LOSS)

	Discontinued operations		Continuing operations		Group	
	March 2021 Rm	March 2020 Rm	**March 2021 Rm**	March 2020 Rm	**March 2021 Rm**	March 2020 Rm
Profit/(loss) for the year	**(1 141)**	(1 710)	**1 023**	(678)	**(118)**	(2 388)
Attributable to:						
Shareholders of PPC Ltd	**(794)**	(1 220)	**983**	(652)	**189**	(1 872)
Non-controlling interests	**(347)**	(490)	**40**	(26)	**(307)**	(516)
	(1 141)	(1 710)	**1 023**	(678)	**(118)**	(2 388)

12.4 EARNINGS/(LOSS) PER SHARE

	Discontinued operations		Continuing operations		Group	
	March 2021 Cents	March 2020 Cents	**March 2021 Cents**	March 2020 Cents	**March 2021 Cents**	March 2020 Cents
Earnings/(loss) per share						
Basic	**(53)**	(81)	**65**	(43)	**12**	(124)
Diluted	**(52)**	(81)	**65**	(43)	**13**	(124)

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

12. EARNINGS AND HEADLINE EARNINGS PER SHARE continued

12.5 HEADLINE EARNINGS/(LOSS)

	Discontinued operations		Continuing operations		Group	
	March 2021 Rm	March 2020 Rm	**March 2021 Rm**	March 2020 Rm	**March 2021 Rm**	March 2020 Rm
Headline earnings/(loss)						
Headline earnings/(loss) is calculated as follows:						
Profit/(loss) for the year	**(1 141)**	(1 710)	**1 023**	(678)	**(118)**	(2 388)
Adjusted for:						
Reversal of impairment of property, plant and equipment and intangible assets (refer to note 9)	**—**	—	**(1 455)**	—	**(1 455)**	—
Impairment of property, plant and equipment, intangible assets and right-of-use assets (refer to note 9)	**761**	1 128	**138**	1 741	**899**	2 869
Taxation on impairments	**—**	—	**369**	(519)	**369**	(519)
Impairment of Goodwill (refer to note 9)	**—**	—	**—**	205	**—**	205
Loss on sale of property, plant and equipment	**—**	—	**4**	53	**4**	53
Profit on sale of equity-accounted associates	**—**	—	**(1)**	—	**(1)**	—
Taxation on loss on sale of assets	**—**	—	**(1)**	(15)	**(1)**	(15)
Headline earnings/(loss)	**(380)**	(582)	**77**	787	**(303)**	205
Attributable to:						
Shareholders of PPC Ltd	**(269)**	(407)	**37**	813	**(232)**	406
Non-controlling interests	**(111)**	(175)	**40**	(26)	**(71)**	(201)

12. EARNINGS AND HEADLINE EARNINGS PER SHARE continued

12.6 HEADLINE EARNINGS/(LOSS) PER SHARE

	Discontinued operations		Continuing operations		Group	
	March 2021 Cents	March 2020 Cents	**March 2021 Cents**	March 2020 Cents	**March 2021 Cents**	March 2020 Cents
Headline earnings/(loss) per share						
Basic	**(18)**	(27)	**3**	54	**(15)**	27
Diluted	**(17)**	(27)	**2**	54	**(15)**	27

13. FINANCIAL RISK MANAGEMENT

Methods and assumptions used by the group in determining fair values

The estimated fair value of financial instruments is determined at discrete points in time, by reference to the mid-price in an active market wherever possible. Where no such active market exists for the particular asset or liability, the group uses valuation techniques to arrive at fair value, including the use of prices obtained in recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

The fair value of unlisted collective investment is valued using the closing unit price at year-end. Further details are disclosed in note 8.

The fair value of loans receivable and payable is based on the market rates of the loan and the recoverability.

The fair values of cash and cash equivalents, trade and other financial receivables and trade and other financial payables approximate the respective carrying amounts of these financial instruments because of the short period to maturity.

The PPC Zimbabwe financial asset (refer to note 7) should be valued using ZWL forward curves, however, these are not available. As a result of there being no other similar available market data the financial asset has been valued at the year-end US$:ZWL$ (2020: US$:ZWL$) exchange rate and further credit risk adjustment was recognised.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

13. FINANCIAL RISK MANAGEMENT continued

Fair value hierarchy disclosures

		Carrying amount (by measurement basis)				
	Notes	Amortised cost	Fair value Level 1	Fair value Level 2	Fair value Level 3	Total
2021						
Financial assets						
At amortised cost						
Trade and other financial receivables		815	—	—	—	815
Cash and cash equivalents		457	—	—	—	457
At fair value through other comprehensive income						
Investment in Old Mutual shares on the Zimbabwe Stock Exchange[(a)]		—	—	3	—	3
At fair value through profit and loss						
Unlisted collective investments at fair value (held for trading)		—	—	129	—	129
PPC Zimbabwe financial asset		—	—	—	57	57
Zimbabwe blocked funds		—	—	—	50	50
Cell captive investment		—	—	—	7	7
Financial liabilities						
At amortised cost						
Long-term borrowings	5	983	—	—	—	983
Short-term borrowings	5	1 645	—	—	—	1 645
Lease liabilities		60	—	—	—	60
Liability to non-controlling shareholder in subsidiary company		—	—	—	—	—
Trade and other financial payables		1 167	—	—	—	1 167
At fair value through profit and loss						
Interest rate swap liability		—	—	23	—	23

13. FINANCIAL RISK MANAGEMENT continued

Fair value hierarchy disclosures continued

	Notes	Amortised cost	Fair value Level 1	Fair value Level 2	Fair value Level 3	Total
		Carrying amount (by measurement basis)				
2020						
Financial assets						
At amortised cost						
Trade and other financial receivables		933	—	—	—	933
Cash and cash equivalents		398	—	—	—	398
At fair value through other comprehensive income						
Investment in Old Mutual shares on the Zimbabwe Stock Exchange		—	5	—	—	5
At fair value through profit and loss						
Unlisted collective investments at fair value (held for trading)		—	—	143	—	143
PPC Zimbabwe financial asset		—	—	—	161	161
Zimbabwe blocked funds		—	—	—	59	59
Financial liabilities						
At amortised cost						
Long-term borrowings	5	766	—	—	—	766
Short-term borrowings	5	5 034	—	—	—	5 034
Finance lease liabilities		130	—	—	—	4
Liability to non-controlling shareholder in subsidiary company		22	—	—	—	34
Trade and other financial payables		1 794	—	—	—	3 570
At fair value through profit and loss						
Interest rate swap liability		—	—	24	—	24

[(a)] *During the current financial year the investment in Old Mutual shares listed on the Zimbabwe Stock Exchange (ZSE) was transferred from level 1 to level 2 fair value hierarchy. On 23rd June 2020 the ZSE suspended trading in Old Mutual shares and as a result the principal market for these shares were no longer active. In order to determine the fair value of the investment the most advantageous market (Johannesburg Stock Exchange (JSE)) was considered the best alternative based on observable inputs being the share price of Old Mutual shares on the JSE, however trading in the shares on the Johannesburg Stock Exchange (JSE) is not possible due to the suspension of the fungibility. Accordingly, due to the alternative method in calculating the fair value the investment was transferred from level 1 to level 2.*

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

13. FINANCIAL RISK MANAGEMENT continued

Fair value hierarchy disclosures continued

Level 1 – financial assets and liabilities that are valued accordingly to unadjusted market prices for similar assets and liabilities. Market prices in this instance are readily available and the price represents regularly occurring transactions which have been concluded on an arm's length transaction.

Level 2 – financial assets and liabilities are valued using observable inputs, other than the market prices noted in the level 1 methodology, and make reference to pricing of similar assets and liabilities in an active market or by utilising observable prices and market related data.

Level 3 – financial assets and liabilities that are valued using unobservable data, and requires management judgement in determining the fair value.

This note has been refined from that reported in the prior period to only include financial instruments held at fair value.

Level 3 sensitivity analysis

Financial instrument	Valuation technique	Key unobservable inputs	Sensitivity %	Carrying value (Rm)	Increase or decrease (Rm)
PPC Zimbabwe financial asset	US$:ZWL$ exchange rate	Credit risk adjustment of 50%	1% higher and 1% lower	57	1
Zimbabwe blocked funds	US$:ZWL$ exchange rate	Credit risk adjustment of 85%	1% higher and 1% lower	50	3
Cell captive investment	Net asset value	Cash and cash equivalents, Investment in unit trusts, Insurance fund liabilities	N/A	7	—

13. FINANCIAL RISK MANAGEMENT continued

Fair value hierarchy disclosures continued

Movements in level 3 financial instruments	2021 Rm	2020 Rm
Financial assets at fair value through profit or loss		
Balance at the beginning of the period	**220**	252
New financial assets recognised	**15**	317
Fair value adjustments	**84**	205
Fair value adjustment – credit risk	**155**	(456)
Translation differences	**(121)**	8
Repayments	**(239)**	(106)
Balance at the end of the period	**114**	220

Remeasurements are recorded in fair value adjustments on financial instruments in the statement of profit or loss.

14. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party directly or indirectly has the ability to control or jointly control the other party or exercise significant influence over the other party or is a member of the key management of PPC group. In particular, this relates to associates, as transactions with the consolidated subsidiaries are eliminated. PPC regards non-executive directors, executive directors and the executive committee to be key management. In the prior year, in the ordinary course of business, PPC group services (Pty) Ltd, a subsidiary of PPC Ltd, entered into various transactions with Habesha Cement Share Company, an associate of PPC Ltd. The effect of these transactions is included in the financial performance and results of the group. No impairment of receivables related to the amount of outstanding balances is required.

	31 March 2021 Rm	31 March 2020 Rm
The following table shows transactions with the related parties that are included in the group's annual financial statements.		
Services rendered to a related party		
Habesha Cement Share Company	**—**	1
Dividends received from a related party		
Olegra (Pty) Ltd	**1**	1

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

15. ADDITIONAL DISCLOSURE

Contingent liabilities and guarantees

At 31 March 2021, there are a number of tax disputes ongoing in PPC Barnet DRC, which has been classified as a disposal group. The group does not recognise contingent liabilities in the statement of financial position until future events indicate that it is probable that an outflow of resources will take place and a reliable estimate can be made, at which time a provision is recognised. The most significant matters relates to custom duties on importation of equipment, consumption tax and also penalties levied on building tax in 2018. Based on internal and external legal and technical advice obtained, the group remains confident that it has a robust legal case to contest these exposures. The total estimated exposure to the tax disputes is R59 million.

The total guarantees issued by the group, by means of a bank guarantee, in favour of the various suppliers were R102 million (2020: R102 million). Included in this amount are financial guarantees for the environmental rehabilitation and decommissioning obligations of the group to the DMR amounting to R76 million (2020: R76 million).

16. EVENTS AFTER REPORTING DATE

Other than the Sale and Purchase Agreements entered into subsequent to the year-end for PPC Lime and PPC Aggregates Quarries and the meeting of the condition precedent contained in the agreement which terminated the lenders right of recourse to PPC Ltd in respect of the DRC (refer to note 3) there were no other events that occurred after the reporting date that warrant disclosure.

17. GOING CONCERN ASSESSMENT

Introduction

In determining the appropriate basis of preparation of the annual financial statements, the directors are required to consider whether the group can continue as a going concern for the foreseeable future.

The directors' assessment of going concern has focused on three principal areas, namely:

1. The sustainability, or viability, of the group, or its ability to continue trading as a going concern. The assessment has included, inter alia, current trading trends, basis of budget preparation and key assumptions underpinning the forecasts and the impact of stress testing on such forecasts.
2. The solvency of the group: whether the fair value of assets exceeds the fair value of liabilities, including any contingent assets and liabilities to the extent applicable and likewise the ability to settle all debts as they fall due until at least 30 June 2022.
3. The liquidity of the group for the next 12 months and beyond, considering whether the group has sufficient liquidity and headroom (the level of unutilised but available facilities) up to 30 June 2022, taking into account current available facilities and the impact of the financial restructuring which is currently underway.

17. GOING CONCERN ASSESSMENT continued

Group restructuring and refinancing project

As at 31 March 2021, the net debt in the South African operations was R1,9 billion (31 March 2020: R2,0 billion). The directors are of the view that such levels of debt are not sustainable and in the previous financial year commenced a restructuring and refinancing project with the objective of de-risking the group's balance sheet and implementing a sustainable capital structure. The initiative was enhanced with the appointment of Antony Ball in June 2020 as an executive director (formerly a non-executive director) to lead the project.

The need to restructure and refinance was due to a combination of:

1. The investment in PPC Barnet in the Democratic Republic of Congo ("DRC") in 2014 in which PPC Ltd assumed the role as a project sponsor with associated recourse to PPC Ltd and to provide ongoing deficiency funding to PPC Barnet, including, in the event of an acceleration of PPC Barnet's debt, the full amount of such debt ; and
2. The subdued trading conditions resulting in reduced profitability of the South African operations.

In the 31 March 2020 consolidated financial statements, it was stated that the restructuring and refinancing project sought to achieve, amongst others, the following objectives:

- Reach agreement with South African lenders to provide ongoing access to unutilised facilities, reset of covenants, deferral of capital and interest payments and extend renewal dates of general banking and working capital facilities
- Reach an arrangement with PPC Barnet's lenders ("the PPC Barnet Lenders") on its capital and interest obligations as a precursor to agreeing a sustainable capital structure for PPC Barnet and relieving PPC Ltd of its deficiency loan funding obligations
- Raise capital from non-core asset sales and from shareholders by way of a rights issue in the range of R750 million to R1,25 billion in order to strengthen the balance sheet and enable the broader restructuring. It was also noted that the final timing, quantum and the terms of any rights issue would only be determined once the other steps, most notably the restructure of the funding in the DRC, had been achieved

Progress on each of the above items during the financial year and after the year-end up to the last practicable date before publishing these annual financial statements, is dealt with overleaf.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

17. GOING CONCERN ASSESSMENT continued

Funding confirmation from South African lenders

In August 2020, PPC Ltd concluded an overarching term sheet relating to its facilities with its two primary South African lenders ("SA Primary Lenders"). The term sheet with the SA Primary Lenders had been approved by their respective credit committees but were conditional on completion of:

- Amendments to facility agreements that were completed by 17 December 2020
- Security pool legal documentation that became unconditional in accordance with its terms on 15 December 2020

On 31 March 2021, PPC Ltd and the SA Primary Lenders entered into agreements that provide for:

- R625 million of short-term banking facilities that were in place at financial year-end, will continue in place under similar terms until at least 30 June 2022
- The R1,85 billion long-term facilities that were in place at financial year-end will remain in place, with facility settlement dates as set out below

	Quantum Rm	Settlement date
	350	30 September 2021
	800	31 March 2022
	300	19 June 2023
	400	19 June 2024
	1 850	

- An amendment to the commitment to reduce the level of gearing in South Africa through a combination of an equity capital raise of a minimum of R750 million by 31 March 2021 and the sale of PPC Lime by 31 December 2021 as follows:
  – A commitment to reduce the level of gearing through an equity capital raise of a minimum of R750 million to no later than 30 September 2021
  – A commitment to conclude the sale of PPC Lime Limited ("PPC Lime") by 30 June 2021, with the proceeds received by no later than 30 September 2021
  – The agreements with the SA Primary Lenders remained conditional on resolution of PPC Ltd's exposure to the DRC

17. GOING CONCERN ASSESSMENT continued

Funding confirmation from South African lenders continued

The facilities as at 31 March 2021 are shown in the table below:

	31 March 2021 Rm	31 March 2021 Rm
Short-term facilities		
Available	**625**	1 000
Utilised	**309**	569
Unutilised	**316**	431
% headroom	**51**	43
Long-term facilities		
Available	**1 850**	1 850
Utilised	**1 700**	1 450
Unutilised	**150**	400
% headroom	**8**	22
Total facilities		
Available	**2 475**	2 850
Utilised	**2 009**	2 019
Unutilised	**466**	831
% headroom	**19**	29

The financial covenants relating to the South African facilities are set out in the table below:

Covenant	31 March 2021	30 June 2021	Thereafter
Obligor Interest Cover	**2,00x**	**3,00x**	4,00x
Obligor Gross Debt to EBITDA	**5,00x**	**3,00x**	2,50x
Group Gross Debt to EBITDA	**4,5x**	**3,5x**	3,00x

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

17. GOING CONCERN ASSESSMENT continued

Funding confirmation from South African lenders continued

At 31 March 2021 all financial covenants were met and forecasts indicate that covenants will continue to be met through 30 June 2022. However, the repayment of the long-term facility of R800 million which becomes due and payable on 31 March 2022 will need to be refinanced. It is also anticipated that revised covenants will be agreed during the renegotiation/refinancing discussions with the SA Lenders referred to below.

