



STREAMLINING SUCCESS

Investing in Infrastructure for
Operational Excellence and Sustainable Growth

GOVERNANCE AND REMUNERATION REPORT FINANCIAL YEAR 2023/24 (FY2023/24)



AIRPORTS COMPANY
SOUTH AFRICA

ABBREVIATIONS

ACI	Airports Council International
ACSA	Airports Company South Africa SOC Ltd
AGSA	Auditor-General South Africa
AMSIS	Airport Management Share Incentive Scheme
ASQ	Airport Service Quality
B-BBEE	Broad-Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Companies Act	Companies Act (No. 71 of 2008)
COO	Chief Operating Officer
DBSA	Development Bank of Southern Africa
DFI	Development Finance Institution
EBITDA	Earnings before interest, tax, depreciation and amortisation
EPM	Enterprise Project Management
GDP	Gross domestic product
IAR	Integrated Annual Report
IATA	International Air Transport Association
ICAO	International Civil Aviation Organisation
ICT	Information, communication and technology
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
ISO	International Standards Organisation
IT	Information Technology
King IV™	King Code of Governance for South Africa 2016™
KPI	Key performance indicator
LBITDA	Loss before interest, tax, depreciation and amortisation
PFMA	Public Finance Management Act (No. 1 of 1999)
PIC	Public Investment Corporation
POPIA	Protection of Personal Information Act
PPE	Personal protective equipment
(Pty) Ltd	Proprietary Limited
ROCE	Return on capital employed
SACAA	South African Civil Aviation Authority
SDG	Sustainable Development Goals
SED	Socio-economic development
SMME	Small, medium and micro enterprise
SOC	State-owned company
SPE	Special purpose entity
UN	United Nations



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Your guide to our Integrated Report. Learn about our reporting philosophy and reporting suite on page 3.

REMUNERATION

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Get to know us by having a look at our [Group Overview on page 5](#). This will give you a comprehensive overview of who we are and what we do. In this section, you'll learn about our vision, mission, values and mandate, and will be able to review key metrics related to our business.

GOVERNANCE

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Dr Sandile Nogxina *Chairman*

MESSAGE FROM THE CHAIRMAN OF THE BOARD



“The overarching objective of King IV™ is to make corporate governance more accessible and relevant to a wider range of organisations, and to be the catalyst for a shift from a compliance-based mindset to one that sees corporate governance as a lever for value creation.”

~ Judge Mervyn King (Retired)

It is my pleasure to present Airports Company South Africa's (ACSA's) Governance and Remuneration Report for the year ended 31 March 2024. This report provides detailed information about our corporate governance policies and practices as well as about key activities during the year. It also gives in-depth information related to our implementation of the principles in the King Report on Corporate Governance for South Africa™ (2016) (King IV™), our annual Board evaluation process and our approach to remuneration.

Our reporting suite consists of three reports, which provide our stakeholders with comprehensive information about the Group, its performance and future prospects. These reports, which comprise the Integrated Annual Report, the Annual Financial Statements and this, the Governance and Remuneration Report, are prepared in compliance with the Public Finance Management Act (No. 1 of 1999) (PFMA), the Companies Act (No. 71 of 2008), the JSE Listing Requirements, the International Financial Reporting Standards, the International Integrated Reporting Council's International Integrated Reporting Framework and ISO/SANS 31000. External auditors provide assurance on all external reports. The suite for the 2024 financial year was approved by the Board on 23 August 2024 and is available online at www.airports.co.za.

It is our vision to be the most sought-after partner in the world for the provision of airport management solutions by 2030, and it is our responsibility to ensure that this forward-looking vision remains grounded in an ethical culture based on internationally recognised governance principles and practices. As we evolve in response to a changing operating environment, this continues to be a key area of focus.

We take great pride in our standing as a well-run State-owned company that has made a profit in 31 years since inception except for the three years of 2020/21, 2021/22, 2022/23 of operation. Our commitment to robust governance and best practice financial management principles is what enabled us to successfully navigate the impact of the COVID-19 pandemic, which was the most significant challenge our business had ever had to face. It has also enabled us to deal with the effects of subsequent events, including the Russia-Ukraine War, the conflict in Israel and Palestine, jet fuel shortages and major incidents, such as flooding and civil unrest, here at home. This culture of good governance has given us a solid foundation to depend on no matter what external influences we have had to deal with and has kept the Group secure from unethical conduct and malice.

MESSAGE FROM OUR CHAIRMAN CONTINUED



Per the Airports Company Act (No. 44 of 1993, as amended), ACSA is mandated to undertake the acquisition, establishment, development, provision, maintenance, management, operation and control of any airport, any part of any airport, or any facility or service at any airport normally related to an airport function. We fulfil this mandate within the context of our governance framework, which has enabled the Board and management to be agile in our response to the challenges we have had to face in recent years. The governance framework provides role clarity and delineation as well as areas of accountability, ensuring strategic alignment across the organisation, and efficient and informed decision-making at the appropriate levels.

My fellow Board members and I are committed to working with the Minister of Transport, the Auditor-General of South Africa and other relevant state organisations to sustain our recovery from the pandemic, plan for future growth and maintain an impeccable record of good governance.

As always, we remain keenly focused on maintaining an organisational structure appropriate to market conditions and on scrupulous management of expenditure. This approach, together with our dedication to innovation and customer service, will always be the bedrock on which ACSA is built.



Dr Sandile Nogxina
Chairman

UPHOLDING AN ETHICAL CULTURE

King IV™ Principle 1

The governing body should lead ethically and effectively.

ACSA's Board of Directors, which is the Group's governing body, is committed to the highest standards of ethics and integrity and to providing principled leadership that gives expression to ACSA's values, safeguarding value creation within the framework of robust and effective controls. The principles and recommendations outlined in King IV™ are entrenched in our governance policies, structures and procedures. This is the foundation on which we have built an ethical culture.

The Board ensures that high ethical standards and governance practices are channeled into all levels of the organisation in order to enhance ACSA's reputation, build trust and, ultimately, create and protect value for all of our stakeholders. All Board members have signed ACSA's Code of Ethics (the Code), and oversight of ethical leadership and ethical behaviour throughout the organisation is delegated to the Social and Ethics Committee.

King IV™ Principle 2

The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.

The Board, through the Social and Ethics Committee, is accountable for ensuring that management actively cultivates a culture of ethical conduct and for ensuring that our Code of Ethics is adhered to by employees, contractors, partners and associates.

Employees and other stakeholders are expected to commit to the Code of Ethics and, in doing so, to be accountable and responsible for their actions. The Code of Ethics guides the ethical behaviour of all Directors, management and employees, and is incorporated by reference in all employees' employment contracts.

Employees are provided with a copy of the Code when joining the Group and it is addressed extensively as part of our induction process. Non-executive Directors are also provided with all relevant policies as part of their induction process.

Values-based training is conducted annually to reinforce the fact that ethics and compliance with the Code is a respected part of the Group's culture and that adherence is the responsibility of each employee.

Monitoring organisational ethics and addressing outcomes

To facilitate adherence, we have a whistleblowing policy in place, which provides employees with various channels to report any unethical conduct. These include a whistleblowing hotline, walk-in reporting, direct calls through the ethics office or internal audit, and direct reporting to management. The hotline is independently administered by an external company that submits daily reports for review and investigation.

Whenever a report is received, a preliminary investigation is conducted to establish whether there is a *prima facie* case. Should further investigation be required, this is duly conducted and appropriate recommendations are given upon conclusion. If necessary, the case is referred to external law enforcement agencies.

Hotline: 0800 00 80 80 | acsa@thehotline.co.za | www.thehotline.co.za



UPHOLDING AN ETHICAL CULTURE CONTINUED

During the reporting period, the Social and Ethics Committee focused, in particular, on evolving environmental, social and governance issues; socio-economic transformation and development; risk monitoring; stakeholder relations; ethics; environmental health and public safety; security; consequence management; security incidents, stakeholder management, strategic risks pertaining to the mandate of the Committee, and the action plan outlined following the Board evaluation for the 2023 financial year.

