

# NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS continued

For the year ended 31 May 2016

## 5. Employees continued

### 5.2 Employee compensation and benefit expense

#### (a) Equity compensation benefit

The Group operates an equity-settled forfeitable share incentive plan, under which the entity receives services from employees as consideration for equity instruments of the Group. The fair value of the services received in exchange for the grant of forfeitable shares is recognised as an expense. The total amount to be expensed is determined by the fair value of the forfeitable shares granted. The total amount expensed is recognised over the vesting period, which is the period over which all of the vesting conditions are to be satisfied. At each reporting date, the entity recognises the impact of any shares that have been forfeited prior to the end of the vesting period, if any, in the income statement with a corresponding adjustment to equity.

#### (b) Bonus plans

The Group recognises a liability and an expense for bonuses. A liability is recognised where the Group is contractually obliged or where there is a past practice that has created a constructive obligation.

The bonus expense is determined based on overall Group performance and other non-financial measures.

In terms of the Group Remuneration Policy, the Joint CEOs may earn an annual incentive bonus of up to 120% of fixed remuneration, and other executive directors of up to 70%. Senior Management may earn up to 50% of their annualised fixed salary package.

	<b>2016</b>	2015
	<b>R'000</b>	R'000
Salaries and wages	<b>331 546</b>	329 447
Bonuses	<b>71 342</b>	53 038
Equity compensation benefit	<b>23 845</b>	24 290
Other	<b>383</b>	673
	<b>427 116</b>	407 448

Average number of employees for the year was 1 076 (2015: 1 271).