Sale of PPC Lime

As stated above, a key term of the agreements with the SA Primary Lenders is the sale of PPC Lime by 30 June 2021. On 2 May 2021, PPC South Africa Holdings Proprietary Limited, a wholly-owned subsidiary of PPC Ltd, entered into transaction agreements with Kgatelopele Lime Proprietary Limited (the "Acquirer"), to dispose of the entire issued share capital of PPC Lime for a consideration of R520 million on a debt-free and cash-free basis. This R520 million was also subject to a positive or negative adjustment if the net working capital was respectively above or below an amount of R169 million. As at 31 March 2021, the net working capital of PPC Lime was R124 million which will result in net proceeds to PPC Ltd being reduced to R475 million.

The disposal is subject to the fulfilment of, inter alia, the following conditions precedent by 31 December 2021:

- Approval of the Disposal by the relevant competition authorities in terms of the Competition Act, Act 89 of 1998
- Consent of the Minister of Mineral Resources and Energy in terms of section 11 of the Minerals and Petroleum Resources Development Act, Act 28 of 2002
- Written proof being obtained to the satisfaction of PPC Lime and the Department of Mineral Resources and Energy that the Acquirer has made financial provision in respect of the rehabilitation liability of PPC Lime. In this regard, the current rehabilitation trust funds for PPC Lime held within the PPC group in terms of section 37A of the Income Tax Act, Act 62 of 1968, will be transferred to PPC Lime as part of the Disposal
- Exemption being granted in terms of section 119(6) of the Companies Act, Act 71 of 2008 from the application of Parts B and C of Chapter 5 of the Companies Act and the Takeover Regulations with respect to the implementation of the Disposal

The effective date of the disposal will be the last day of the month in which the last of the conditions precedent, detailed above, have been met. PPC Ltd views these conditions precedent as typical for a transaction of this nature.

It is noted that there is a reciprocal break fee of some R25 million that will become payable should either party breach any of their respective obligations and as a result of such breach, the conditions to the sale of PPC Lime are not met and the sale of PPC Lime is consequently not implemented.

In addition the Acquirer has strong BEE credentials that introduce limited risk to the execution of the divestment. Given the break fee and the strong BEE credentials of the Acquirer, the board is of the view that the conditions precedent will be met prior to 30 September 2021.

17. GOING CONCERN ASSESSMENT continued

Funding confirmation from South African lenders continued

Re-financing of the long-term facilities

The revised facilities provide adequate headroom and management forecasts indicate continuing headroom across total facilities until 31 March 2022 when R800 million of long-term facilities become payable. It is envisaged that these facilities will be re-negotiated well in advance of this date, as part of the normalisation of facilities and terms following the internal de-gearing, continued operational performance in line with that achieved from June 2020 to 31 March 2021 (the non-COVID affected part of the year) and the provision to the SA Primary Lenders of security. Engagement with the SA Lenders in this regard has been initiated and negotiations are expected to commence early July 2021.

Management has commenced discussions with the SA Primary Lenders to review the need for the capital raise should the South African businesses continue to de-gear towards a sustainable debt capacity of circa two times EBITDA based on a rolling 12 month period. Management's detailed liquidity model indicates that based on the rolling 12 month rolling EBITDA to June 2021, the debt capacity of the group will exceed the debt required by the group. As a result, management and the board are confident that the SA Primary Lenders will either waive the need for a capital raise or reduce it by some 50%. Regardless, in the event of the capital raise remaining a requirement, the board is confident that it will be achievable by 30 September 2021. PPC Limited has received a commitment from one of its key shareholders, Value Capital Partners, to support the capital raise and underwrite up to R333 million, subject to the resolution of the DRC exposure, which has now been achieved.

There is no absolute certainty that SA Primary Lenders will agree to waive the requirement for a capital raise and re-negotiate the facilities and covenants. However, considering the performance of the South African operations (dealt with further below), management and the board are confident that this will be successful and a sustainable level of appropriate facilities will be negotiated to meet the needs of the group, which will obviate the need for a capital raise.

Resolution of DRC exposures

The restructuring and refinancing project reached a milestone on 31 March 2021, when PPC and the DRC Lenders entered into a binding agreement to settle the deficiency funding obligation and a term sheet to restructure the DRC business by no later than 30 September 2021. Therefore, as at 31 March 2021, conditional on payment of the final deficiency settlement amount of US$16,5 million by 15 April 2021, PPC no longer has any deficiency obligations to the DRC Lenders. The settlement amount was subsequently paid on 14 April 2021. As at 31 March 2021, PPC Barnet owes the DRC Lenders US$175 million (R2,5 billion), with no further recourse to PPC Ltd.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

17. GOING CONCERN ASSESSMENT continued

Funding confirmation from South African lenders continued

International operations

DRC

The term sheet referred to in the immediately preceding paragraph to restructure the DRC business by 30 September 2021 is binding on PPC Ltd and is in the best interest of the PPC Barnet Lenders to execute given the recourse to PPC Ltd has been expunged. The terms of the restructure will restore solvency and liquidity to PPC Barnet and has provided a degree of certainty with regards to future cash flows and the group's ability to continue as a going concern and its ability to realise assets and discharge liabilities in the normal course of business. The implementation of the terms of the restructure are largely administrative and PPC Ltd's and the PPB Barnet Lenders' respective advisers have already made progress in this regard.

Zimbabwe

Despite continuing to operate in a challenging hyperinflationary economy, PPC Zimbabwe generates cash surpluses and operates as a going concern, with no compromises or payment plans required. The cash flow forecasts reflect an assumed return to pre-COVID sales volumes and cash headroom remains sufficient for the next 12 months and a minimum cash balance in excess of US$10 million, before dividends, is forecast over the period to June 2022.

As referred to in note 7.1.2, there is uncertainty around the ability of the RBZ to meet the payments of the third-party loan as they become due. However, payment of the outstanding instalment due on 31 December 2020 has been settled (US$6 million) and as such the RBZ has honoured all payments to date. Only two payments totalling US$9,3 million remain outstanding, US$5,1 million due on 30 June 2021 and US$4,2 million due on 31 December 2021.

PPC Zimbabwe is a going concern on a standalone basis and there is no funding required from PPC Ltd or elsewhere within the group.

Rwanda (CIMERWA)

CIMERWA continues to trade as a going concern with no expected cash shortfalls in the next 12 months and beyond. A minimum cash balance in excess of Rwf13 billion is forecast over the period to June 2022.

To mitigate and anticipate the possible impact of the global pandemic, a formal standstill of seven months of interest plus capital from 1 April 2020 was agreed with the Rwanda Lenders and credit approved by the requisite majority of the syndicate. This concession expired on 31 October 2020 and the CIMERWA resumed the interest and loan repayments in November 2020.

CIMERWA is a going concern on a standalone basis and there is no funding required from PPC Ltd or elsewhere within the group.

17. GOING CONCERN ASSESSMENT continued

Funding confirmation from South African lenders continued

International operations continued

Ethiopia (Habesha)

Habesha is an associate in which PPC Ltd sees long-term value. Habesha has appointed advisers to develop a financial restructuring plan to optimise its capital structure, the results of which are expected to be presented to the Habesha board of directors towards mid-2021.

PPC Ltd has no obligation to support the business nor invest further capital and will assess the restructuring plan on its merits in due course.

Group solvency

On a consolidated basis, the fair value of assets exceeds the fair value of liabilities for the group, with total carrying value of assets at R15,8 billion (excluding discontinued operations), compared to total (lender) debt of R2,6 billion (excluding discontinued operations) and total balance sheet liabilities of R5,8 billion (excluding discontinued operations).

The aforementioned is based on detailed impairment testing of PPC's cash generating units, resulting in the reversal of prior year impairments recognised on property, plant and equipment of R1,5 billion and impairments amounting to R808 million (refer to note 9).

There is no obligation on PPC Ltd to fund international obligations.

Operational performance in line with cash flow forecasts

PPC Ltd consistently utilises a detailed liquidity model in its liquidity forecasting. This model and the reasonableness of assumptions contained therein have been reviewed and tested internally, as well as by external consultants and the various lender groups. The forecasts run through this model demonstrate adequate headroom as described above, which addresses the risk of the forecasts not being achieved.

Overall, the PPC group met its pre-COVID budgets for volumes, revenues, EBITDA and EBITDA margins for the financial year ended 31 March 2021. The forecasts for the 2022 financial year remain conservative and continue to assume the headwind effect of imports and do not yet reflect the return to pre-COVID levels in its entirety.

Conclusion

The events, conditions, judgements and assumptions described above inherently include material uncertainty on the timing of future cash flows and the potential amounts of cash received in the de-gearing initiatives, as well as the renegotiation of funding facilities and covenants. Any significant deviations in the assumptions made may cast significant doubt on the group's ability to continue as a going concern and its ability to realise assets and discharge liabilities in the normal course of business.

The directors have considered all of the above, including a detailed consideration of all financial plans and forecasts, the actions taken by the company, and the actions that remain outstanding, and based on the information available to them, are of the opinion that the going concern assumption is appropriate in the preparation of the financial statements.

The directors have therefore prepared the consolidated and company financial statements on a going concern basis.

BOARD OF DIRECTORS[(1)]

Phillip Jabulani (Jabu) Moleketi

Age: 64

Status: *Independent chairman*

Qualifications
MSc in financial economics, Postgraduate diploma (economic principles), Advanced Management Program (Harvard)

Date of appointment: March 2018

Areas of expertise and contribution
Stakeholder relationships, finance and economics – previously held the position of Deputy Minister of Finance from 2004 to 2008

Other directorships
Lebashe Investment Group, Remgro and Harith General Partners

Roland van Wijnen

Age: 50

Status: *Chief executive officer (CEO)*

Qualifications
MSc industrial engineering, venture capital and private equity, senior management and leadership (IMD), General Manager Programme

Date of appointment: October 2019

Areas of expertise and contribution
Strategy, project and financial management, acquisitions, restructuring, customer management, supply chain, manufacturing, international trading and shipping, back-office optimisation and employee engagement

Other directorships
None

Brenda Berlin[(2)]

Age: 56

Status: Chief financial officer (CFO)

Qualifications
BCom, BAcc, CA(SA), Programme for Management Development, Harvard Business School

Date of appointment: April 2021

Areas of expertise and contribution
Strategy formulation, mergers and acquisitions, legal and compliance, strategic finance, strong mining experience, fund raising, finance control including treasury and tax

Other directorships
None

Kunyalala Maphisa

Age: 46

Status: *Independent non-executive director (NED)*

Qualifications
BA (industrial relations and public administration) LLB, University of Cape Town, LLM (international trade law), Leadership Programme, African Leadership Institute, Oxford University UK

Date of appointment: February 2021

Areas of expertise and contribution
Entrepreneurship, non-profit organisations, commercial law, mergers and acquisitions, competition law, and project and acquisition finance

Other directorships
University of Cape Town

Noluvuyo (Nono) Mkhondo

Age: 37

Status: Independent NED

Qualifications
CA(SA), BAcc, MBA from London Business School where she was a Mo Ibrahim Scholar

Date of appointment: March 2018

Areas of expertise and contribution
Investment banking and corporate finance, mergers and acquisitions, investment evaluation, strategic long-term financial planning and cross-border transactions

Other directorships
Novus Holdings, Value Capital Partners and Metair Investments

Nonkululeko Gobodo

Age: 60

Status: *Independent NED*

Qualifications
CA(SA), BCompt

Date of appointment: February 2017

Areas of expertise and contribution
Accounting, auditing, advisory, mergers and acquisitions, entrepreneurship, leadership consulting, strategy, finance, governance and compliance, risk and opportunity management

Other directorships
Shoprite Holdings, Independent Regulatory Board for Auditors and Nkululeko Leadership Consulting

Anthony Charles Ball[(3)]

Age: 62

Status: *NED*

Qualifications
CA(SA), BCom (Hons), MPhil (management studies)

Date of appointment: March 2018

Areas of expertise and contribution
Business building, investment skills, strategy and leadership, financial management, governance and compliance, economics and stakeholder relationships

Other directorships
Value Capital Partners, Allied Electronics Corporation and NET1 UEPS Technologies Inc

Charles Naude

Age: 65

Status *Independent NED*

Qualifications
BSc (Hons) (geology, chemistry), MBL

Date of appointment: January 2015

Areas of expertise and contribution
Cement and materials, strategy, leadership, health and safety, risk and opportunity management, sales and marketing, and project management

Other directorships
None

Mark Richard Thompson

Age: 68

Status: *Independent NED*

Qualifications
CA(SA), BCom, LLB, BAcc

Date of appointment: May 2019

Areas of expertise and contribution
Private equity, industry and construction, as well as international finance and general business capabilities from his previous work experience

Other directorships
Sasfin Bank, Sasfin Holdings and Hudaco Industries

Todd Moyo

Age: 63

Status: *Independent NED*

Qualifications
BAcc (Hons), CA(Z), CA(SA), RPA(Z), PMCSZ

Date of appointment: November 2013

Areas of expertise and contribution
Several economic sectors and disciplines, including production, sales and marketing, information technology, strategic development and management

Other directorships
PPC Zimbabwe, Datlabs, Delta Corporation and National Foods

(1) As at 1 April 2021.
(2) Brenda was appointed as CFO on 1 April 2021 following the resignation of Ronel van Dijk on 31 March 2021.
(3) Anthony, who previously served as an independent NED, was appointed as an executive director on 25 June 2020. On 1 July 2021, he stepped down as an executive director and resumed his duties a NED.

REMUNERATION REPORT

PART 1: BACKGROUND STATEMENT

DEAR SHAREHOLDER

I am pleased to present the remuneration committee's (remco) report for the 12 months ended 31 March 2021.

I would firstly like to thank our previous committee chair, Anthony, for his stewardship during his tenure.

It is pleasing to note the improved business performance over the reporting period after a very difficult first half of the year and the resultant remuneration outcomes linked to this performance. Remco is pleased that employees will share in some of the success for the hard work over the past year, the details of which will be outlined in the remainder of the report. The committee determines, on behalf of the board, the company's policy on the remuneration of executive directors, prescribed officers and other members of the executive committee (exco) and the total remuneration packages and contractual terms and conditions for these individuals. The committee also provides oversight of all employee rewards to ensure the alignment of rewards throughout the group and approves the mandate for annual pay increases, as well as the parameters and overall cost of the short-term incentives (STIs) and long- term incentives (LTIs), for the South African operations and provides guidance through group policies to the international subsidiaries.

In line with King IV and the JSE Listings Requirements, the report is presented in three parts: this background statement (part 1), followed by the company-wide remuneration philosophy and policy with specific focus on the policy as it applies to executive management (part 2) and lastly, implementation of the policy for the 12 months from 1 April 2020 to 31 March 2021 (part 3). Parts 2 and 3 will be put forward for separate non-binding votes at the upcoming AGM.