Going forward, the Committee will continue to actively monitor the implementation of our Ethics Strategy and ESG Reporting Strategy. This will include continuously reinforcing our culture of ethical behaviour as well as integrating ethical conduct through ethics risk management initiatives. We will also continue to manage our exposure to prominent and influential persons in terms of the Financial Intelligence Centre Act (No. 38 of 2001).

The ESG Reporting Strategy will include the implementation of the ESG management plan. ACSA will align and revise the ESG strategy and roadmap that incorporates ESG factors, such as labour conditions, community rights, airport development and expansions, accessibility, airport safety and security with specific reference to emergency preparedness and cybersecurity and procurement management practice in line with draft ACI Airport ESG reporting framework.

ACSA has a Politically Exposed Persons and Prominent Influential Persons Policy in place, which provides a framework for the disclosure and treatment of prominent and influential persons in the domestic environment. The Policy applies to all Directors, management and employees in respect of any transactions or dealings with these persons. The Group maintains a register of prominent influential persons, which is made available annually on our website when the Annual Financial Statements are published.

Responsible corporate citizenship

King IV™ Principle 3

The governing body should ensure the organisation is, and is seen to be, a responsible corporate citizen.

The Board recognises that ACSA is an integral part of society and places great importance on being a good corporate citizen.

This includes recognising the intrinsic value all stakeholders bring to the Group and their role in securing our long-term sustainability.

Our dual mandate requires that we strive to be a successful business while also playing a pivotal role in the transformation and development of our country. As a State-owned company, a fundamental component of our purpose is operationalising the economic transformation plans of government. As such, our commitment to transformation, environmental, social and development goals inform all our strategic decisions.

The Board has approved various policies to address pertinent matters such as employment equity, economic transformation, fair remuneration, safety, health, the development of employees, fraud, corruption and the creation of a safe environment. An anti-corruption management plan is in place to assist in identifying emerging risks and implementing appropriate controls, as well as in ensuring that our management and employees have the requisite skills to improve controls and manage these risks. The primary objective of the anti-corruption management plan is to raise awareness among employees, external service providers and other stakeholders about corruption and fraud.

Our Social and Ethics Committee is mandated to oversee and monitor our contribution to the transformation of the aviation industry as well as the economic growth and development of South Africa. The Committee reports to the Board on a quarterly basis, ensuring regular oversight of outcomes related to:

- Transformation (Integrated Annual Report, page 64)
- Environmental health and public safety (Integrated Annual Report, page 77)
- Socio-economic impact (Integrated Annual Report, page 76)
- Human capital and the work environment (Integrated Annual Report, page 82)

We are proud to be a net contributor of value in South Africa. Our contribution to the UN Sustainable Development Goals and National Development Plan is set out in our Integrated Annual Report on page 78. On page 38 in the Remuneration Report, we have also included information on our remuneration policies and practices as well as on additional assistance available to employees.

Governance framework

ACSA's Board operates under an approved Board Charter, which is reviewed annually. Within this framework, the Board ensures that financial management, risk management and internal controls are effective, as required by the PFMA. The roles and functions of the Chairman of the Board, the Lead Independent Director and the CEO are described in the Charter.

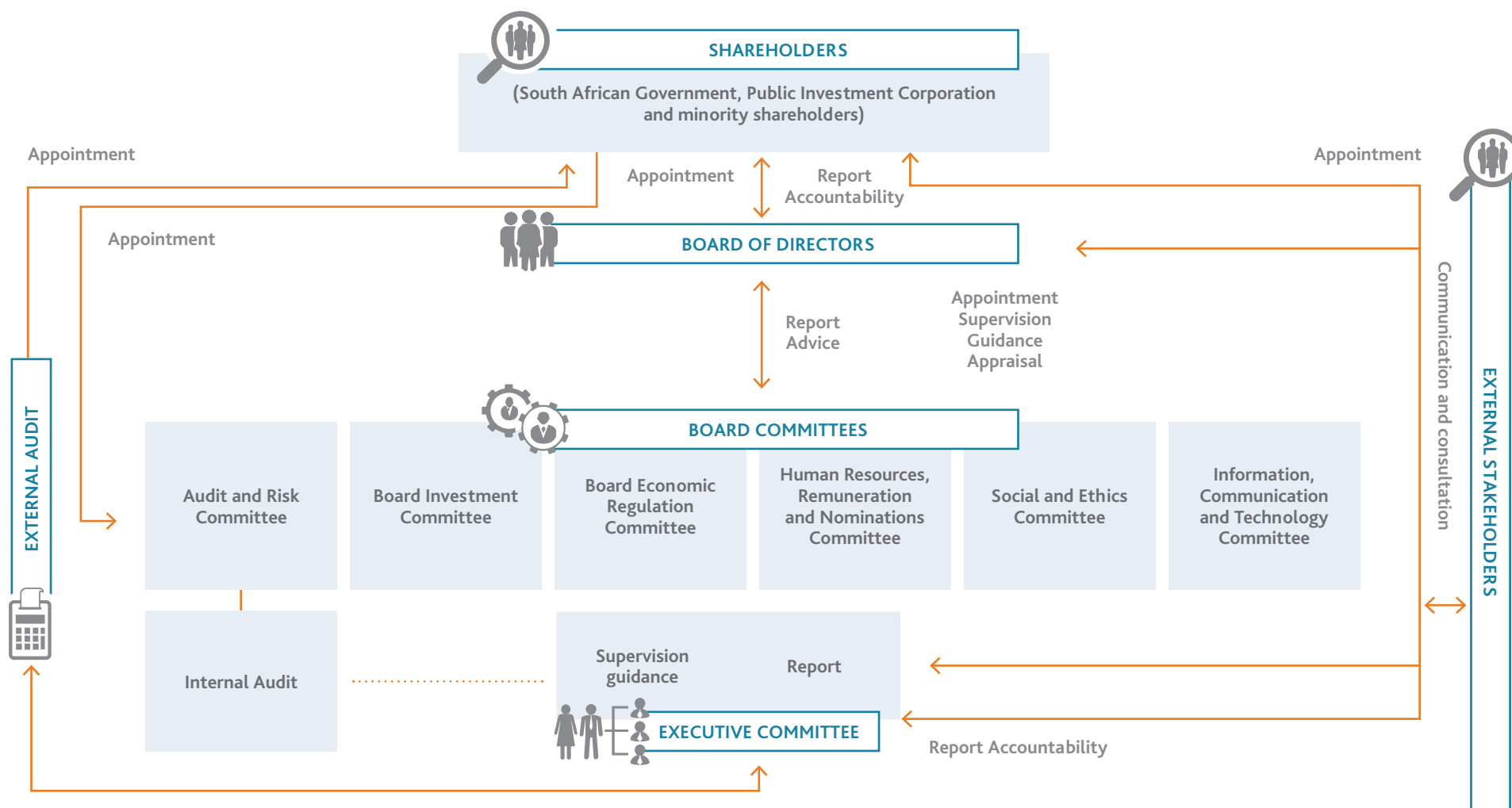
Non-executive Directors are appointed by the shareholders, namely the Minister of Transport, acting as the Government Shareholder Representative, and the Public Investment Corporation, in accordance with ACSA's Memorandum of Incorporation (MOI). Non-executive Directors are appointed for a three-year term, which is renewable once.

According to the criteria adopted by the Board for the assessment of the independence of Directors, which are recommended in King IV™ and set out in the Group's MOI, the Board comprised of nine independent Directors as at 31 March 2024.

The Board is responsible for the strategic direction and oversight of the Group. The Executive Committee, under the leadership of the CEO, is responsible for the implementation of the Group's strategy and for the day-to-day management of the Group. The Board is also the Group's accounting authority and the CEO is the accounting officer in terms of the PFMA. The CEO is accountable to the Board for the implementation of the Group's strategy. The CEO is assisted by the Executive Committee in conducting day-to-day business of the Group, subject to its Delegated Levels of Authority (DLA). The Executive Committee is accountable to the CEO.

OUR GOVERNANCE FRAMEWORK

This framework defines the structures responsible for governance in our operational areas and for the interaction between these structures. It has been designed to create an environment that is conducive to independence and objective decision-making, which facilitates agility, teamwork and swift action across all levels of the organisation. It is regularly reviewed in relation to the corporate strategy and amended if necessary.