OUR PERFORMANCE AND SUMMARY OF REMUNERATION OUTCOMES

As a committee we are focused on ensuring that the reward our senior executives receive reflects the results of the company and remains proportionate to the overall employee base and to the returns received by shareholders. We are mindful of the external focus on executive pay and the need to ensure outcomes that are fair and responsible and reported in a transparent manner. PPC continued to operate in a difficult trading environment in South Africa due to the lacklustre economic performance and the impact of COVID-19 on the economy, however, the group managed to produce and sustain a good overall performance over the review period.

PPC faced a very difficult start to the year because of the severe impact of the lockdown in South Africa followed by a recovery that was better than expected. This, together with managements various mitigating actions, resulted in the performance for the year that was better than last year. The non-executive directors voluntarily sacrificed a portion of their fees for the year. Employees supported managements call to sacrifice annual leave, salary increases, pension fund contribution holiday as well as sacrifice the prior year STI payment to sustain the liquidity position of the business. These substantial contributions by employees and directors were most gracious and I take this opportunity to thank all employees and directors for this most generous contribution and gesture.

Due to the overall improved business performance, STI payments were made to employees and executives. Furthermore, the performance conditions attached to the new LTI which was implemented at the start of the financial year resulted in LTI awards being made which will be allocated after the year-end closed period. Full details of the STI and LTI measures used, together with the outcomes are disclosed in part 3.

REMCO ACTIVITIES DURING THE YEAR

During the year remco delivered the following:

Exco remuneration

- Approval of the FY21 executive and overall workforce salary increases
- Consideration and approval of the STI and LTI targets and annual awards
- The peer group used for remuneration benchmarking remained unchanged but remco is continuously considering the appropriateness of the peer group and a benchmarking exercise using a new peer group is in process to review overall pay scales.
- Reviewed and considered executive director remuneration best practices and benchmarks to ensure PPC's current practices remain progressive and relevant
- Considered and agreed on the mutual separation settlement of the former group HR executive and company secretary in the review period

Non-executive director (NED) remuneration

- Reviewed and benchmarked the fees for onward approval by the board and shareholders
- Noted the sacrifice made by the NED's towards keeping their quarterly fees unchanged for the FY21 period

Group-wide remuneration matters

- Reviewed the group-wide remuneration policy
- Assessed compliance to the fair and responsible pay charter
- Reviewed the STI scheme
- Reviewed and approved the new LTIP and the implementation thereof
- Introduced a performance-based salary increase model
- Introduced an independent scorecard objectives model for STI participation

Performance – relating to past performance cycle

- Assessed STI variable remuneration
- Assessed performance conditions for the LTIP awards

Performance – relating to forthcoming performance cycle

- Setting of STI variable targets
- Setting of LTIP targets

Compliance

- Reviewed and approved the committee's annual work plan
- Reviewed the policy on the delegation of authority
- Reviewed and approval of the remuneration report
- Reviewed and approved the committee's terms of reference
- Undertook an effectiveness review of remco

REMUNERATION REPORT continued

Wider workforce considerations and our approach to fairness

During this year the committee actively engaged on the topic of fair, equitable and responsible remuneration and took active steps to close the internal wage gap. As part of this process management introduced a pay for performance salary increase model which takes into account employees' performance against scorecard objectives and at the same time aligns, employees to their positions in the market. This principle ensures that employees earning above and below the market median are aligned. In addition, the eligibility in the LTI has been widened to Paterson Grade D3 level, thus contributing to strengthening our retention strategy and approach to fairness and greater inclusion. On the STI formula, management proposed and remco approved that an EBITDA multiplier factor (1,15) be used for employees in Paterson grades D2 and below and a factor of 1 for employees in Paterson Grades D3 and above. This methodology further contributes to management and the committee's commitment to further close the wage gap.

Future areas focus

Management and remco will continue to explore opportunities to close the wage gap across the group, and have committed to review the Gini coefficient on an annual basis to monitor progress made. The salary increase methodology to close the living wage gap has also been refined taking into account employees' position to market and personal performance. The remco is also exploring opportunities within the variable pay practices to further narrow the wage gap into the future. These focus areas will be assessed by the remco at the end of each financial year.

Shareholder engagement and voting

The company's current remuneration policy and implementation report were approved by 88,79 % and 79,63 % of shareholders respectively at the FY20 AGM. The company provided shareholders with additional information pertaining to the historic matters on payments to the former executive directors reported on in the implementation report. Shareholder engagements are planned before the AGM, to provide shareholders with the opportunity to raise any comments they might have. At the AGM in August 2021, you will be asked to endorse our remuneration policy and the implementation thereof. Your constructive input is valued and appreciated as we continue to improve the remuneration system. On behalf of the remuneration committee I thank you for your continued support and feedback regarding our remuneration framework.

Nono Mkhondo
Chairman of remco

16 July 2021

PART 2: REMUNERATION POLICY

GOVERNANCE AND REMCO

ROLE OF THE COMMITTEE

As a committee of the board, remco assists in setting the company's remuneration philosophy and policy as well as remuneration for directors and prescribed officers. It operates according to its approved terms of reference.

For more detail on these terms of reference, refer to the governance report in the 2021 integrated report.

MEMBERS

All members are NEDs, the majority of which are independent as defined by the King IV. The committee held three meetings in the period, with attendance shown on page 69 of the 2021 integrated report.

The CEO and other representatives attend meetings by invitation to assist the remco in executing its mandate. Other members of the executive management can be invited when appropriate. No executives participate in the voting process or are present at committee meetings when their own remuneration is considered.

Remco has appointed PwC as independent advisers and is satisfied that they acted independently.

AUTHORITY LEVELS

Remco act under delegated authority of the board to determine and set remuneration levels, except for the fees payable to NEDs, which are subject to the approval of shareholders at the AGM. The authority levels are set out below:

	CEO	Remco	Board	Shareholders
Remuneration policy including incentive plans and provisions applicable to group-wide employees	Proposal	Approval		
Prescribed officer and direct reports remuneration	Proposal	Approval		
Executive director remuneration (excluding CEO)	Proposal	Approval		
Performance target setting and assessment	Proposal	Approval		
Remuneration report	Proposal	Recommend	Approval	Non-binding endorsement
NED remuneration	Proposal	Recommend	Approval	Approval

REMUNERATION REPORT continued

SHAREHOLDER ENGAGEMENT

Shareholder engagement remains a focus area for the remco. In the event that our remuneration policy (in part 2) or implementation report (in part 3) are voted against by 25,0 % or more of voting rights exercised by our shareholders, the committee will take the following steps as a minimum:

- This may include amending our remuneration policy or clarifying/adjusting our remuneration
- Engage in face-to-face meetings with shareholders to ascertain reasons for dissenting votes
- Address legitimate and reasonable objections received

FAIR AND RESPONSIBLE PAY

The committee is focused on responsible remuneration practices and strives for a fair, living wage for all employees by reviewing salaries and ensuring these remain competitive in the industry as documented in an internal fair pay charter. Our industry faces many challenges and we recognise the need to retain our talent to ensure a focused and driven effort to meet shareholder expectations. The company continuously strives for fair and responsible pay by remaining sensitive to the wage differential between management and lower-income employees in awarding annual salary increases. PPC also adopted a policy to close the internal Gini coefficient for the group. Furthermore, minimum entry-level pay for all roles has been set and executive increases are capped to conform to market benchmarks.

The committee's stance is that "fair" remuneration is impartial and free from discrimination. It is also free from self-interest, prejudice, or favouritism. It is also rational, and not based on an irrational or emotional basis. "Fair" does not mean "the same" and remuneration levels will differ according to a number of factors, such as productivity, performance, skill, experience, risk and complexity, degree of challenge, level of responsibility of decision-making and consequence and impact on the organisation. Equal contributions to performance should however be rewarded equally.

The company's policy on fair and responsible remuneration can be summarised as follows:

FAIR PAY	RESPONSIBLE PAY
All variable pay is subject to the achievement of stretching performance conditions, carefully calibrated and selected by the committee ensuring a close alignment with shareholder value creation over the long term	Proper job profiles are in place for all roles within the organisation, jobs are evaluated in accordance with a robust methodology, and employees are remunerated in accordance with the determined pay scales
The link between pay and performance is publicly disclosed by the company in its remuneration report	Our organisation commits to eliminating any existing unfair discrimination/unjustified differentiation within our remuneration dispensation and preventing future practices of discrimination/differentiation
The remco and, ultimately, the board reviews and approves the remuneration of directors and senior management ensuring independence and transparency	Horizontal fairness is applied and employees performing the same or similar job requirements at the same or similar level of performance in the organisation receive the same or similar remuneration
Although remuneration is benchmarked, affordability is a key consideration in any pay adjustments. Variable pay is subject to reduction (malus) and recoupment (claw-back)	Vertical fairness is applied by assessing the pay ratio between the CEO on one hand, and the pay levels of employees below executive level, on the other hand
	Pay is well administered with employees paid accurately on time and in a way that is convenient

The remco is focused on the compliance of the principles of the fair pay charter and has embarked on a review of the analysis of the progress made thus far to ensure compliance.

REMUNERATION REPORT continued

for the year ended 31 March 2021

COMPANY-WIDE REMUNERATION POLICY

To meet our business objectives, remuneration and reward policies and practices must support the following principles:

- Encourage organisational, team and individual performance
- Designed to drive a high-performance culture
- Based on the premise that employees should share in the success of the company
- Be designed to attract and retain high-calibre individuals with the optimum mixture of competencies
- Promote an ethical culture and responsible corporate citizenship
- The remuneration of executive management must be aligned to the market and shareholder interests

The policy conforms to King IV and is based on the following principles:

- Remuneration practices are aligned with corporate strategy
- Total rewards are set at competitive levels in the relevant market
- Incentive-based rewards are earned by achieving demanding performance conditions consistent with shareholder interests over the short, medium and long term
- Incentive plans, performance measures and targets are structured to operate effectively throughout the business cycle
- Is fair and responsible in the context of overall employee remuneration in the company
- Performance conditions used in variable pay structures support positive outcomes across the economic, social and environmental context in which the company operates
- The design of the LTIP is prudent and does not expose shareholders to unreasonable financial risk

ELEMENTS OF REMUNERATION

	ELEMENT	DEFINITION	TIME PERIOD	APPLICABLE GRADES
Fixed	Total guaranteed pay (TGP)	The fixed element of remuneration (TGP) includes salary, car allowance, retirement, life insurance and medical aid contributions	Delivered in year	Paterson grades F4 – C5
	Base pay plus benefits	Base pay refers to the cash basic pay and excludes benefits. Benefits are over and above base pay and include the company's contribution to medical aid, retirement fund and any other employer funded	Delivered in year	Paterson grades C4 – A1
Variable	STI	An annual STI is paid in cash and gives employees an incentive to achieve the company's short and medium-term goals, with payment levels based on both company and individual performance	One year	All employees Paterson grades F4 – A1
	LTIP	The LTIP is a performance-based plan that measures performance over a one-year period. Once the performance conditions have been measured, participants will receive full value shares. Settled shares remain subject to vesting conditions of continued employment and disposal restrictions for a further three-year period, totalling an overall LTIP vesting period of four years. The company previously operated a forfeitable share plan (FSP) and outstanding awards will come to fruition to the extent that they vest	Four years	Paterson grades F4 – D3

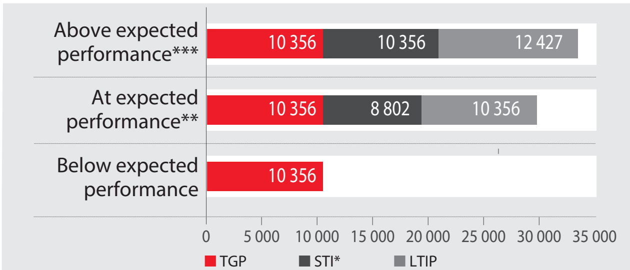
REMUNERATION REPORT continued

for the year ended 31 March 2021

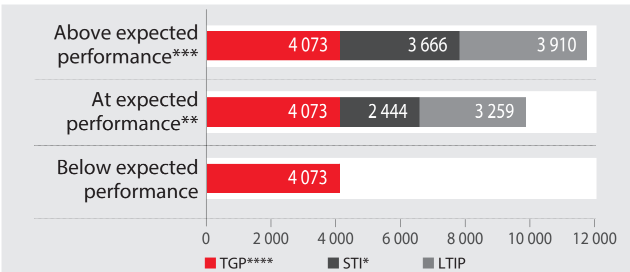
PAY FOR PERFORMANCE

Our policy for executive directors and prescribed officers means a significant portion of remuneration received depends on company performance. In part 3, we show actual total pay outcomes for the 12 months ended 31 March 2021, while total pay opportunities for the CEO, CFO and prescribed officers (managing directors (MDs)) on average under the following three performance scenarios are illustrated below:

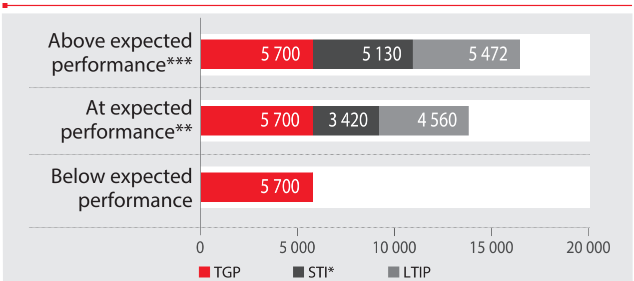
CEO (R000)



Prescribed officers (MD's) (R000)



CFO (R000)



* *For threshold performance, each of the performance indicators have a threshold of 80% therefore for eg if the EBITDA margin is a performance indicator with an on-target percentage of 20%, then the threshold performance for the indicator is 16% (threshold of 80%) x (target of 20%).*

** *LTIP includes indicative expected value on grant date assuming 100% vesting at target performance.*

*** *LTIP includes indicative expected value on grant date assuming 120% vesting at exceptional, high-potential performance.*

**** *Average TGP.*

OVERVIEW OF REMUNERATION POLICY

Total Guaranteed Pay (TGP)

The company generally pays fixed remuneration at the relevant market median. Increases are effective 1 April each year.

Monthly pay and benefits are targeted to be competitive for comparable roles in companies of similar complexity and size, taking cognisance of the performance and experience of the employee concerned. Market data is used to benchmark salary and benefits and to inform decisions on salary adjustments. Salary increases are not guaranteed and are adjusted annually based on market benchmarks, market inflation, company affordability, company performance and to address market anomalies.

Professional advisers appointed by remco provide annual benchmark information. For executive directors and prescribed officers, a comparator group comprising JSE listed companies is used to benchmark TGP. The remainder of the employees are benchmarked against survey data.

Employee benefits

The following benefits are provided as part of TGP:

- Participation in the PPC retirement fund is compulsory for all permanent employees. This is an in-house defined contribution fund and provides risk cover for death and disability
- Employees are required to belong to a choice of company sponsored external medical aids or to be a member of their spouse/life partner's medical aid
- Employees are covered for death, medical and disability expenses as a result of an accident through a company sponsored group accident policy
- Employees who need to use their motor vehicle in their duties can elect to allocate an appropriate portion of their TGP as a car allowance
- Employees who are not on TGP, receive a fixed monthly basic cash salary component – base pay and benefits in addition to base pay. Benefits include the company contribution to medical aid, retirement fund and any other employer funded group benefit

REMUNERATION REPORT continued

for the year ended 31 March 2021

STI

Changes for FY22	The weightings assigned to the performance conditions were changed for FY22; and the following weightings will apply for the executive directors and prescribed officers: ■ Financial performance indicators 40 %, compared to 50 % in FY21; ■ Non-financial performance indicators (H&S and Environment) will be 20 %, compared to 5 %-10 % in FY21; ■ Personal performance indicators 40 %, compared to 50 % in FY21.
Purpose	The STI is designed to reward employees for the group's results, the results of their business and their individual performance over a time horizon of one year
Participation	All employees are eligible to participate in the STI
Operation	Annual cash awards based on performance assessment over the given year. The following bonus formula is used: ■ Annual TGP/basic pay x STI target % x [(business performance % x weighting %)] + [(personal performance % x weighting %)] x EBITDA modifier (actual/budget) ■ Remco retains the right to vary the terms of the STI in special circumstances to take company affordability into consideration. For example, in previous years, STIs have been reduced on a pro rata basis across all participants to reduce the cost to company in line with lower than expected profits.
Opportunity levels	The STI opportunity levels as a percentage of TGP are:

POSITION	TARGET STI	MAXIMUM STI
CEO	85 %	100 %
CFO	60 %	90 %
Prescribed officers	60 %	90 %

STI continued

The following performance measures and weightings will be used in FY22. Due to the commercial sensitive nature of disclosing the prospective targets, the remco has elected to disclose the actual targets and outcomes on a retrospective basis in part 3 of this report:

Performance targets and weightings

PERFORMANCE INDICATOR	WEIGHT	COMMENTS
Financial measures:		
EBITDA margin	20 %	This will be defined at business unit/country, or group level. Managing directors are also measured on the EBITDA % from their respective areas of responsibility.
Free (operating) cash flow	20 %	Free (operating) cash flow at business unit/country level, or group level which is defined as EBITDA adjusted for non-cash items (included in EBITDA) minus net working capital movement minus capital expenditure (capex). Managing directors are also measured on the cash flow from their respective areas of responsibility.
Non-financial	10 % – 20 %	Non-financial goals include ESG objectives for EXCO and health and safety objectives for all employees.
Personal	40 % – 50 %	Personal performance is measured through personal scorecards with objective and subjective measures. Vesting levels for personal performance range of between 80 % to 120 %.
Total	**100%**	

Group EBITDA modifier

As an additional safeguard, a group EBITDA modifier will be applied to the bonus, measured as actual group EBITDA relative to budgeted group EBITDA.

REMUNERATION REPORT continued

for the year ended 31 March 2021

LTIP

Changes for FY22	Remco reviewed the performance conditions and absolute total shareholder return (TSR) will be used as a performance condition instead of capital restructuring.
Purpose	The LTIP is aimed at driving long-term shareholder value creation in a sustainable manner. It rewards the achievement of predefined performance goals over a one-year period where after shares are settled. The shares are subject to a further three-year vesting period during which shares cannot be disposed of and can be forfeited.
Participation	Management employees in Paterson grades D3 and above.
Operation and instruments	The LTIP operates in accordance with the following formula: TGP x LTI allocation % = incentive value At the end of a one-year performance period the incentive value is adjusted upwards or downwards based on the outcomes of the performance conditions. The final incentive value is then divided by the share price at the time (around July or each year as soon as the company is outside of the year-end closed period) to determine the number of forfeitable shares that will be settled to each participant. Post-settlement, participants will be shareholders, but the shares will be subject to a three-year vesting period during which the shares can be forfeited if employment is terminated under certain conditions. The shares will therefore vest and be released after the vesting period.
LTI allocation percentages	The LTI allocation percentages as a percentage of TGP are: CEO 100 % CFO and other prescribed officers 80 %
Performance measures and weighting	The following performance measures and weightings will be used in FY22. Each performance target will have a threshold, target and maximum target attached to it, resulting in vesting outcomes of 80 % (threshold), 100 % (target) and 120 % (stretch). Performance outcomes below threshold will result in a score of zero. Due to the commercial sensitive nature of disclosing the prospective targets, the remco has elected to disclose the actual targets and outcomes on a retrospective basis in part 3 of this report.

PERFORMANCE INDICATOR	WEIGHT	COMMENTS
Absolute TSR	50 %	To mitigate market volatility in determining the applicable values at the onset and at vesting, a smoothing period will be applied and the values will be calculated as the average TSR daily index for the 20 trading days up to and including the start date of the performance period and the average TSR daily index for the 60 trading days up to and including the end date of the performance period.
Delta PPC economic value creation (PEVC)	50 %	The PEVC objective is created in line with the budget which has been approved by the board whereby eventual windfall (positive or negative) from impairments are removed.

Vesting period and termination of employment provisions	Settled shares will vest after a three-year period. During the vesting period, participants are the shareholders of those shares, but shares are subject to (i) disposal restrictions and (ii) continued employment until the vesting date, where after the shares can be freely disposed of. Different rules apply, depending on the reason of termination of employment: Fault terminations (resignation not based on mutual consent, dismissal based on misconduct): No participation – unsettled and unvested LTIP awards are forfeited in full Voluntary retirement, redundancy, sale of an employer company, voluntary separation (subject to discretion as explained below): ■ Terminations occurring before the end of the performance period will be prorated for the time in employment, over the total vesting period of 48 months and adjusted based on the performance vesting outcome. The vested shares will be settled and released on the normal settlement and release date. The remainder of the awards will lapse and be forfeited ■ Terminations after the settlement date but before the release date – awards will be adjusted for the actual time in employment, over the total vesting period of 48 months and the vested shares will be released on the original release date. The remainder of the shares will be forfeited Retirement, disability and expiry of a fixed term contract: ■ Terminations occurring before the end of the performance period will be prorated for the time in employment, over the performance period of 12 months and adjusted based on the performance vesting outcome. The vested shares will be settled and released on the normal settlement and release date. The remainder of the award will be forfeited ■ Terminations occurring after the settlement date: None of the unvested awards will be forfeited or adjusted but will only be released on the normal release date Death: ■ Terminations occurring before the end of the performance period will be prorated for the time in employment, over the performance period of 12 months and adjusted based on the performance vesting outcome. The vested shares will be settled and released on the date of termination of employment. The remainder of the award will be forfeited ■ Terminations occurring after the settlement date: None of the unvested Forfeitable Shares will be forfeited or adjusted and will be released on the date of termination of employment

REMUNERATION REPORT continued

for the year ended 31 March 2021

MALUS AND CLAW-BACK PROVISIONS

As a result of increased corporate governance requirements pertaining to executive remuneration, STI and LTIs could be offered subject to malus and claw-back. The purpose is to give the board the discretion to recoup vested, settled and/or paid incentives (also referred to a "Claw-back") and to reduce and cancel any unvested and/or unpaid incentive remuneration (also referred to as "Malus") when trigger event(s) occur. This policy applies to all employees on levels D3 and above and will be applied as follows:

Malus applies during the 12-month vesting period of the STI and the 48-month vesting period of the LTIP. Claw-back applies for a 36-month period from payment of the STI and release of the LTIP respectively.

EMPLOYMENT CONTRACTS – EXECUTIVE DIRECTORS

Remco, subject to circumstances, will maintain the following policy for executive directors' employment contracts:

- All executive director and prescribed officer agreements contain a minimum six-month restraint of trade clause
- Contracts should not commit the company to pay on termination arising from the director's failure to perform agreed duties
- Employment contracts contain no balloon payments on termination of employment
- If a director is dismissed because of a disciplinary procedure, a shorter notice period should apply without entitlement for compensation for this period
- Contracts should not compensate directors for severance because of change of control

NEDS – APPOINTMENT OF NEDS

NEDs appointed during the year are subject to election by shareholders at the first shareholders' meeting following their appointment. These directors are also required to retire, according to the board rotation plan.

NEDs' fees

The CEO recommends board fees to remco for approval by the board. This recommendation follows input from independent advisers on benchmark studies based on the same comparator group used for executive directors' remuneration. PPC pays its NEDs a retainer fee (including attendance at all scheduled meetings) plus an attendance fee for special meetings beyond the scheduled number of meetings. Fees are exclusive of value added tax (VAT).

NON-BINDING ADVISORY VOTE ON PART 2

The remuneration policy will be subject to a non-binding advisory vote at the AGM on 28 August 2021. The policy is reviewed annually, and the opinions of shareholders are an important consideration during these reviews.

PART 3: IMPLEMENTATION OF POLICIES FOR THE REVIEW PERIOD

TGP ADJUSTMENTS (FY21)

Annual salary increases are effected in April each year, taking account of market benchmark movements and company affordability. Management employees, including prescribed officers received an average increase of 5 % for the period 1 April 2020 while non-management employees received average increases of 6 %.

STI PERFORMANCE OUTCOMES FY21

The final STI awarded was computed in accordance with the STI formula:

TGP x STI allocation % x ([business performance x 50 %] + [personal performance x 50 %]) x EBITDA factor.

The achievement of each of the elements of the STI against the targets set for FY21 are explained below.

BUSINESS PERFORMANCE

Targets	Weighting	Threshold target (80% vesting)	Target (100% vesting)	Stretch target (120% vesting)	Actual outcome	% Achieved
EBITDA margin	50%	12,41%	15,52%	18,62%	16,78%	108,13%
Free cash flow	50%	R694	R868	R1042	R1191	120,00%
Business performance score overall achievement	114,07%					
Business performance weighted score achievement (114,07 % x 50 %)	57,04%					

The managing directors for the international operations and SA cement operations are also measured on the EBITDA percentage and cash flow from their respective operations.

REMUNERATION REPORT continued

for the year ended 31 March 2021

PERSONAL PERFORMANCE

Executive	Personal performance weighted score achievement
Roland Van Wijnen	45,74%
Ronel Van Dijk	43,60%
Mokate Ramafoko	48,50%
Njombo Lekula	41,40%

EBITDA FACTOR

The EBITDA factor was determined as budgeted EBITDA versus actual EBITDA which resulted in a factor of 1,15. Remco approved the use of a capped EBITDA factor of 1 for management employees in Paterson grades D3 and above and the EBITDA factor 1,15 for other employees in Paterson grades D2 and below. An EBITDA factor of 1 was considered for employees on grades D3 and above to reduce the wage differential and to allow lower level employees to qualify for a greater proportion of the STI. Therefore, for other staff, the actual outcome of 1,15 was used. This consideration was applied due to the fact that these employees do not participate in the LTIP scheme, and are very instrumental in driving results. This further contributes to and is aligned with the objective to reduce the wage differential.

OVERALL OUTCOMES

Final payment to executive directors and prescribed officers are therefore as follows:

Executive	Annual TGP (Rm) [A]	STI allocation % [B]	Overall % achieve-ment [C]	EBITDA factor [D]	Final STI (Rm) [A x B x C x D]
Roland Van Wijnen	R10,0	85	102,80	1	R8,7
Ronel Van Dijk	R4,5	60	100,70	1	R2,7
Mokate Ramafoko	R3,5	60	100,40	1	R2,1
Njombo Lekula	R4,1	60	99,90	1	R2,4

LTI OUTCOMES FY21

In line with the disclosure format recommended by King IV, the following information on LTIs is disclosed:

- LTIP awards to be awarded post-year end and whose performance period ended 31 March 2021
- FSPs awarded in March 2019 whose performance period ended on 31 March 2021
- Outstanding FSPs and share appreciation rights (SARs), awarded under the previously used FSP and SAR plan

Further details appear in the unvested LTI awards and cash value of settled awards table on pages 88 to 95 of the Summarised financials and notice.

LTIP OUTCOMES FOR FY21

PERFORMANCE OUTCOMES

The performance conditions communicated in the FY20 remuneration report were not applied as the remco was of the opinion that the capital restructure performance condition is more closely aligned to the strategy of the company. Therefore, the remco approved the use of the following performance conditions measured over the period 1 April 2020 to 31 March 2021 and resulted in the following vesting outcomes

Targets	Weighting	Threshold target (80% vesting)	Target (100% vesting)	Stretch target (120% vesting)	Actual Achievement
Capital restructure	50%	Ethiopia and the DRC are no longer a threat to the liquidity of the group	Debt of the SA obligor group by 31 March 2021 is no more than two times the demonstrated recurring EBITDA post the three-months impacted by lockdown	Ability to announce to the market that an eventual rights issue is below R500 million due to the successful outcome of the first two points and the sale of PPC Lime	120%
Delta PPC economic value creation (PEVC)	50%	R910 million	R1137 million	R1364 million	R1237 million (109%)
Vesting achievement %			114,40%		

LTI incentive value to be awarded as shares post-year-end closed period

Name	TGP (Rm) (A)	LTI allocation % (B)	Vesting achievement % (C)	LTI incentive value (A)X(B)X(C) (Rm)
Roland Van Wijnen	R10,0	100	114,40	R11,5
Ronel Van Dijk	R4,5	80	114,40	R4,1
Mokate Ramafoko	R3,5	80	114,40	R3,2
Njombo Lekula	R4,1	80	114,40	R3,7

REMUNERATION REPORT continued

for the year ended 31 March 2021

LTIS VESTING DURING FY21

FSP retention shares that were awarded on 29 March 2018 under the FSP vested during FY21. None of the performance shares awarded on 29 March 2019 with a performance period that ended on 31 March 2021 have vested, due to the non-fulfilment of the performance conditions. Full details are disclosed in the schedule of unvested awards and cash flow on settlement table below.

TOTAL SINGLE FIGURE OF REMUNERATION

Single figure

All figures stated in R000		Salary	Retirement and medical contributions	Car allowance	Cash incentive [1]	LTIP Reflected[2]	Other [3]	Total single figure of Remuneration
Executive directors								
Current directors								
R van Wijnen[4]	**2021**	**9 398**	**–**	**300**	**8 777**	**11 496**	**350**	**30 321**
R van Wijnen[5]	2020	4 625	–	150	–	5 024	1 029	10 828
R van Dijk[4]	**2021**	**4 450**	**–**	**–**	**2 718**	**4 119**	**100**	**11 386**
R van Dijk[6]	2020	1 813			–	–	342	2 155
AC Ball[7]	**2021**	**292**	**–**	**–**	**–**		**–**	**292**
Former directors								
JT Claasen	**2021**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
JT Claasen[8,9]	2020	4 394	742	225	–	411	8 111	13 883
MMT Ramano	**2021**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
MMT Ramano[9,10]	2020	2 357	514	225	–	315	5 489	8 900
Prescribed officers								
NL Lekula[4,11,12]	**2021**	**3 606**	**498**	**–**	**3 769**	**3 796**	**5**	**11 674**
NL Lekula[12,13]	2020	3 582	529		1 283	–	27	5 421
M Ramafoko[4,11,14]	**2021**	**2 609**	**435**	**367**	**3 203**	**3 219**	**41**	**9 874**
M Ramafoko[13,14]	2020	2 590	460	367	1 083	–	31	4 532
P Mohlala[15]	**2021**	**1 855**	**255**	**88**	**–**	**–**	**2 080**	**4 278**
P Mohlala[16]	2020	2 453	388	118	–	–	38	2 997