OUR LEADERSHIP

The full curriculum vitae of each Board Director is available online at www.airports.co.za/about-us/executive-management/board-of-directors.

Changes to the Board

Changes to the Board during the reporting period were as follows: Mr Siphamandla Mthethwa (50), the Chief Financial Officer, resigned with effect from 23 May 2023. Ms Lindani Mukhudwani (41) took up the position of Acting Chief Financial Officer on 1 June 2023 and held the position until 30 November 2023. Mr Luzuko Mbotya (40) was appointed as ACSA's new Chief Financial Officer with effect from 1 December 2023.

Independent Non-executive Directors



Dr Sandile Nogxina (66)

Chairman of the Board

Appointed with effect from 9 November 2018*
LLB
Postgraduate Diploma (Management)
Higher Diploma (Tax Law)
LLM (Law Development)
Advocate of the High Court of South Africa
PhD (Public Governance and Development Management)



Ms Ntombifuthi (Futhi) Zikalala-Mvelase (60)

Lead Independent Director

Appointed with effect from 1 September 2018*
BProc
LLB
Attorney of the High Court of South Africa



Dr Kgabo Badimo (65)

Independent Non-Executive Director

Appointed with effect from 6 August 2020**
BSc (Computer Science)
Diploma (Business Administration)
Diploma (French)
MSc (Data Engineering)
PhD (Information Systems Knowledge Management)



Ms Dudu Hlatshwayo (60)

Independent Non-Executive Director

Appointed with effect from 6 August 2020**
BSocSc (Hons)
MBL



Mr Andile Khumalo (46)

Independent Non-Executive Director

Appointed with effect from 3 March 2023
BCom (Accounting)
Postgraduate Diploma (Accountancy)
CA(SA)



Mr Gcobani Mancotywa (56)

Independent Non-Executive Director

Appointed with effect from 2 March 2023
BCom (Economics and Commercial Law)
Postgraduate Diploma (Management)
MCom (Management)



Mr Yershen Pillay (41)

Independent Non-Executive Director

Appointed with effect from 1 September 2018*
BSocSc (Politics and Economics)
Postgraduate Diploma (Business Administration)
MBA



Ms Sibongile Sambo (50)

Independent Non-Executive Director

Appointed with effect from 2 March 2023
BAdmin
BAdmin (Hons)
Postgraduate Diploma (General Management)
MBA

* Appointed with effect from 9 November 2018

** Appointed with effect from 6 August 2020

OUR DIRECTORS

Independent Non-Executive Directors



Nonzukiso Siyotula (40)

Independent Non-Executive Director

Appointed with effect from 2 March 2023
BAcc
CA(SA)
MBA

Executive Directors



Ms Nompumelelo (Mpumi) Mpofu (58)

Chief Executive Officer

Appointed with effect from 1 February 2020
BA (Hons) (Urban and Regional Planning)
Postgraduate Degree in Town Planning



Mr Siphamandla Mthethwa (49)

Chief Financial Officer

Appointed with effect from 1 May 2020[^]
BCom (Accounting)
Postgraduate Diploma (Accounting/CTA)
BCompt (Hons)
CA(SA)



Mr Luzuko Mbotya (40)

Chief Financial Officer

Appointed with effect from 1 December 2023
CA (SA)
MPhil (Development Finance)
Postgraduate Diploma (Accountancy/CTA)



Ms Lindani Mukhudwani (41)

Acting Chief Financial Officer

Appointed with effect from 1 June 2023 to 30 November 2023
BCom (Financial Accounting)
BCom (Hons) (Accounting)
Postgraduate Diploma (Accounting/CTA)
CA(SA)



Ms Fefekazi Sefara (52)

Company Secretary

Appointed with effect from 1 July 2018
Bluris
LLB
Postgraduate Diploma (Interpretation and Drafting of Contracts)
Admitted Attorney of the High Court of South Africa
LLM

Executive Committee demographics

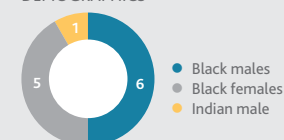
Skills

- Financial management
- Business administration
- Governance
- Aviation
- Logistics and transport
- Forensics
- Technology and innovation
- Compliance
- Stakeholder management and communication
- Strategic leadership
- Risk management
- Public administration

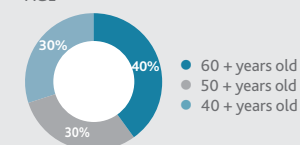
GENDER DIVERSITY



DEMOGRAPHICS



AGE



[^] Resigned with effect from 30 May 2023

OUR EXECUTIVE COMMITTEE



Ms Nompumelelo (Mpumi) Mpofu (58)

Chief Executive Officer

BA (Hons) (Urban and Regional Planning)
Postgraduate Degree in Town Planning



Mr Siphamandla Mthethwa (49)

Chief Financial Officer

(1 May 2020 to 30 May 2023)
CA(SA)
Postgraduate Diploma in (Accounting/CTA)
BCompt (Hons)
BCom (Accounting)



Ms Lindani Mukhudwani (41)

Acting Chief Financial Officer

(1 June 2023 to 30 November 2023)
CA(SA)
Postgraduate Diploma (Accountancy/CTA)
BCom (Hons) (Accounting)
BCom (Financial Accounting)



Mr Luzuko Mbotya (40)

Chief Financial Officer

(With effect from 1 December 2023)
CA(SA)
MPhil (Development Finance)
Postgraduate Diploma (Accountancy/CTA)



Mr Terence Delomoney (56)

*Group Executive:
Operations Management*

BAcc
Dip Acc (PG)
CA(SA)



Ms Lungile Langa (46)

Group Executive: Human Resources

BA
Masters Diploma in Human Resources
Management
BA (Hons) Industrial Psychology
MPhil (Industrial Psychology)



Ms Laurene Less (58)

Group Executive: Corporate Services

BA (Political Science and Psychology)
MA (Public Administration)



Mr Mthoko Mncwabe (47)

Chief Information Officer

BSc (Computer Science and Mathematics)
BSc (Hons) (Computer Science)
MBA



Mr Sthembiso Ngwenya (41)

Chief Audit Executive

BCom (Hons) (Accounting)
CA(SA)



Mr Mzwandile Petros (64)

Group Executive: Enterprise Security

NQF Level 8
Diploma (Secondary School Teaching)
Advanced Diploma (Public Administration)



Ms Lauriette Sesoko (59)

*Group Executive:
Commercial and Business
Development*

BCom
MBL
Diploma in Company Direction



Mr Charles Shilowa (52)

*Group Executive: Capital
Infrastructure and Asset Management*

BSc (Chemistry and Biochemistry)
BSc (Eng) (Chemical)
MBA (Finance)
H. Dip Tax Law
PGCert (Project Finance)
PGCert (Corporate Finance)
PGCert (Private Equity)

BOARD ACTIVITIES AND KEY FOCUS AREAS

Board meetings

The Board held nine meetings during the course of the 2024 financial year:

	SM 5 April 2023 8 June 2023	USM 27 July 2023 17 August 2023	SM 8 September 2023	USM 12 October 2023	SM 6 December 2023	SSM 22 February 2024	SM 13 March 2024
Dr Sandile Nogxina (Chairman)	✓	✓	✓	✓	✓	✓	✓
Dr Kgabo Badimo	✓	✓	✓	✓	✓	✓	✓
Ms Dudu Hlatshwayo	✓	✓	✓	✓	✓	✓	✓
Mr Andile Khumalo	✓	✓	✓	✓	✓	✓	✓
Mr Gcobani Mancotywa	✓	✓	✓	✓	✓	✓	✓
Ms Nompumelelo Mpofu	✓	✓	✓	✓	✓	✓	✓
Mr Luzuko Mbotya		Appointed 1 December 2023			✓	✓	✓
Ms (Futhi) Zikalala-Mvelase	✓	✓	✓	✓	✓	✓	✓
Mr Siphamandla Mthethwa	✓						
Ms Lindani Mukhudwani		✓	✓		✓	✓	
Mr Yershen Pillay	✓	✓	✓	A	✓	✓	✓
Ms Sibongile Sambo	✓	✓	A	✓	✓	✓	✓
Ms Nonzukiso Siyotula	✓	✓	✓	✓	✓	✓	✓