[1] *Included under "Cash incentive" is the STI accrued to incumbents in FY21 relating to performance for the 2021 financial year.*
[2] *No annual FSP awards were made during the 2020 financial year.*
[3] *Other includes accommodation expenses and cellphone allowances.*
[4] *The FY21 LTIP reflected includes the incentive value which has been adjusted with the performance vesting outcome relating to FY21 performance, for the LTI award that will be made in FY22. This award is not subject to any prospective performance conditions.*
[5] *R van Wijnen was appointed as CEO on 1 October 2019. Included under LTIP reflected is his sign-on award consisting of FSPs without performance conditions at the award date share price of R3,83 with an estimated vesting % of 100%. Also included under "Other" is an ad-hoc payment of R0,777 million for board and handover purposes prior to permanent employment.*
[6] *R van Dijk was appointed as interim CFO on 1 November 2019. Also included under "Other" is an ad-hoc payment of R0,218 million for handover purposes prior to permanent employment.*
[7] *AC Ball was appointed as an executive director on 25 June 2020. He was previously a non-executive director. His TGP for the year was R292k and he did not participate in any variable incentives.*
[8] *JT Claassen retired as CEO on 30 September 2019 however received remuneration until 31 December 2019 for handover purposes. Included under "Other" is leave pay of R1,380 million, R1,785 million for his restraint of trade, notice pay of R3,570 million and R1,351 million in lieu of his participation in the 2019 FSP award, adjusted for time and performance. The time adjustment was based on 13 months for which JT Claassen was employed by the company in relation to the vesting period and performance was based on 100% vesting for the FSPs without performance conditions and 30% vesting (based on interim testing performed as at 31 March 2019, in terms of the rules) for the FSP with performance conditions. The amount of R1,351 million consists of 103 314 FSP retention shares and 154 949 FSP performance shares at a share price of R5,23.*
[9] *The performance period of the 2018 FSPs ended on 31 March 2020, however JT Claassen and MMT Ramano were classified as "no fault terminations" in terms of the rules. The performance awards lapsed as none of the performance conditions were met and accelerated vesting was applied to the retention awards, adjusted for time as included under "LTIP reflected".*
[10] *MMT Ramano mutually separated from PPC as CFO on 31 October 2019. Included under "Other" is her notice pay of R1,286 million, restraint of trade of R3,858 million and R0,345 million in lieu of her participation in the 2019 FSP retention award, adjusted for time. The time adjustment was based on 14 months for which MMT Ramano was employed by the company in relation to the vesting period. The amount of R0,345 million consists of 65 994 FSP retention shares at a share price of R5,23.*
[11] *LTIP reflected includes the 2019 FSPs whose performance period ended on 31 March 2021 with 0% of the performance conditions being met.*
[12] *Also included under "Cash incentive" is the payment of a cash retention bonus of R1,283 million (2020: R1,283 million). The remainder of the cash retention bonus will be paid in the 2022 financial year.*
[13] *The performance period of the 2018 FSPs ended on 31 March 2020 and none of the performance conditions have been met.*
[14] *Also included under "Cash incentive" is the payment of a cash retention bonus of R1,083 million (2020: R1,083 million). The remainder of the cash retention bonus will be paid in the 2022 financial year.*
[15] *P Mohlala resigned as a prescribed officer on 31 December 2020 and received a retrenchment settlement of R2,049 million included under "Other", made up as follows: Severance settlement R1 832 and leave pay and other allowances R248.*
[16] *P Mohlala became a prescribed officer effective 1 April 2019.*

REMUNERATION REPORT continued

for the year ended 31 March 2021

Schedule of unvested awards and cash flow on settlement

Names	End of vesting period	Opening Number on 1 April 2019	Granted during 2020	Forfeited/ lapsed during 2020	Settled during 2020	Closing Number on 31 March 2020	Cash value of receipts during 2020[17] R	Closing Estimated Fair Value at 31 March 2020[18,19,20] R	Granted during 2021	Forfeited / lapsed during 2021	Settled during 2021	Closing Number on 31 March 2021	Cash value of receipts during 2021[17]	Closing Estimated Fair Value at 31 March 2021[19,21] R	Strike price R
Executive directors															
Current directors															
R van Wijnen[22]															
Forfeitable shares – without performance conditions															
2020/02/13	2022/10/01	–	1 311 715	–	–	1 311 715	–	1 613 409				1 311 715		2 417 567	n/a
Total							–	1 613 409					–	2 417 567	
Former directors															
JT Claasen[23]															
Share appreciation rights															
25/09/2009 cash-settled	25/09/2012	26 000	–	(26 000)	–	–	–	–	–	–	–	–	–	–	21,3
29/05/2015 equity-settled	19/02/2018	9 374	–	–	–	9 374	–	–	–	(9 374)	–	–	–	–	9,84
30/08/2016 equity-settled	30/08/2019	314 773	–	(314 773)	–	–	–	–	–	–	–	–	–	–	5,85
Forfeitable shares – with performance conditions															
30/08/2016	30/08/2019	55 700	–	(55 700)	–	–	–	–	–	–	–	–	–	–	n/a
29/03/2018	15/05/2020	577 700	–	(577 700)	–	–	–	–	–	–	–	–	–	–	n/a
Forfeitable shares – without performance conditions															
30/08/2016	30/08/2019	33 400	–	–	(33 400)	–	133 891	–	–	–	–	–	–	–	n/a
29/03/2018	15/05/2020	115 500	–	(33 971)	(81 529)	–	410 667	–	–	–	–	–	–	–	n/a
BBBEE schemes									–	–	–	–	–	–	
BEE II		22 501	–	(22 501)	–	–	–	–	–	–	–	–	–	–	n/a
Total							544 558	–					–	–	

REMUNERATION REPORT continued

for the year ended 31 March 2021

Names	End of vesting period	Opening Number on 1 April 2019	Granted during 2020	Forfeited/ lapsed during 2020	Settled during 2020	Closing Number on 31 March 2020	Cash value of receipts during 2020[17] R	Closing Estimated Fair Value at 31 March 2020[18,19,20] R	Granted during 2021	Forfeited / lapsed during 2021	Settled during 2021	Closing Number on 31 March 2021	Cash value of receipts during 2021[17]	Closing Estimated Fair Value at 31 March 2021[19,21] R	Strike price R
MMT Ramano[24]															
Share appreciation rights															
29/05/2015 equity-settled	19/02/2018	36 622	–	–	–	36 622	–	–	–	(36 622)	–	–	–	–	9,84
30/08/2016 equity-settled	30/08/2019	712 524	–	(712 524)	–	–	–	–	–	–	–	–	–	–	5,85
Forfeitable shares – with performance conditions															
30/08/2016	30/08/2019	126 100	–	(126 100)	–	–	–	–	–	–	–	–	–	–	n/a
29/03/2018	15/05/2020	562 200	–	(562 200)	–	–	–	–	–	–	–	–	–	–	n/a
Forfeitable shares – without performance conditions															
30/08/2016	30/08/2019	75 700	–	–	(75 700)	–	303 459	–	–	–	–	–	–	–	n/a
29/03/2018	15/05/2020	112 400	–	(28 651)	(83 749)	–	314 778	–	–	–	–	–	–	–	n/a
BBBEE schemes									–	–	–	–	–	–	
BEE II	01/10/2019	372 737	–	(372 737)	–	–	–	–	–	–	–	–	–	–	n/a
Total							618 237	–					–	–	

REMUNERATION REPORT continued

for the year ended 31 March 2021

Names	End of vesting period	Opening Number on 1 April 2019	Granted during 2020	Forfeited/ lapsed during 2020	Settled during 2020	Closing Number on 31 March 2020	Cash value of receipts during 2020[17] R	Closing Estimated Fair Value at 31 March 2020[18,19,20] R	Granted during 2021	Forfeited / lapsed during 2021	Settled during 2021	Closing Number on 31 March 2021	Cash value of receipts during 2021[17]	Closing Estimated Fair Value at 31 March 2021[19,21] R	Strike price R
NL Lekula															
Share appreciation rights															
25/09/2009 cash-settled	2012/09/25	24 000	–	(24 000)	–	–	–	–	–	–	–	–		–	21,3
29/05/2015 equity-settled	2018/02/19	7 951	–	–	–	7 951	–	–	–	(7 951)	–	–		–	9,84
30/08/2016 equity-settled	2019/08/30	277 494	–	(277 494)	–	–	–	–	–	–	–	–		–	5,85
Forfeitable shares – with performance conditions															
2016/08/30	2019/08/30	49 100	–	(49 100)	–	–	–	–	–	–	–	–		–	n/a
2018/03/29	2020/05/15	273 000	–	–	–	273 000	–	–	–	(273 000)	–	–	–	–	n/a
2019/03/25	2021/08/25	476 800	–	–	–	476 800	–	234 586	–	–	–	476 800	–	–	n/a
Forfeitable shares – without performance conditions															
2016/08/30	2019/08/30	29 500	–	–	(29 500)	–	118 257	–	–	–	–	–		–	n/a
2018/03/29	2020/05/15	54 600	–	–	–	54 600	–	67 158	–	–	(54 600)	–	176 904	–	n/a
2018/05/17	2021/05/17	320 833	–	–	–	320 833	–	394 625	–	–	–	320 833		591 314	n/a
2019/03/25	2021/08/25	95 400	–	–	–	95 400	–	117 342	–	–	–	95 400		175 828	n/a
BBBEE schemes															
BEE II	2019/10/01	220 634	–	(220 634)	–	–	–	–	–	–	–	–		–	n/a
Total							118 257	813 710					176 904	767 142	

REMUNERATION REPORT continued

for the year ended 31 March 2021

Names	End of vesting period	Opening Number on 1 April 2019	Granted during 2020	Forfeited/ lapsed during 2020	Settled during 2020	Closing Number on 31 March 2020	Cash value of receipts during 2020[17] R	Closing Estimated Fair Value at 31 March 2020[18,19,20] R	Granted during 2021	Forfeited / lapsed during 2021	Settled during 2021	Closing Number on 31 March 2021	Cash value of receipts during 2021[17]	Closing Estimated Fair Value at 31 March 2021[19,21] R	Strike price R
M Ramafoko															
Share appreciation rights															
29/05/2015 equity-settled	2018/02/19	3 408	–	–	–	3 408	–	–	–	(3 408)	–	–		–	9,84
Forfeitable shares – with performance conditions															
2016/08/30	2019/08/30	73 900	–	(73 900)	–	–	–	–	–	–	–	–		–	n/a
2018/03/29	2020/05/15	95 000	–	–	–	95 000	–	–	–	(95 000)	–	–	–	–	n/a
2019/03/25	2021/08/25	402 500	–	–	–	402 500	–	198 030	–	–	–	402 500	–	–	n/a
Forfeitable shares – without performance conditions															
2016/08/30	2019/08/30	44 300	–	–	(44 300)	–	177 585	–	–	–	–	–		–	n/a
2018/03/29	2020/05/15	57 000	–	–	–	57 000	–	70 110	–	–	(57 000)	–	184 680	–	n/a
2018/05/17	2021/05/17	270 833	–	–	–	270 833	–	333 125	–	–	–	270 833		499 161	n/a
2019/03/25	2021/08/25	80 500	–	–	–	80 500	–	99 015	–	–	–	80 500		148 366	n/a
BBBEE schemes															
BEE II	2019/10/01	107 994	–	(107 994)	–	–	–	–	–	–	–	–		–	n/a
Total							177 585	700 280					184 680	647 527	
P Mohlala[25]															
Forfeitable shares – with performance conditions															
2019/03/25	2021/08/25	83 600	–	–	–	83 600	–	41 131	–	(83 600)	–	–		–	n/a
Forfeitable shares – without performance conditions															
2019/03/25	2021/08/25	75 200	–	–	–	75 200	–	92 496	–	(56 400)	–	18 800		–	n/a
Total							–	133 627					–	–	

(17) Includes the proceeds from awards settled during the year
(18) The 2009, 2015 and 2016 SARs are underwater and therefore included at a zero intrinsic fair value.
(19) The FSPs without performance conditions are included at the 20 day year end VWAP of R1,84 (2020: R1,23).
(20) The outstanding tranches of the BBBEE schemes' fair value were estimated as zero as these awards were underwater.
(21) The 2019 FSPs with performance conditions are included as zero at year end as none of the performance conditions were met.
(22) A sign-on award of FSPs without performance conditions was made to R van Wijnen in terms of his negotiated employment contract.
(23) JT Claassen retired on 30 September 2019 and as a result, a portion of his FSPs without performance conditions vested whereas the remainder was forfeited. All of his FSPs with performance conditions and SARs were forfeited/lapsed due to performance conditions not being met.
(24) MMT Ramano resigned on 31 October 2019 and as a result, a portion of her FSPs without performance conditions vested whereas the remainder was forfeited. All of her FSPs with performance conditions and SARs were forfeited/lapsed due to performance conditions not being met.
(25) P Mohlala resigned as prescribed officer on 31 December 2020. She received 18,800 retention shares as part of her settlement and forfeited all her performance awards and the remainder of her retention awards.

REMUNERATION REPORT continued

for the year ended 31 March 2021

INCREASE IN NEDS' FEES

Increases are proposed for NEDs' fees. Please refer to the notice of AGM, which details proposed board fees for FY22

NON-EXECUTIVE DIRECTORS REMUNERATION

Remuneration paid to non-executive directors for the 12 months ended 31 March 2021.

			Committee						
R000	Board fees	Chairman fees	Nominations	Audit, risk and compliance	Remuneration	Social and ethics	Strategy and investment	COVID-19 sacrifice	Total
PJ Moleketi	–	1 279	–	–	–	–	–	–	1 279
AC Ball[1]	70	–	–	–	38	–	35	–	143
N Gobodo	349	–	–	208	–	214	–	–	771
M Gumbi[2]	220	–	–	–	–	91	–	–	311
K Maphisa[3]	57	–	–	–	–	25	25	–	107
NL Mkhondo	349	–	68	208	103	–	–	–	728
T Moyo	349	–	68	–	95	–	–	–	512
CH Naude	349	–	–	–	95	–	209	–	653
M Thompson	349	–	–	334	–	–	111	–	794
	2 092	1 279	136	750	331	330	380	–	5 298

Remuneration paid to non-executive directors for the 12 months ended 31 March 2020.

			Committee						
R000	Board fees	Chairman fees	Nominations	Audit, risk and compliance	Remuneration	Social and ethics	Strategy and investment	Special meetings	Total
PJ Moleketi	–	1 194	–	–	–	–	–	128	1 322
AC Ball	288	–	–	–	51	–	101	106	546
N Gobodo	288	–	54	203	–	206	–	106	857
M Gumbi	288	–	–	–	76	101	–	64	529
NL Mkhondo	288	–	72	136	76	–	76	127	775
T Moyo	288	–	72	–	179	–	–	64	603
CH Naude	288	–	–	102	101	–	206	170	867
M Thompson	264	–	–	192	–	–	51	106	613
	1 992	1 194	198	633	483	307	434	871	6 112

[1] AC Ball stepped down as a non-executive director and was appointed as an executive director on 24 June 2020. He was re-appointed as a non-executive director on 1 July 2021.
[2] Resigned 16 November 2020.
[3] Appointed 1 February 2021.

REMUNERATION REPORT continued

INTERESTS OF EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS IN SHARE CAPITAL

The aggregate direct beneficial holdings of executive directors and their immediate families (none of whom holds over 1 %) in the issued ordinary shares of the company are detailed below. There are indirect holdings by directors and their immediate families.

Number of shares at 31 March 2021

Name	No of shares
Roland van Wijnen	4 225 718
N Lekula	549 146
M Ramafoko	327 833

NON-BINDING ADVISORY VOTE ON PART 3

The implementation report will be subject to a non-binding advisory vote at the AGM in August 2021.