SM – Scheduled Meeting

SSM – Scheduled Special Meeting

USM – Unscheduled Special Meeting

BOARD ACTIVITIES AND KEY FOCUS AREAS CONTINUED

Key focus areas

Many of the Board's key focus areas during the reporting period followed on from those in the previous period. These included monitoring:

- Implementation of the Group's strategy
- The Group's performance
- Security at our airports
- Reviewing alignment of strategic initiatives with the Group's strategy
- Action plans from the Board evaluation
- Reduction of irregular, fruitless and wasteful expenditure
- Approving policies and strategies to ensure good governance
- Macro-economic environment and outlook
- ACI Africa and ACI World matters
- Assessing geopolitical issues
- Reviewing the EVP
- The impact of the permission decision on the Group's strategy and capital projects
- Reviewing the refinancing strategies for the Company's debt

The Board held a strategy review session on 1/2 November 2023 and took a decision to begin making the transition from a focus on recovery and immediate sustainability to a focus on innovation, growth and medium- to long-term sustainability. This culminated in an updated Corporate Plan for the period from the 2025 financial year to the 2027 financial year.

The Board is satisfied that it executed its responsibilities during the reporting period.

Future focus areas

In the short- and medium-term, focus areas will be informed by the Group's strategic focus on innovation, growth and sustainability. Special focus will be on activities to promote aviation traffic, improve the customer experience, maintain existing infrastructure, develop new infrastructure, monitor implementation of the 2024–2028 Permission, grow the Group's operating footprint, enhance profitability, mitigate emerging risks, reinforce ACSA's brand identity, monitor supply chain management performance and advance the Group's developmental mandate. This will take into account the fundamental changes to the operating environment that were precipitated by the pandemic, including changes in customer behaviour and the constrained economic environment in South Africa, as well as the impact of subsequent geopolitical events.

The most notable areas of focus in the 2025 financial year will be:

- Streamlining the Supply Chain Management processes to ensure effective strategy implementation. This includes restructuring the function, separating it from finance, and establishing it as a stand-alone division under the Chief Procurement Officer for a more dedicated focus
- Facilitating the implementation of the corporate strategy for the 2024–2028 Permission cycle
- Monitoring implementation of the 2024–2028 Permission cycle
- Facilitating and monitoring the implementation of strategic initiatives, most notably developments to improve the customer experience, enhancements to both physical security at airports and cybersecurity systems, and infrastructure maintenance and development projects
- Reduction of irregular, wasteful and fruitless expenditure
- Diversification of revenue
- Initiatives to enhance the role of ACSA's airports within the broader city or metropolitan environment

GOVERNANCE IN ACTION

King IV™ Principle 4

The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value-creation process.

The Board is responsible for overseeing value creation and for maintaining the sustainability of the Group. It sets the Group's strategic direction, approves its strategy and monitors its performance. Risks, opportunities, performance metrics and sustainability matters are considered in terms of the Group's vision, targets, long-term goals and values, and are approved by the Board.

The key performance measures and targets used for assessing the achievement of strategic objectives over the short-, medium- and long-term have been approved by the Board and are monitored by the Board and its Committees on an ongoing basis to ensure the viability of the Group. The corporate strategy and related divisional strategies, policies, plans and models, which are consistently reviewed and updated as necessary, take into account business risks and the consequences of the Group's activities and outputs on the economy, society and natural environment.

The Board is responsible for providing continuous oversight over all material matters and holds the CEO accountable for the operational management and performance of the business. The CEO, in turn, holds executive management accountable for its areas of responsibility in terms of managing the business.

To enable executive management to achieve results, the governance and control framework and aligned practices are designed to:

- Provide role clarity through the assignment of specific areas of accountability to Board Committees, the CEO and executive management
- Provide for monitoring the performance of the CEO
- Enable effective decision-making by specifying which decisions are reserved for the Board and which are delegated to the Committees of the Board, the CEO and executive management

- Provide for an effective enterprise risk management framework that gives the Board clear insight into key risks, enabling it to evaluate risk exposure and the mitigation strategies that safeguard stakeholder interests
- Embed a value-driven culture across the Group's operations, build trust in our services and sustain meaningful stakeholder relationships

Collectively, these practices contribute to the maintenance of good governance and the creation of value.

King IV™ Principle 5

The governing body should ensure reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short-, medium- and long-term prospects.

Integrated thinking is incorporated into our operations and reporting. The Audit and Risk Committee is an essential part of the Group's governance framework and the Board has delegated oversight over the integrity of the financial statements and reporting processes to this Committee. The Board's Audit and Risk Committee is responsible for reviewing financial and performance disclosures, including those made in the Integrated Annual Report, reporting on its findings to the Board and reviewing financial statements and information prior to it being released to stakeholders.

King IV™ Principle 6

The governing body should serve as the focal point and custodian of corporate governance in the organisation.

Our Board of Directors is the Group's highest governing body and it is committed to the principles of good corporate governance as set out in King IV™. As a business, we strive to be an ethical and relevant force for good and to play a positive role in the South African economy, society and environment.

By setting the tone at the top, the Board encourages a culture of robust governance throughout the Group.

Through the Audit and Risk Committee, the Board monitors the effectiveness of the governance framework across the Group in order to achieve the governance outcomes of an ethical culture, good performance, effective control and legitimacy. We are committed to continually enhancing our corporate governance processes in line with best practice in a way that facilitates the development and management of world-class airports.

King IV™ Principle 7

The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.

The composition of the Board reflects an appropriate mix of skills, knowledge, experience, diversity and independence. Board members are supported by the Company Secretary and are entitled to seek independent professional advice concerning the discharge of their duties and to gain access to information they may require in discharging their duties. The Board has approved protocols to guide the Directors in these instances.

Induction and Board development

Newly appointed Directors undergo a comprehensive induction process to enable them to make a full contribution to the Group within the shortest possible time. This process includes a comprehensive overview of the business, presentations on the duties and responsibilities of the Directors, a briefing on the JSE Listing Requirements and airport visits to familiarise them with the operating environment.

In addition, ongoing education and training courses allow our Directors to continually enhance their skills. Among other opportunities, they are able to attend the development courses offered by the Institute of Directors.

GOVERNANCE IN ACTION CONTINUED

Succession planning

The nomination and appointment of Non-executive Directors is the prerogative of the shareholders, as provided for in the Group's MOI. The Board is not involved in the appointment of its members other than to advise shareholders of the skills required. Non-executive Directors retire by rotation at the end of their first term of service and may be re-appointed for a further term by the shareholders. The Board has approved a policy on nomination and appointment of Directors.

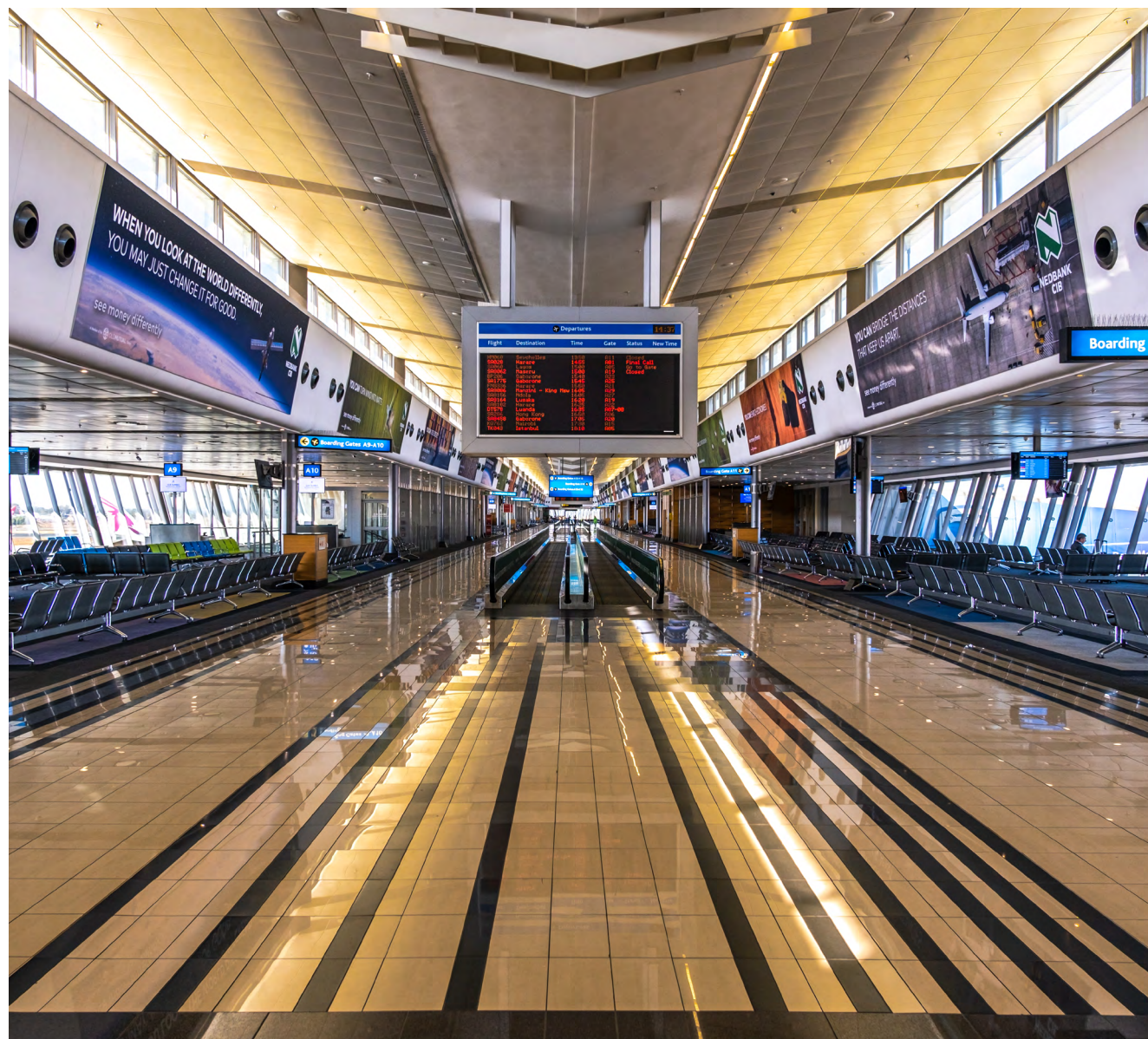
The Chief Executive Officer and the Chief Financial Officer are employed on five-year employment contracts, which may be terminated by either consultation with the Shareholders or the employee by giving a three-month notice period that allows for a proper handover process. The Board may also terminate the contracts of the executive officers without notice for any reasons recognised in law as being sufficient for summary termination. Succession plans for the Chief Executive Officer and Chief Financial Officer have been approved, however, they need to be updated to factor in the recent changes in the executive team.

Conflicts of interest

Directors are expected to ensure that any appointments outside the Group do not impinge on their ability to perform their duties as Directors of ACSA and do not represent any conflicts of interest in terms of our Conflicts of Interest Policy.

Directors also sign annual declarations of interest disclosing their interests – as well as any direct or indirect personal or private interests that their spouses, partners or close family members may have in any matter related to the business of the Group. In the event of there being a conflict of interest, Directors are obliged to excuse themselves from any deliberations relating to the matter.

No conflicts of interest relating to contracts were declared during the reporting period.



DELEGATION OF AUTHORITY

King IV™ Principle 8

The governing body should ensure its arrangements for delegation within its own structures promote independent judgement and assist with the balance of power and the effective discharge of its duties.

While the Board delegates its authority to the Committees of the Board, the Executive Committee and management, it remains responsible for how its delegated authority is exercised. In terms of Section 56 of the PFMA, the Board may confirm, vary or revoke any decision taken by an official as a result of a delegation of powers by the Board. This is supported by clearly defined roles, accountability and responsibility through the delegation of authority policy framework. The Board is satisfied the framework contributes to role clarity and the effective exercise of authority and responsibilities.

The Group's governance framework facilitates transparency and enables appropriate and relevant decision-making.

Separation of roles and responsibilities

Key governance roles and responsibilities of the Board are as follows:

Chairman of the Board

- Provides overall leadership to the organisation
- Safeguards the integrity and effectiveness of the Board
- Sets the ethical tone for the Board and the Group
- Sets the tone for the performance of the Board
- Provides the necessary support to the CEO
- Ensures relevant matters are placed on the Board agenda and prioritised properly

Lead Independent Director

- Leads in the absence of the Chairman of the Board
- Serves as a sounding board for the Chairman of the Board
- Acts as an intermediary between the Chairman of the Board and other members of the governing body, if necessary
- Leads the performance appraisal of the Chairman of the Board

Non-executive Directors

- Contribute to Board effectiveness through opinions that constructively challenge and contribute to developing the Group's strategy
- Bring unique perspectives to the boardroom to facilitate constructive dialogue

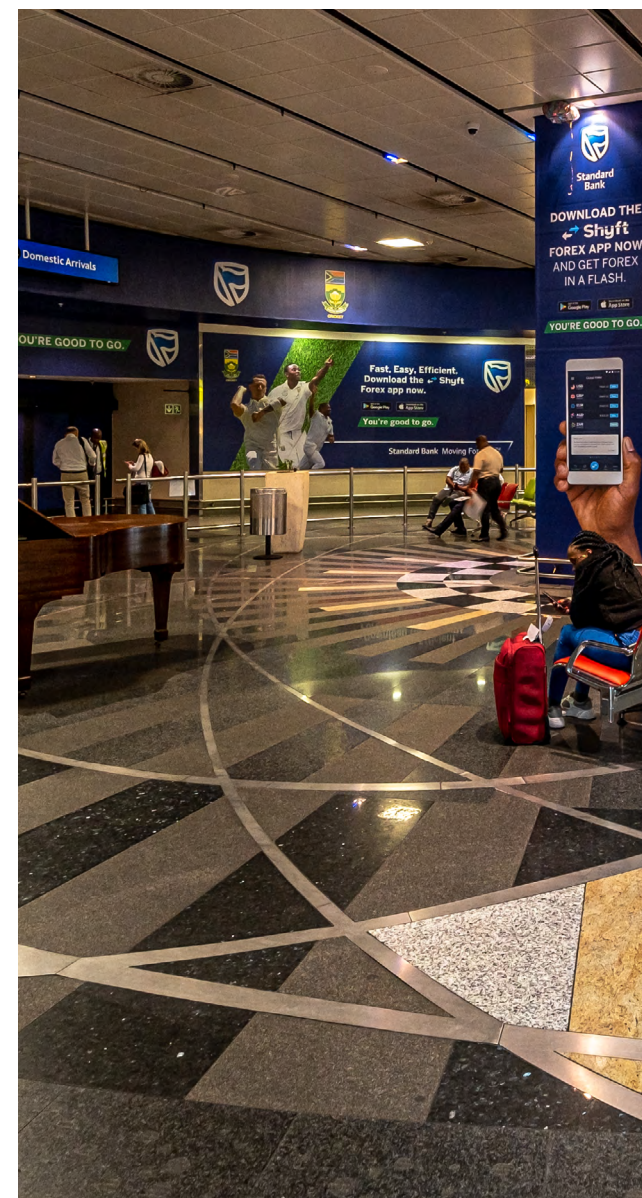
Chief Executive Officer

- Sets the tone in providing ethical leadership and creating an ethical environment
- Ensures the Group is operating in an effective and efficient manner
- Ensures the operations of the Group are in line with the overall objectives of the organisation
- Takes the lead in strategic planning by planning and developing strategic plans of the Group and presents them to the Board for approval and ensures their implementation once approved
- Ensures the internal controls and governance policies and procedures are effectively implemented

Committees of the Board

The Board has established six permanent Committees to assist and support the Board in discharging its duties. These play an important role in enhancing the Group's standards of governance and effectiveness. Each committee acts in line with its terms of reference, which are reviewed annually. The Committees report back on their activities at all Board meetings. The delegation of the Board's responsibilities to these Committees is operational in function and does not abdicate any of the Board's fiduciary responsibilities.