PPC LTD SHAREHOLDER ANALYSIS

as at 31 March 2021

Company: PPC Ltd
Register date: 26 March 2021
Issued share capital: 1 593 114 301

Shareholder spread	Number of shareholdings	%	Number of shares	%
1 – 1 000 shares	13 183	57,59	2 970 099	0,19
1 001 – 10 000 shares	5 992	26,18	22 639 810	1,42
10 001 – 100 000 shares	2 878	12,57	94 575 073	5,94
100 001 – 1 000 000 shares	676	2,95	206 443 255	12,96
1 000 001 shares and over	162	0,71	1 266 486 064	79,50
Totals	22 891	100,00	1 593 114 301	100,00

Distribution of shareholders	Number of shareholdings	%	Number of shares	%
American depositary receipts	1	0,00	663 068	0,04
Banks/brokers	125	0,55	343 756 681	21,58
Close corporations	103	0,45	15 443 519	0,97
Empowerment	16	0,07	72 388 094	4,54
Endowment funds	33	0,14	9 270 131	0,58
Individuals	21 203	92,63	291 658 719	18,31
Insurance companies	32	0,14	14 846 637	0,93
Investment companies	5	0,02	645 348	0,04
Medical schemes	20	0,09	7 861 736	0,49
Mutual funds	101	0,44	478 671 458	30,05
Other corporations	55	0,24	691 468	0,04
Private companies	283	1,24	76 723 690	4,82
Public companies	9	0,04	554 857	0,03
Retirement funds	178	0,78	224 540 027	14,09
Treasury shares	1	0,00	23 434 803	1,47
Trusts	726	3,17	31 964 065	2,01
Totals	22 891	100,00	1 593 114 301	100,00

PPC LTD SHAREHOLDER ANALYSIS continued

as at 31 March 2021

Public/non-public shareholders	Number of shareholdings	%	Number of shares	%
Non-public shareholders	21	0,09	358 015 141	22,47
Directors and prescribed officers of the company	4	0,02	262 192 244	16,46
Empowerment holdings	16	0,07	72 388 094	4,54
Treasury shares	1	0,00	23 434 803	1,47
Strategic holdings (more than 10%)	0	0,00	0	0,00
Public shareholders	**22 870**	**99,91**	**1 235 099 160**	**77,53**
Totals	**22 891**	**100,00**	**1 593 114 301**	**100,00**

Beneficial shareholders holding 3% or more	Number of shares	%
Value Capital Partners H4 QI Hedge Fund	156 695 097	9,84
Prudential Investment Managers	94 206 358	5,91
Centaur Asset Management	51 170 000	3,21
Alexander Forbes Investments	55 264 567	3,47
Eskom Pension and Provident Fund	48 534 920	3,05
Totals	405 870 942	25,48

Institutional shareholders holding 3% or more		
Value Capital Partners	257 923 156	16,19
Prudential Investment Managers	230 908 937	14,49
Centaur Asset Management	59 554 700	3,74
Kagiso Asset Management	49 768 155	3,12
Totals	598 154 948	37,55

* *Value Capital Partners are investment advisers to third-party funds which have been aggregated and have an indirect interest in a fund advised to.*

NOTICE OF ANNUAL GENERAL MEETING

PPC LTD

Incorporated in the Republic of South Africa
(Registration No: 1892/000667/06)
JSE / ZSE share code: PPC
ISIN: ZAE000170049
(PPC) or (the company) or (the group)

Notice is hereby given that the 129th annual general meeting (AGM) of the company will be held virtually at 12:00 on Friday, 27 August 2021, as a result of the impact of the COVID-19 pandemic and the restrictions placed on public gatherings by the South African government, as well as the uncertainty around future restrictions on the lockdown levels. The AGM of shareholders of the company will only be accessible through electronic participation, as provided for by the JSE Limited (JSE) and in terms of the provisions of the Companies Act 71 of 2008, as amended (Companies Act) and the company's memorandum of incorporation (MoI) to consider the following business and, if deemed fit, to approve, with or without modification, the ordinary and special resolutions set out herein.

Should any shareholder (or a representative or proxy for a shareholder) wish to participate in and/or vote at the AGM by way of electronic participation, such shareholder must either:

(i) register online using the online registration portal at www.smartagm.co.za, prior to the commencement of the AGM; or

(ii) make a written application (the form of which is attached to this notice of the company's AGM (notice)) to so participate, by delivering the application form to the transfer secretaries, being Computershare Investor Services Proprietary Limited (Computershare), at First Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posting it to Private Bag x9000, Saxonwold, 2132 (at the risk of the shareholder), or sending it by email to proxy@computershare.co.za, so as to be received by the transfer secretaries by no later than 12:00 on Wednesday, 25 August 2021, in order for the transfer secretaries to arrange such participation for the shareholder and for the transfer secretaries to provide the shareholder with the details as to how to access the AGM by means of electronic participation. Shareholders may still register/apply to participate in and/or vote electronically at the AGM after this date, provided, however, that those shareholders are verified (as required in terms of section 63(1) of the Companies Act) and are registered at the commencement of the AGM.

For the avoidance of doubt, dematerialised shareholders without "own name" registration would still need to submit their voting instructions via their Central Securities Depository Participants (CSDP) or broker or obtain a letter of representation from their CSDP or broker to participate in and/or vote at the AGM electronically.

NOTICE OF ANNUAL GENERAL MEETING continued

In terms of section 63(1) of the Companies Act, any person participating in the AGM must present reasonably satisfactory identification and the person presiding at the AGM must be reasonably satisfied that the right of any person to participate in and vote (whether as a shareholder or as a representative or proxy for a shareholder) has been reasonably verified. Shareholders of the company who wish to participate in the AGM electronically should provide such identification when making written application to so participate.

Shareholders will be liable for their own network charges and it will not be for the expense of the JSE, PPC or Computershare. Neither the JSE, PPC or Computershare can be held accountable in the case of loss of network connectivity or network failure including, but not limited to, insufficient airtime, internet connectivity or power outages which would prevent you from voting or participating in the virtual AGM.

SALIENT DATES AND TIMES

The salient dates and times applicable to the 129th AGM are set out below:

	2021
Record date to receive the notice of AGM	**Friday, 9 July**
Notice to attend PPC's AGM	**Friday, 16 July**
Last day to trade to be recorded in the register to vote at the AGM	**Tuesday, 17 August**
Record date to be eligible to vote at the AGM (voting record date)	**Friday, 20 August**
Last day to lodge forms of proxy for the AGM by 12:00	**Wednesday, 25 August**
AGM to be held at 12:00	**Friday, 27 August**
Results of AGM released via stock exchange news service (SENS) on	**Friday, 27 August**

Notes:

1. The above dates and times are subject to amendment. Any such amendment will be released via SENS.
2. All times given are local times in South Africa.
3. Any forms of proxy not delivered to the meeting secretaries by 12:00 on Wednesday, 25 August 2021 may be handed to the chair of the AGM immediately before the appointed proxy exercises any of the shareholder's rights at the AGM.

Social and ethics committee

In accordance with Regulation 43(5)(c) of the Companies Regulations, 2011 promulgated under the Companies Act, a member of the social and ethics committee (the committee) is required to report to shareholders on the matters within the mandate of the committee. The committee's report is contained in the 2021 integrated report available at www.ppc.africa.

ORDINARY BUSINESS

PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The consolidated audited annual financial statements (AFS) of the company and its subsidiaries, incorporating the reports of the auditor, the audit, risk and compliance committee (ARCC) and the directors for the year ended 31 March 2021, as approved by the board of directors of the company (board) on 18 June 2021 and published on 21 June 2021, a summary of which is attached to this AGM notice ("Summarised financials and notice"), are hereby presented to the shareholders as required in terms of section 30(3)(d) of the Companies Act, read with section 61(8)(a).

ORDINARY RESOLUTION NUMBER 1 – ELECTION OF NEW DIRECTOR

Ordinary resolutions number 1.1 to 1.2

1.1 **Resolved that**, in terms of the Listings Requirements of the JSE (JSE Listings Requirements), article 25.8.1 of the MoI and section 68(1) of the Companies Act, read with section 70(3)(b)(i), Ms Kunyalala Maphisa be and is hereby elected to the board as a non-executive director with immediate effect.

Explanatory note

Ms Kunyalala Maphisa was appointed to the board as a non-executive director with effect from 1 February 2021 in terms of clause 25.8.1 of the MoI. A brief curriculum vitae (CV) of Ms Kunyalala Maphisa appears on page 67 of the Summarised financials and notice.

In terms of clause 25.2 of the MoI and section 68(1) of the Companies Act, read with section 70(3)(b)(i), this appointment must be confirmed at this AGM by a new election.

The percentage of voting rights required for ordinary resolution number 1.1 to be adopted: more than 50% (fifty percent) of the voting rights exercised in favour of the resolution by shareholders present at the AGM or represented by proxy and entitled to exercise voting rights on the resolution.

NOTICE OF ANNUAL GENERAL MEETING continued

1.2 **Resolved that**, in terms of the JSE Listings Requirements, article 25.8.1 of the MoI and section 68(1) of the Companies Act, read with section 70(3)(b)(i), Ms Brenda Berlin be and is hereby elected to the board as an executive director with immediate effect.

Explanatory note

Ms Brenda Berlin was appointed to the board as an executive financial director with effect from 1 April 2021 in terms of clause 25.8.1 of the MoI. A brief CV of Ms Brenda Berlin appears on page 66 of the Summarised financials and notice.

In terms of clause 25.2 of the MoI and section 68(1) of the Companies Act, read with section 70(3)(b)(i), this appointment must be confirmed at this AGM by a new election.

The percentage of voting rights required for ordinary resolution number 1.2 to be adopted: more than 50% (fifty percent) of the voting rights exercised in favour of the resolution by shareholders present at the AGM or represented by proxy and entitled to exercise voting rights on the resolution.

ORDINARY RESOLUTIONS NUMBERS 2.1 TO 2.2 – RE-ELECTION OF RETIRING DIRECTORS

These ordinary resolutions are to re-elect, each by way of a separate resolution, the following independent non-executive directors (NEDs) who retire by rotation in accordance with article 25.6.1 of the company's MoI but, being eligible to do so, offer themselves for re-election:

2.1 **Resolved that** Ms Nonkululeko Gobodo, an independent NED who is required to retire as a director of the company at this AGM, be and is hereby re-elected, in terms of section 68(1) of the Companies Act and article 25.2 of the MoI, as an independent NED of the company with immediate effect.

2.2 **Resolved that** Mr Charles Naude, an independent NED who is required to retire as a director of the company at this AGM, be and is hereby re-elected, in terms of section 68(1) of the Companies Act and article 25.2 of the MoI, as an independent NED of the company with immediate effect.

Explanatory note

In terms of article 25.6.1 of the company's MoI, one-third of the company's NEDs are required to retire at every AGM. A retiring director is entitled to offer him/herself for re-election. Ms Nonkululeko Gobodo and Mr Charles Naude, who were identified to retire, have offered themselves for re-election and the board, through the nominations committee (NOMCO), has recommended their re-election.

A brief CV of each director appears on pages 66 and 67 of the Summarised financials and notice. Mr Todd Moyo, who was also identified to retire at this year's AGM, will not avail himself for re-election.

The percentage of voting rights required for ordinary resolutions number 2.1 to 2.2 to be adopted: more than 50% (fifty percent) of the voting rights exercised in favour of the resolution by shareholders present at the AGM or represented by proxy and entitled to exercise voting rights on the resolution.

ORDINARY RESOLUTIONS NUMBERS 3.1 TO 3.3 – APPOINTMENT OF MEMBERS OF THE ARCC

To appoint, each by way of a separate resolution, the following independent NEDs as members of the ARCC:

3.1 **Resolved that,** subject to the passing of Ordinary Resolution 2.1, Ms Nonkululeko Gobodo, who is an independent NED of the company, be and is hereby elected as a member of the ARCC with immediate effect to hold office until the next AGM.

3.2 **Resolved that** Ms Noluvuyo Mkhondo, who is an independent NED of the company, be and is hereby elected as a member of the ARCC with immediate effect to hold office until the next AGM.

3.3 **Resolved that** Mr Mark Thompson, who is an independent NED of the company, be and is hereby elected as a member of the ARCC with immediate effect to hold office until the next AGM.

Explanatory note

In terms of section 94(2) of the Companies Act, at each AGM, the company is required to elect an ARCC comprising at least three members, each of whom must satisfy the requirements set out in section 94(4) of the Companies Act.

The board, through NOMCO, has recommended the election of Ms Nonkululeko Gobodo, Ms Noluvuyo Mkhondo and Mr Mark Thompson to the ARCC for the financial year ending 31 March 2022. NOMCO and the board are satisfied that each member meets the requirements of section 94(4) of the Companies Act and that each member meets the minimum qualification requirements for a member of an audit committee, and that they, together, have adequate relevant knowledge and experience to equip the audit committee to perform its functions. A brief CV of each member appears on pages 66 and 67 of the Summarised financials and notice.

NOTICE OF ANNUAL GENERAL MEETING continued

The percentage of voting rights required for each of the ordinary resolutions numbers 3.1 to 3.3 to be adopted: more than 50% (fifty percent) of the voting rights exercised in favour of the resolution by shareholders present at the AGM or represented by proxy and entitled to exercise voting rights on the resolution.

ORDINARY RESOLUTION NUMBER 4 – REAPPOINTMENT OF EXTERNAL AUDITOR

Resolved that Deloitte & Touche Incorporated (Deloitte) (on recommendation by the ARCC and the board) be and is hereby appointed as independent external auditor of the company, to hold office from this AGM until the conclusion of the next AGM of the company, with Mr Patrick Ndlovu (IRBA No 782688) from Deloitte as designated auditor, who will undertake the audit for the financial year ending 31 March 2022.

Explanatory note

In terms of section 90(1) of the Companies Act, the auditor of the company must be appointed at the AGM each year. To be appointed as auditor, the auditor must satisfy the requirements of section 90(2) of the Companies Act and section 22 of the JSE Listings Requirements. The ARCC and the board (based on the findings and recommendations of the ARCC) are satisfied that Deloitte meets the requirements of section 90(2) of the Companies Act and section 22 of the JSE Listings Requirements.

Accordingly, the ARCC and the board have proposed the reappointment of Deloitte as independent auditor of the company for the period ending 31 March 2022 to hold office until the conclusion of the next AGM with Mr Patrick Ndlovu (IRBA No 782688) as designated auditor.

The percentage of voting rights required for ordinary resolution number 4 to be adopted: more than 50% (fifty percent) of the voting rights exercised in favour of the resolution by shareholders present at the AGM or represented by proxy and entitled to exercise voting rights on the resolution.

ORDINARY RESOLUTIONS NUMBERS 5.1 AND 5.2 – NON-BINDING ADVISORY ENDORSEMENTS OF THE COMPANY'S REMUNERATION POLICY AND REMUNERATION IMPLEMENTATION REPORT

For shareholders to endorse, through a non-binding advisory vote, PPC's remuneration policy and remuneration implementation report.

5.1 **Resolved that** the company's remuneration policy, as set out in the remuneration report on pages 68 to 82 of the Summarised financials and notice, of which this notice forms part, be and is hereby endorsed through a non-binding advisory vote, in accordance with the recommendations of the King Code on Corporate Governance for South Africa™* (King IV).

5.2 **Resolved that** the company's remuneration implementation report in relation to the remuneration policy, as set out in the remuneration report on pages 83 to 98 of the Summarised financials and notice, of which this notice forms part, be and is hereby endorsed through a non-binding advisory vote in accordance with the recommendations of King IV.

Explanatory note

In terms of principle 14 of King IV, the company's remuneration policy and implementation report should be tabled to the shareholders to endorse the non-binding advisory vote in the same manner as any other ordinary resolution tabled at the AGM. However, failure to endorse the non-binding advisory votes will not have any legal consequences for existing arrangements.

The percentage of voting rights required for ordinary resolutions numbers 5.1 and 5.2 to be endorsed: the minimum percentage of voting rights to adopt these resolutions as non-binding advisory votes are 50% (fifty percent), plus one vote of the voting rights exercised by shareholders present at the AGM or represented by proxy and entitled to exercise their voting rights.

In the event that 25% (twenty-five percent) or more of the votes are cast against ordinary resolution number 5.1 and/or 5.2, the company undertakes to engage with dissenting shareholders as to the reasons why and to appropriately address legitimate and reasonable objections and concerns raised.

ORDINARY RESOLUTION NUMBER 6 – AUTHORITY TO IMPLEMENT RESOLUTIONS

Resolved to authorise and empower any director or the company secretary to do all such things and sign all such documents and take all such actions as they consider necessary, to implement the resolutions set out in this notice.