A summary of the composition of the Committees of the Board, their responsibilities and attendance of members at meetings, as well as the reports from the Audit and Risk Committee and the Human Resources, Remuneration and Nominations Committee, Information, Communication and Technology Committee" and "Social and Ethics Committee are provided from pages 20 to 26 in this report. The full Audit and Risk Committee Report is available on pages 5 to 7 of the Annual Financial Statements.



BOARD EVALUATION

King IV™ Principle 9

The governing body should ensure the evaluation of its own performance and that of its Committees, its Chairman and its individual members, and support continued improvement in its performance and effectiveness.

Annual performance evaluations, which are either conducted by an external service provider or facilitated by the Company Secretary, enable the Board to monitor and improve its performance. The evaluation for the year under review included an assessment of the Board as a whole as well as assessments of the Chairman of the Board, the Board Committees, and the Chairpersons of the Board Committees.

The Board has monitored the action plans emanating from the previous self-evaluation and the matter that is ongoing is the parking management which will be finalised in December 2025. The ESG Report for the Company will be considered in November 2025. The succession management process is being implemented.

The evaluation for the reporting period was facilitated by an independent party and assessed the application of governance principles against the following themes:

- Board composition
- Role of the Board
- Board processes and procedures
- Culture and dynamics
- Board Committees

Board members were provided with an option to make general comments.

The Board has achieved a rating of 3.6 out of 4 for its performance, an indication that members are satisfied with the Board's performance. The assessment covered the board composition, role of the board, board processes and procedures, culture and dynamics and board committees. The Board will track the recommendations which have been made in the evaluation report and the focus areas which have been identified.

At the time of writing, the evaluation for the 2024 financial year was still in progress. Key focus areas identified in the previous evaluation were profitability, sustainability, cybersecurity, the IT infrastructure, the implementation of the ESG Framework, risk identification and scenario modelling.

Evaluation of the Committees of the Board

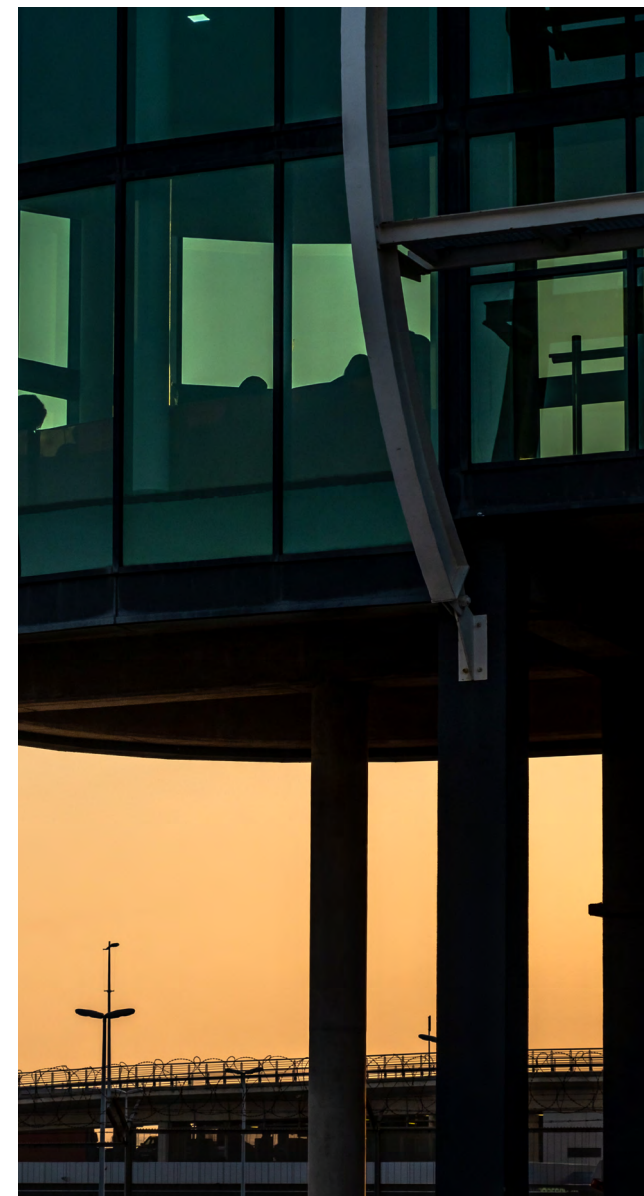
Evaluation of the performance of the Committees of the Board is also undertaken annually within the framework of our Evaluation of the Board and Board Committees Policy, which is available on our website. The Committees effectively discharge their roles and responsibilities and provide the Board with adequate feedback on their respective deliberations.

The office of the Company Secretary consistently provides unfettered guidance and support to the Board and its Committees. The CEO also consistently ensures the effective implementation of the strategy and related strategic objectives.

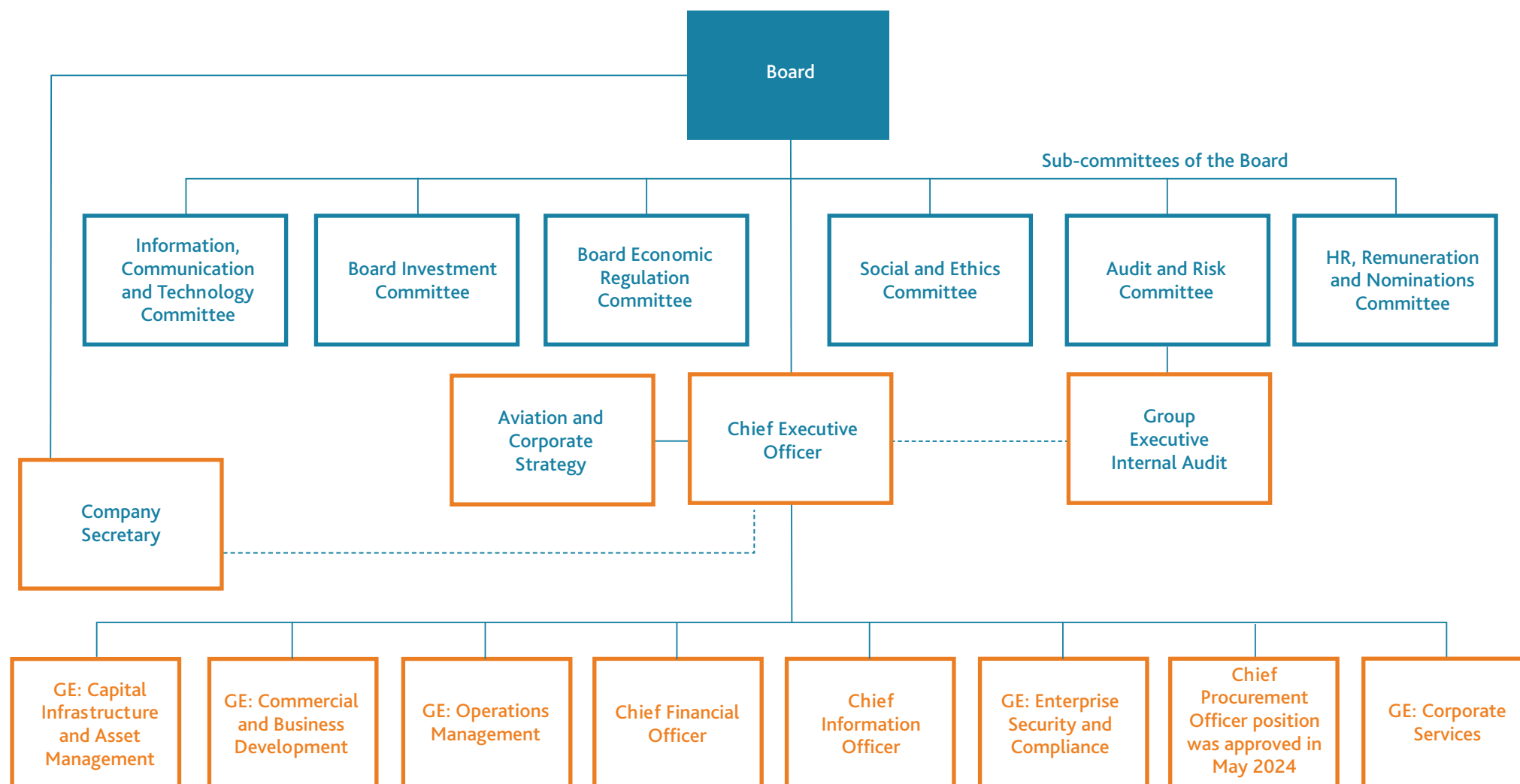
King IV™ Principle 10

The governing body should ensure the appointment of, and the delegation to, management contributes to role clarity and responsibilities.