SPECIAL BUSINESS

SPECIAL RESOLUTIONS NUMBERS 1.1 AND 1.2 – FINANCIAL ASSISTANCE IN TERMS OF SECTIONS 44 AND 45

1.1 Financial assistance for subscription of securities in terms of section 44

Resolved that the board may to the extent required, in terms of and subject to section 44 of the Companies Act, as the case may be, and the company's MoI, authorise the company to provide financial assistance by way of a loan, guarantee, the provision of security or otherwise, to its subsidiaries and inter-related companies (excluding any director or prescribed officer of the company, or a person related to such director or prescribed officer), for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the

NOTICE OF ANNUAL GENERAL MEETING continued

company or a related or inter-related company, or for the purchase of any securities of the company or a related or inter-related company, subject to the terms and conditions of section 44 of the Companies Act. No such financial assistance may be provided at any time in terms of this authority after the expiry of two years from the date of the adoption of this special resolution.

Explanatory note

The purpose of this special resolution number 1 is to grant the board the authority to authorise the company to provide financial assistance by way of a loan, guarantee, the provision of security, or otherwise to its subsidiaries and inter-related companies (excluding any director or prescribed officer of the company, or a person related to such director or prescribed officer), for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities of the company or a related or inter-related company as contemplated in section 44 of the Companies Act.

The directors undertake that prior to the company providing the financial assistance as contemplated in section 44 of the Companies Act, the company will have satisfied the solvency and liquidity test as set out in section 4 of the Companies Act (solvency and liquidity test) and that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company.

1.2 Financial assistance in terms of section 45 to related and inter-related companies or corporations

Resolved that, in terms of section 45(3)(a)(ii) of the Companies Act, shareholders of the company hereby approve of the company providing, at any time during the period of 2 (two) years from the date of passing this special resolution, any direct or indirect financial assistance as contemplated in section 45 of the Companies Act to any 1 (one) or more related or inter-related companies or corporations of the company and/or to any 1 (one) or more members of any such related or inter-related company or corporation and/or to any 1 (one) or more persons related to any such company or corporation, provided that:

(a) The recipient or recipients of such financial assistance, the form, nature and extent of such financial assistance and the terms and conditions under which such financial assistance is to be provided, are determined by the board from time to time

(b) The board may not authorise the company to provide any financial assistance pursuant to this special resolution unless all the requirements of section 45 of the Companies Act to authorise the company to provide such financial assistance have been fulfilled

(c) Such financial assistance to a recipient is, in the opinion of the board, required for the purpose of (i) meeting all or any of such recipient's operating expenses (including capital expenditure), and/or (ii) funding the growth, expansion, reorganisation or restructuring of the businesses or operations of such recipient, and/or (iii) funding such recipient for any other purpose which, in the opinion of the board, is directly or indirectly in the interests of the company

Explanatory note

The reason for special resolution number 1 is that the company advances loans and other financial assistance to subsidiaries and other related companies or corporations in its group. Shareholders are required to pass special resolution number 1 to approve the company providing such financial assistance, subject to the board performing the solvency and liquidity test and subject further to the financial assistance falling within the category of assistance mentioned in sub-paragraph (c) of special resolution number 1.2 above.

Percentage of voting rights required for special resolutions numbers 1.1 and 1.2 to be adopted: at least 75% (seventy-five percent) of the voting rights exercised in favour of the resolution by shareholders present at the AGM or represented by proxy and entitled to exercise voting rights on the resolution.

NOTICE OF ANNUAL GENERAL MEETING continued

SPECIAL RESOLUTIONS NUMBERS 2.1 TO 2.14 – PRE-APPROVAL OF REMUNERATION OF NEDS

Resolved to approve in terms of section 66(8) of the Companies Act, read with section 66(9), the remuneration to the NEDs, each by way of a separate special resolution, for their services to the company, as follows:

			Base fee for period 1 September 2021 to 31 August 2022 (excluding VAT)	Base fee for period 30 August 2020 to 31 August 2021 (excluding VAT)
2.1	Board	Chair	**1 241 620**	1 193 865
2.2	Board	Each NED	**301 927**	287 550
2.3	Audit Risk and Compliance committee (ARCC)	Chair	**281 330**	270 510
2.4	ARCC	Each NED	**143 136**	136 320
2.5	Social, ethics and transformation committee (SETCO)	Chair	**211 711**	205 545
2.6	SETCO	Each NED	**104 210**	101 175
2.7	Nominations committee (NOMCO)	Chair	**160 154**	155 490
2.8	NOMCO	Each NED	**74 592**	72 420
2.9	Remuneration committee (REMCO)	Chair	**211 711**	205 545
2.10	REMCO	Each NED	**104 210**	101 175
2.11	Investment committee (INVESTCO)	Chair	**211 711**	205 545
2.12	(INVESTCO)	Each NED	**104 210**	101 175
2.13	Attendance fee for special meetings	Chair	**42 600**	42 600
2.14	Attendance fee for special meetings	Member	**21 300**	21 300

Explanatory note

In terms of section 66(8) of the Companies Act, read with section 66(9), except to the extent that the MoI provides otherwise, the company may pay remuneration to its directors for their service as directors and any such remuneration must be approved by special resolution of shareholders within the previous two years.

Further to that, as an independent chair of the board has been appointed (on 2 March 2018), the fee for a lead independent director is no longer required.

Percentage of voting rights required for each of the special resolutions numbered 2.1 to 2.14 to be adopted: at least 75% (seventy-five percent) of the voting rights exercised in favour of the resolution by shareholders present at the AGM or represented by proxy and entitled to exercise voting rights on the resolution.

SPECIAL RESOLUTION NUMBER 3 – GENERAL AUTHORITY TO REPURCHASE SHARES

Resolved as a special resolution that the board is hereby authorised by way of a renewable general authority, in terms of the provisions of the JSE Listings Requirements, the Listings Requirements of the Zimbabwe Stock Exchange (ZSE), the Companies Act and otherwise as permitted in the MoI, to approve a repurchase of ordinary shares of the company by the company and any of its subsidiaries, on such terms and conditions and in such amounts as the board may from time to time determine and provided that:

- In relation to repurchases effected through the JSE trading system:
  - (a) Any such repurchase of ordinary shares will be effected through the order book operated by the JSE trading system, including the trading system operated by the ZSE and done without any prior understanding or arrangement between the company and/or any of its subsidiaries and the counterparty
  - (b) This general authority will only be valid until the earlier of (i) the next AGM of the company; (ii) the variation or revocation of such general authority by special resolution by any subsequent meeting of shareholders; or (iii) the expiry of a period of 15 (fifteen) months from the date of passing this special resolution number 3
  - (c) Authorisation thereto is given in terms of the company's MoI (or the MoI of the relevant subsidiary, as the case may be)
  - (d) A press announcement will be published in accordance with, and giving such details as required in terms of the JSE Listings Requirements, where the company or its subsidiaries has/have repurchased ordinary shares constituting, on an aggregate basis, 3% (three percent) of the initial number of shares (the number of that class of ordinary shares in issue at the time that the general authority from shareholders is granted) and in respect of every 3% (three percent) in the aggregate of the initial number of shares thereafter
  - (e) The general repurchase by the company of ordinary shares in the aggregate in any one financial year does not exceed 10% (ten percent) of the company's issued ordinary share capital as at the beginning of the financial year
  - (f) The general repurchase by any subsidiaries of ordinary shares in the company in the aggregate does not exceed 10% (ten percent) of the company's issued ordinary share capital

NOTICE OF ANNUAL GENERAL MEETING continued

(g) General repurchases by the company and/or any subsidiary of the company in terms of this authority may not be made at a price greater than 10% (ten percent) above the weighted average of the market value at which such ordinary shares are traded on the JSE, as determined over the 5 (five) business days immediately preceding the date of repurchase of such ordinary shares by the company and/or any subsidiary of the company

(h) The company may, at any point in time, only appoint one agent to effect any repurchase(s) on its or its subsidiaries' behalf

(i) The company and/or any of its subsidiaries may not repurchase securities during a prohibited period, as defined in paragraph 3.67 of the JSE Listings Requirements, unless the company and/or any of its subsidiaries has a repurchase programme in place where the dates and quantities of securities to be traded during the relevant period are fixed (and not subject to any variation) and full details of the programme have been submitted to the JSE in writing prior to the start of the prohibited period, and the company and/or its subsidiary, as the case may be, has instructed an independent third party, which makes its investment decisions in relation to its shares independently or, and uninfluenced by, the company and/or its subsidiary concerned, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE

After considering the effect of a maximum permitted repurchase of securities, the company and its subsidiaries are, as at the date of this notice convening the AGM of the company, able to fully comply with the JSE Listings Requirements. Nevertheless, at the time the contemplated repurchase is to take place, the directors of the company will ensure that:

- The company and its subsidiaries (the group) will be able in the ordinary course of business to pay its debts for a period of 12 (twelve) months after the date of the notice of the AGM
- The assets of the group will exceed the liabilities of the group for a period of 12 (twelve) months after the date of the notice of the AGM. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited group AFS
- The share capital and reserves of the group will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of the notice of the AGM
- The working capital of the group will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of the notice of the AGM
- A resolution by the board will authorise the repurchase and confirm that the group has passed the solvency and liquidity test and that from the date on which the test was last performed, there have been no material changes to the financial position of the group

In terms of the JSE Listings Requirements, the directors of the company hereby state that:

- The intention of the company and/or any of its subsidiaries is to use this authority only if at some future date the cash resources of the company exceed its requirements. In this regard the directors will take into account, inter alia, an appropriate capitalisation structure for the company, the long-term cash needs of the company, and will ensure that any such use is in the interest of the shareholders
- The method by which the company and/or any of its subsidiaries intends to repurchase securities and the date on which such repurchase will take place has not yet been determined

Explanatory note

In terms of the JSE Listings Requirements, the ZSE Listings Requirements, clause 17.1 of the MoI and section 48(2) of the Companies Act, a company may repurchase some of its own shares and a subsidiary company may acquire shares in its holding company (both referred to as a repurchase).

The reason for special resolution number 3 is to grant the company or any of its subsidiaries a general authority in terms of the Companies Act, the MoI, the JSE Listings Requirements and the ZSE Listings Requirements to implement a repurchase. This authority will be valid until the earlier of (i) the next AGM of the company; (ii) the variation or revocation of such general authority by special resolution by any subsequent meeting of shareholders; or (iii) the expiry of a period of 15 (fifteen) months from the date of passing this special resolution number 3. The passing of this special resolution will have the effect of authorising the company to undertake a general repurchase.

The percentage of voting rights required for special resolution number 3 to be adopted: at least 75% (seventy-five percent) of the voting rights exercised in favour of the resolution by shareholders present at the AGM or represented by proxy and entitled to exercise voting rights on the resolution.

FURTHER DISCLOSURES IN TERMS OF PARAGRAPH 11.26 OF THE JSE LISTINGS REQUIREMENTS

In terms of paragraph 11.26 of the JSE Listings Requirements, the following information is disclosed on pages 99 and 100 of the Summarised financials and notice:

- Major shareholders
- Share capital of the company

MATERIAL CHANGES

There has been no material change in the financial or trading position of the company or any of its subsidiaries since the end of the last financial period being, 31 March 2021, to the signature date of this notice of AGM.

NOTICE OF ANNUAL GENERAL MEETING continued

DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are given on pages 66 and 67 of the Summarised financials and notice, collectively and individually accept full responsibility for the accuracy of the information given in this notice, and certify that to the best of their knowledge and belief no facts have been omitted that would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this notice contains all information required by the Companies Act and the JSE Listings Requirements.

VOTING AND PROXIES

Section 1.01: Certificated shareholders

Shareholders wishing to participate in and/or vote at the AGM, by means of electronic participation (refer to the information included under the heading "electronic participation by shareholders" of this notice), should ensure beforehand, with the transfer secretaries of the company, being Computershare Investor Services Proprietary Limited, that their shares are in fact registered in their name. Should the shares be registered in another name or in the name of a nominee company, it is incumbent on persons attending the AGM, by means of electronic participation, to make the necessary arrangement with that party to be able to participate in and/or vote on its behalf.

A shareholder is entitled to attend, speak and vote at the AGM or to appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a shareholder of the company. For the convenience of shareholders of the company, a form of proxy is enclosed herewith, containing detailed instructions in this regard.

Dematerialised/uncertificated shareholders

Holders of dematerialised shares who have elected "own name" registration may attend, speak and vote at the AGM, by means of electronic participation (refer to the information included under the heading "electronic participation"), or appoint a proxy or proxies to attend, speak and vote in their stead. A proxy need not be a shareholder of the company. For the convenience of shareholders of the company, a form of proxy is enclosed herewith, containing detailed instructions in this regard.

Beneficial owners of dematerialised shares who have not elected "own name" registration, and who wish to attend, speak and vote at the AGM by means of electronic participation (refer to the information included under the heading "electronic participation by shareholders" of this notice), require their CSDP or broker to provide them with a letter of representation. Alternatively, they should provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

If they wish to attend, speak and vote at the AGM, they must ensure that their letters of representation from their CSDP or broker reach the transfer secretaries of the company (acting on behalf of the company), at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa, by not later than 12:00 on Wednesday, 25 August 2021, or are posted to the transfer secretaries (acting on behalf of the company), at Private Bag X9000, Saxonwold, 2132, South Africa or emailed to proxy@computershare.co.za to be received by them by not later than 12:00 on Wednesday, 25 August 2021; provided that the chairperson of the meeting may, in his discretion, accept letters of representation so delivered after 12:00 on Wednesday, 25 August 2021 up until the time of commencement of the AGM.

Section 1.02: Proxies

The instrument appointing a proxy and the authority (if any) under which it is signed must reach the transfer secretaries (acting on behalf of the company) by no later than 12:00 on Wednesday, 25 August 2021; provided that the chairperson of the meeting may, in his discretion, accept forms of proxy so delivered after 12:00 on Wednesday, 25 August 2021 up until the time of commencement of the AGM.

On a poll, shareholders will have one vote in respect of each share held.

In terms of section 58 of the Companies Act, shareholders have rights to be represented by proxy as herewith stated. An extract of section 58 of the Companies Act is included in the form of proxy.

Section 1.03: Electronic participation by shareholders

Should any shareholder (or a representative or proxy for a shareholder) wish to participate in and/or vote at the AGM by way of electronic participation, such shareholder must either:

(i) register online using the online registration portal at www.smartagm.co.za, prior to the commencement of the AGM; or

(ii) make a written application (the form of which is attached to this notice) to so participate, by delivering the application form to the transfer secretaries, being Computershare Investor Services Proprietary Limited, at First Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posting it to Private Bag x9000, Saxonwold, 2132 (at the risk of the shareholder), or sending it by email to proxy@computershare.co.za, so as to be received by the transfer secretaries by no later than 12:00 on Wednesday, 25 August 2021, in order for the transfer secretaries to arrange such participation for the shareholder and for the transfer secretaries to provide the shareholder with the details as to how access to the AGM by means of electronic participation is to be made. Shareholders may still register/apply to participate in and/or vote electronically at the AGM after this date, provided, however, that those shareholders are verified (as required in terms of section 63(1) of the Companies Act) and are registered at the commencement of the AGM.

NOTICE OF ANNUAL GENERAL MEETING continued

For the avoidance of doubt, shareholders without "own name" registration must obtain a letter of representation from their CSDP or broker to participate in and/or vote at the AGM by way of electronic means.

Shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the AGM and it will not be for the expense of the company, the transfer secretaries or the JSE. Neither the company, the transfer secretaries nor the JSE will be held accountable in the case of loss of network connectivity or network failure due to insufficient airtime/internet connectivity/power outages which would prevent a shareholder from participating in and/or voting at the AGM electronically. Accordingly, a shareholder, participating in and/or voting at the AGM by means of electronic participation, acknowledges that he/she will have no claim against the company, the transfer secretaries and the JSE, whether for consequential damages or otherwise, arising from the use of the electronic platform or any defect in it or from total or partial failure of the electronic platform and connections linking the shareholder via the electronic platform to the AGM.

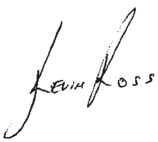
SECTION 1.04: PERCENTAGE OF VOTING RIGHTS REQUIRED FOR RESOLUTIONS

1. **Special resolutions**

   The percentage of voting rights that will be required for the adoption of each special resolution is at least 75 % (seventy-five percent) of the voting rights exercised on the resolution.

2. **Ordinary resolutions**

   The percentage of voting rights that will be required for the adoption of each ordinary resolution is 50 % + 1 (fifty percent plus one) vote of the voting rights exercised on the resolution.



Kevin Regan Ross
Group company secretary

16 July 2021

Sandton

ELECTRONIC PARTICIPATION IN THE AGM

APPLICATION FORM

PPC Ltd

Incorporated in the Republic of South Africa
(Registration No: 1892/000667/06)
JSE / ZSE share code: PPC
ISIN: ZAE000170049
(PPC) or (the company)

Due to the COVID-19 (coronavirus) outbreak and the measures put in place by the South African Government in response to the coronavirus, particularly the restrictions in regard to public gatherings, the annual general meeting of the company to be held at 12:00 on Friday, 27 August 2021 (AGM) will be conducted entirely through electronic participation.

Should any shareholder (or a representative or proxy for a shareholder) wish to participate in and/or vote at the AGM by way of electronic participation, such shareholder must either:

(i) register online using the online registration portal at www.smartagm.co.za, prior to the commencement of the AGM; or

(ii) make a written application (the form of which is attached to this notice) to so participate, by delivering the application form to the transfer secretaries, being Computershare Investor Services Proprietary Limited, at First Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posting it to Private Bag x9000, Saxonwold, 2132 (at the risk of the shareholder), or sending it by email to proxy@computershare.co.za, so as to be received by the transfer secretaries by no later than 12:00 on Wednesday, 25 August 2021, in order for the transfer secretaries to arrange such participation for the shareholder and for the transfer secretaries to provide the shareholder with the details as to how access to the AGM by means of electronic participation is to be made. Shareholders may still register/apply to participate in and/or vote electronically at the AGM after this date, provided, however, that those shareholders are verified (as required in terms of section 63(1) of the Companies Act, No 71 of 2008 (Companies Act)) and are registered at the commencement of the AGM.

For the avoidance of doubt, dematerialised shareholders without "own name" registration would need to obtain a letter of representation from their CSDP or broker to participate in and/or vote at the AGM by way of electronic means.

ELECTRONIC PARTICIPATION IN THE AGM continued

APPLICATION FORM: ELECTRONIC PARTICIPATION IN THE AGM

Full name of shareholder: ____

Identity/registration number: ____

Email address: ____

Cell number: ____

Telephone number: (code): (number): ____

Number of ordinary shares in the company: ____

Name of CSDP or broker (if shares are held in dematerialised form): ____________________________

Contact number of CSDP/broker: ____

Contact person of CSDP/broker: ____

Number of share certificate (if applicable): ____

Signed at ________________________________ on ____________________________________ 2021

Signature of shareholder: ____

TERMS AND CONDITIONS FOR PARTICIPATION IN THE AGM VIA ELECTRONIC MEANS

1. Shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the AGM and it will not be for the expense of the company, the transfer secretaries or the JSE. Neither the company, the transfer secretaries nor the JSE will be held accountable in the case of loss of network connectivity or network failure due to insufficient airtime/internet connectivity/power outages which would prevent a shareholder from participating in and/or voting at the AGM electronically.
2. The shareholder acknowledges that the electronic platform through which the AGM will be facilitated is provided by third parties and indemnifies the company against any loss, injury, damage, penalty or claim arising in any way from the use of the electronic platform, whether or not the problem is caused by any act or omission on the part of the shareholder or anyone else.
3. A shareholder, participating in and/or voting at the AGM by means of electronic participation, acknowledges by signing this application form, that he/she will have no claim against the company, the transfer secretaries and the JSE, whether for consequential damages or otherwise, arising from the use of the electronic platform or any defect in it or from total or partial failure of the electronic platform and connections linking the shareholder via the electronic platform to the AGM.
4. An application to participate in the AGM electronically, utilising this application form, will only be deemed successful if this application form, along with the submission of the necessary letter of representation (if applicable), has been completed fully, signed by the shareholder and submitted to the transfer secretaries of the company as detailed above, prior to the commencement of the AGM and such shareholder is verified (as required in terms of section 63(1) of the Companies Act).

FORM OF PROXY

PPC LTD
Incorporated in the Republic of South Africa
(Registration No: 1892/000667/06)
JSE share code: PPC
JSE ISIN: ZAE000170049
ZSE share code: PPC
JSE Code: PPC003
JSE ISIN: ZAG000117524
("PPC") or ("the company")

Only for use by registered holders of certificated ordinary shares in the company and the holders of dematerialised ordinary shares in the capital of the company in "own name" form, at the virtual AGM to be held on Friday, 27 August 2021 at 12:00.

Holders of ordinary shares in the company (whether certificated or dematerialised) through a nominee must not complete this form of proxy but should timeously inform that nominee, or, if applicable, their participant or stockbroker of their intention to attend the AGM virtually and request such nominee, participant or stockbroker to issue them with the necessary letter of representation to attend or provide such nominee, participant or stockbroker with their voting instructions should they not wish to attend the AGM virtually but wish to be represented by proxy at the meeting.

I/We of

(Name and address in block letters)

Telephone number Cellphone number

Email address

Being a member/s of the above company and holding ordinary shares

therein, hereby appoint of or, failing

the chair of the meeting as my/our proxy to attend, speak and vote for me/us and on my/our behalf or to abstain from voting at the virtual AGM of the company to be on Friday 27 August 2021 at 12:00, and at any postponement or adjournment of that meeting as follows:

		In favour of	Against	Abstain
Ordinary resolutions				
1.	Ordinary Resolution 1.1 – Election of Ms Kunyalala Maphisa			
	Ordinary Resolution 1.2 – Election of Ms Brenda Berlin			
2.	Ordinary Resolution 2.1 – Re-election of Ms Nonkululeko Gobodo			
	Ordinary Resolution 2.2 – Re-election of Mr Charles Naude			
3.	Ordinary Resolution 3.1 – Appointment to audit committee – Ms Nonkululeko Gobodo			
	Ordinary Resolution 3.2 – Appointment to the audit committee – Ms Noluvuyo Mkhondo			
	Ordinary Resolution 3.3 – Appointment to audit committee – Mr Mark Richard Thompson			
4.	Ordinary Resolution 4 – Re-appointment of external Auditor Deloitte & Touche			
5.	Ordinary Resolution 5.1 – Non-binding advisory vote – Remuneration Policy			
	Ordinary Resolution 5.2 – Non-binding advisory vote – Remuneration Implementation Report			
6.	Ordinary Resolution 6 – Authority to implement resolutions			

FORM OF PROXY continued

		In favour of	Against	Abstain
Special resolutions				
1.	Special Resolutions 1.1 – Financial Assistance – Section 44			
	Special Resolutions 1.2 – Financial Assistance – Section 45			
2.	Special Resolution 2.1 – Remuneration – Board Chairman			
	Special Resolution 2.2 – Remuneration – Non-Executive director			
	Special Resolution 2.3 – Audit & Risk Committee Chairman			
	Special Resolution 2.4 – Audit & Risk Committee – Member			
	Special Resolution 2.5 – Social and Ethics Committee – Chairman			
	Special Resolution 2.6 – Social and Ethics Committee – Member			
	Special Resolution 2.7 – Nominations and Remuneration Committee – Chairman			
	Special Resolution 2.8 – Nominations and Remuneration Committee – Member			
	Special Resolution 2.9 – Remuneration Committee – Chairman			
	Special Resolution 2.10 – Remuneration Committee – Member			
	Special Resolution 2.11 – Investment Committee – Chairman			
	Special Resolution 2.12 – Investment committee – Member			
	Special Resolution 2.13 – Special meetings – Chairman			
	Special Resolution 2.14 – Special meetings – Member			
3.	Special Resolution 3 – General authority to repurchase shares			

Insert an X in the relevant spaces above according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of ordinary shares than you own in the company, insert the number of ordinary shares held in respect of which you desire to vote (see note 2).

Signed at ______________________ on ______________________ 2021

Signature/s ______________________

Assisted by (where applicable) ______________________

Each member is entitled to appoint a proxy (who need not be a member of the company) to attend, speak and vote in place of that member at the AGM.

Please read the notes on the proxy overleaf.

SUMMARY OF THE RIGHTS OF A SHAREHOLDER

TO BE REPRESENTED BY PROXY IN TERMS OF SECTION 58 OF THE COMPANIES ACT, READ WITH THE COMPANY'S MEMORANDUM OF INCORPORATION

1. The form of proxy must only be used by shareholders who hold shares in certificated form or who are recorded on the sub-register in electronic form in "own name".
2. All other beneficial owners who have dematerialised their shares through a CSDP or broker and wish to attend the AGM must provide the CSDP or broker with their voting instructions in terms of the relevant agreement entered into between them and the CSDP or broker.
3. A shareholder entitled to attend and vote at the AGM may insert the name of a proxy or the names of two or more alternate proxies of the shareholder's choice in the space provided, with or without deleting "the chairperson of the AGM". The person whose name stands first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of such proxy(ies) whose names follow.
4. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each ordinary share held. A shareholder's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by that shareholder in the appropriate space provided. If an "X" (cross) or a tick has been inserted in one of the blocks to a particular resolution, it will indicate the voting of all the shares held by the shareholder concerned. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he/she deems fit in respect of all the shareholder's exercisable votes. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
5. A vote given in terms of an instrument of proxy will be valid in relation to the AGM despite the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the shares in respect of which the proxy is given, unless notice on any of the noted matters has been received by the transfer secretaries not less than 48 (forty eight) hours before the start of the AGM.
6. If a shareholder does not indicate on this form that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the AGM be proposed, such proxy shall be entitled to vote as he/she thinks fit.
7. The chairperson of the AGM may reject or accept any form of proxy which is completed and/or received other than in compliance with the Act, the MoI and these notes.
8. A shareholder's authorisation to the proxy including the chairperson of the AGM, to vote on such shareholder's behalf, will be deemed to include the authority to vote on procedural matters at the AGM.
9. The completion of a form of proxy does not preclude any shareholder attending the AGM.
10. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the company's transfer secretaries or waived by the chairperson of the AGM.
11. A minor or any other person under legal incapacity or limited capacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the transfer secretaries of the company.
12. Where there are joint holders of shares:
    - 12.1 Any one holder may sign the form of proxy; and
    - 12.2 The vote(s) of the senior shareholder (for that purpose seniority will be determined by the order in which the names of shareholders appear in the company's register of shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
13. Forms of proxy should be lodged with or mailed to the transfer secretaries, Computershare Investor Services Proprietary Limited, Private Bag x9000, Saxonwold 2132, South Africa or First Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196, South Africa; P +27 11 370-5000; F +27 11 688-5238; email Proxy@Computershare.co.za and for Zimbabwean shareholders, Corpserve Registrars Private Limited 2nd Floor, ZB Centre, corner 1st and Kwame Nkrumah Avenue, PO Box 2208, Harare, Zimbabwe. Phone: +263-242750711 /2 or +263 242 751559/61; cell phone: +263 772 422 457; email: corpserve@escrowgroup.org. To enable the orderly arrangement of matters on the day of the AGM, shareholders appointing proxies are urged (but are not required) to submit the forms of proxies so as to be received by no later than 12:00 on Wednesday 25 August 2021 (or 48 (forty-eight) hours before any adjournment of the AGM which date, if necessary, will be notified on SENS).

NOTICE TO ZIMBABWEAN SHAREHOLDERS

PPC

To all our Zimbabwean shareholders

Dear Shareholder

Please indicate your choice of receiving communication from PPC.
Important – please read and choose from the options below.

PPC is able to communicate shareholder information to you electronically using emails.
Electronic communication has a number of significant benefits for shareholders and the company:

- **Cost effective:** less printing and postage saves money for the company and shareholders
- **Fast:** get all the latest shareholder communication simply by clicking on a link
- **Secure:** your documents cannot be lost in the post or read by others

OPTION A – SIGN UP FOR ELECTRONIC COMMUNICATIONS

☐ If you wish to receive electronic communications, please cross the box and provide us with your email address below:
Please print email address ____

OPTION B – RECEIVE PRINTED COMMUNICATIONS IN THE POST

☐ If you wish to receive your integrated report and accounts or other shareholder information in a printed format, please cross the box and provide us with your current address below:
Please print address ____

IF YOU DO NOTHING

- If you do not indicate your preference to the company's registrar, you will not receive shareholder communications by post in the future.
- You may at any time request a printed copy of any shareholder communication.

Sign here – your instructions to be executed, this section must be signed.
I/we authorise you to act in accordance with my/our instructions set out above.
I/we acknowledge that these instructions supersede and have priority over all previous instructions.

____
Shareholder signature(s)

If you are signing this form in a representative capacity, please indicate in which capacity

______________________ ______________________
Name of representative Capacity of representative

____
Date

Please submit or post your completed and signed form to:
Corpserve Registrars (Private) Limited, 2nd Floor, ZB Centre, Corner 1st and Kwame Nkrumah Avenue, Harare.
PO Box 2208, Harare or email your signed scanned copy to: **corpserve@escrowgroup.org**
or **operationszim@escrowgroup.org**.
If you have any questions, please contact Corpserve Registrars (Private) Limited on +263 (04) 751 559/61.

CORPORATE INFORMATION

PPC LTD
Incorporated in the Republic of South Africa
Registration number: 1892/000667/06
JSE code: PPC ZSE code: PPC
JSE ISIN: ZAE 000170049
"PPC" or "company" or "group"

DIRECTORS
PJ Moleketi (chair), R van Wijnen* (CEO), B Berlin (CFO), K Maphisa**, NL Mkhondo, N Gobodo, AC Ball, CH Naude, MR Thompson, T Moyo**

* Netherlands
**Zimbabwean

REGISTERED OFFICE
148 Katherine Street, Sandton, South Africa
(PO Box 787416, Sandton 2146, South Africa)

TRANSFER SECRETARIES SOUTH AFRICA
Computershare Investor Services (Pty) Ltd
Rosebank Towers, 15 Biermann Avenue, Rosebank
Private Bag X9000, Saxonwold 2132

TRANSFER SECRETARIES ZIMBABWE
Corpserve Registrars Private Limited
2nd Floor, ZB Centre,
Corner 1st and Kwame Nkrumah Avenue,
Harare, Zimbabwe

COMPANY SECRETARY
KR Ross
148 Katherine Street, Sandton, South Africa
(PO Box 787416, Sandton 2146, South Africa)

SPONSOR
Sasfin Capital, a member of the Sasfin Group
29 Scott Street, Waverley, Johannesburg 2090
(P O Box 95104, Grant Park 2051, South Africa)

FORWARD-LOOKING STATEMENT

This Summarised financials and notice, including statements on the demand outlook, PPC's expansion projects and its capital resources and expenditure, contains certain forward-looking views that are not historical facts and relate to other information which is based on forecasts of future results and estimates of amounts not yet determinable. By their nature, forward-looking statements involve uncertainties and the risk that these forward-looking statements will not be achieved. Although PPC believes the expectations reflected in these statements are reasonable, no assurance can be given that these expectations will prove correct. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, outcomes could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment, other government action and business and operational risks.

Forward-looking statements apply only as at the date on which they are made. PPC does not undertake to update or revise them, whether arising from new information, future events or otherwise. While PPC takes reasonable care to ensure the accuracy of information presented, it accepts no responsibility for any damages – be they consequential, indirect, special or incidental, whether foreseeable or unforeseeable – based on claims arising out of misrepresentation or negligence in connection with a forward-looking statement. This notice is not intended to contain any profit forecasts or profit estimates, and some information in this notice may be unaudited.

PPC group administration
PPC Ltd
148 Katherine Street (Cnr Grayston Drive)
Sandton, 2196
Johannesburg

www.ppc.africa