The Group has a clearly defined organisational structure and levels of accountability. These were reviewed during the reporting period and changes were made and implemented.



REPORTING AND ACCOUNTABILITY



GOVERNANCE OF RISK

King IV™ Principle 11

The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.

ACSA's enterprise risk management is guided by its Integrated Enterprise Risk Management Framework, which is based on:

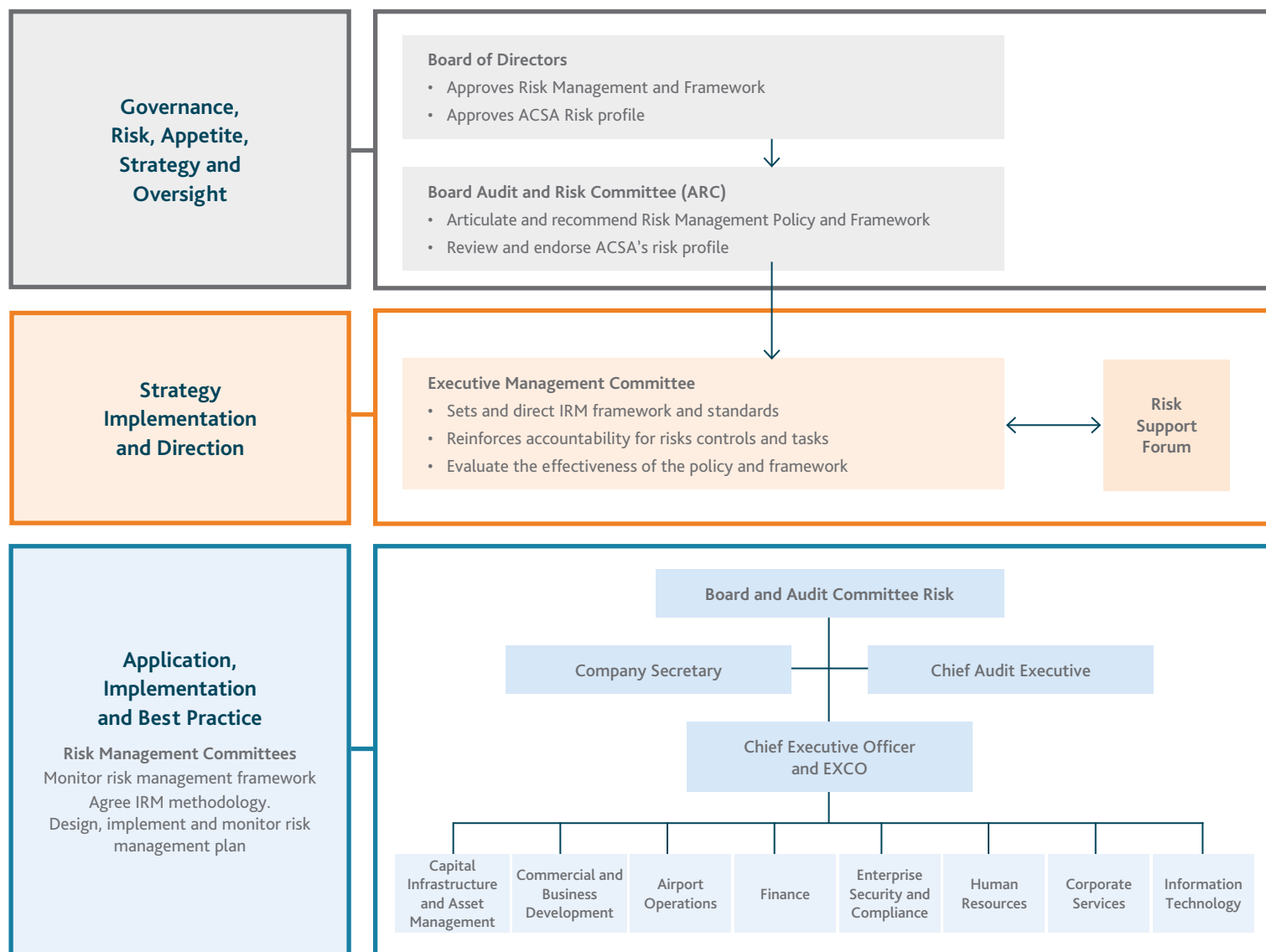
- A clear mandate and lines of management accountability
- Clear performance requirements for risk management throughout the Group
- Promoting the commonality of risk management processes and methodologies and a common language
- Organisation-wide requirements to gather and report risk information for governance purposes
- Compliance with applicable legislation
- Effective integration with corporate strategy and planning
- A leadership culture that embraces risk management

The following graphic illustrates the levels of responsibility for risk management:

Oversight structure	Role
ACSA Board	Overall governance of risk by setting tone and direction in a way that supports the organisation in achieving its strategic objectives.
Audit and Risk Committee (ARC)	The ARC needs to satisfy itself that ACSA has processes in place to ensure that risks to the Group are effectively managed. The ARC makes recommendations to the Board, which is the governing body. The ARC performs oversight on risk management roles and responsibilities. In line with its terms of reference, it reviews the Enterprise Risk Management Reports as recommended by the Executive Committee.
Other Committees of the Board	These Committees provide assurance on the strategic risks relating to their areas of responsibility.
Executive Committee (EXCO)	EXCO is responsible for risk management as outlined in its terms of reference. It considers and actions recommendations made by the FRMRC. These recommendations are then updated and adopted as an EXCO Report for tabling at the ARC. EXCO has the overall responsibility for the implementation of and adherence to this framework. EXCO is consulted at any time when there is an exception to this framework.
Financial Risk Management and Regulatory Committee (FRMRC)	The FRMRC supports EXCO in carrying out its risk management responsibilities. The FRMRC considers risk performance progress and makes recommendations to EXCO for its consideration.
Other EXCO sub-committees	Other EXCO sub-committees provide oversight relating to the respective risks they are responsible for.
Divisions (MANCO structures, including airport MANCOs)	Divisional management considers the risks in their respective operating environments and reports on risk management performance at their respective MANCOs. Divisional management has the overall responsibility for the implementation of and adherence to risk management processes.



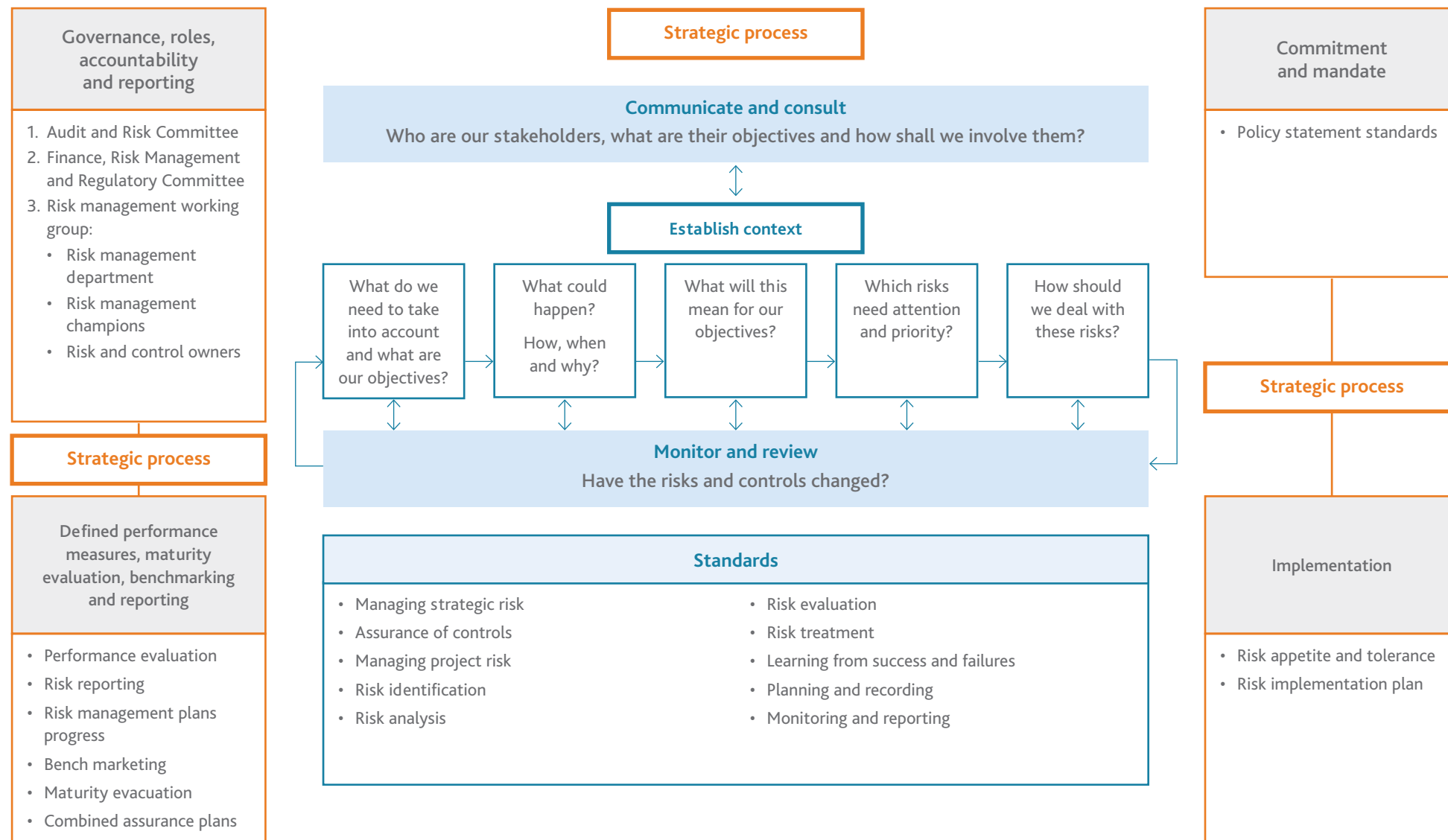
GOVERNANCE OF RISK CONTINUED



In developing our risk management framework and defining these levels of responsibility, we applied the principles of the PFMA, the Companies Act, ISO 31000:2009 and the guidelines contained in international risk benchmarks. Monitoring and evaluation is done through the Group's Strategic Risk Register.

GOVERNANCE OF RISK CONTINUED

The following graphic illustrates the processes by which the monitoring and evaluation of risk is handled:



GOVERNANCE OF RISK CONTINUED

Throughout the reporting period, we aligned risk management with ACSA's corporate strategy.

Some of the initiatives undertaken included:

- Integration of risk management activities throughout the organisation, with advanced methods applied to define risk appetite both quantitatively and qualitatively
- Improved risk reporting and ongoing assessment of potential new strategic risks
- Measuring, monitoring and reporting on risk management through quality risk information, relevant and adequate information for decision-making
- Implementation and monitoring of the action plans resulting from the ERM Risk Maturity Report

Focus areas for the year included skills enhancement for facilitators and enterprise risk management champions, typically in risk assessment and root cause analysis.

Integrated risk management process

Our integrated risk management process is intended to achieve an appropriate balance between realising opportunities for gain while minimising adverse impacts. This process is used to continuously monitor key risks and opportunities and is reviewed annually. It is based on the outcomes of best practice reviews, annual maturity assessments and continuous interaction with our governance structures. Our governance framework supports the integration of risk management throughout the Group.

The Board continuously assesses and monitors the identification and treatment of strategic risks, and actively engages in the review of strategic risks and the identification of mitigation activities for each. Please refer to pages 48 to 53 of our IAR for more information on our strategic risks and mitigation commitments.



IT GOVERNANCE

King IV™ Principle 12

The governing body should govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives.

The Board is ultimately responsible for IT governance, the oversight of which is delegated to the Information, Communication and Technology Committee. An IT governance framework is in place for monitoring the implementation of the Board-approved IT Strategy and to assess IT risks, including digital transformation risk, data management risk, innovation risk, third party risk on cybersecurity. The policies in place to facilitate good governance are the Information Management Policy, the Protection of Personal Information Policy, the Intellectual Property Policy, the Knowledge Management Policy, the Innovation Policy, and the Politically Exposed Person and Domestic Influential Person Policy.

Collaboration within IT and across the business is actively promoted in order to facilitate governance integration into IT services. IT disaster recovery plans are in place and take into account emerging IT risks such as cybersecurity, hacking and ransomware.

Focus areas include:

- Ongoing implementation of ACSA's IT Strategy and digital roadmap
- Monitoring of the Group's information and communications systems
- Continuous investment in and implementation of systems and procedures to protect against cyberattacks and hacking
- Continuous investment in and implementation of systems and procedures to enhance security at all airports in the ACSA network
- The introduction of biometric technology, including fingerprints and facial recognition. Biometric technology is being used to create digital identities (tokens) for passengers passing through security checkpoints, boarding control points and boarding gates

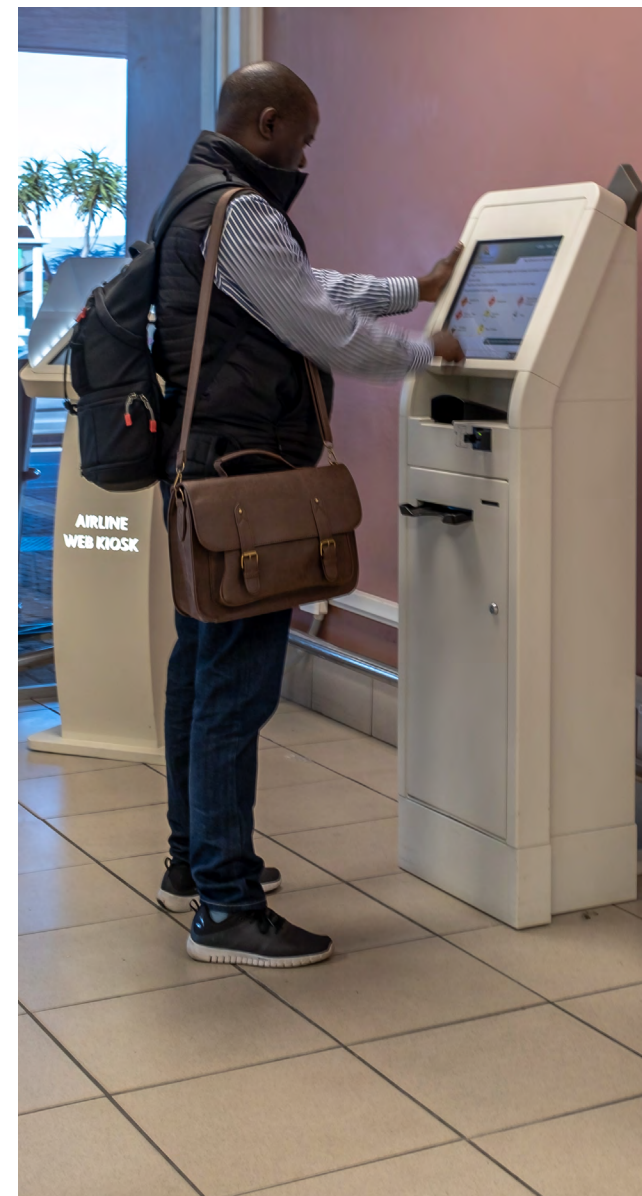
- Roll-out of a facial biometrics-driven automated border control system
- Implementation of a contactless check-in system to enhance the passenger experience
- Extensive enhancements to airport parking management systems to improve efficiencies and the passenger experience
- Upgrading of the airport management systems to enhance passenger and airline experience through seamless and touchless technology
- Upgrading of the core digital infrastructure and applications.
- The digitalisation of all manual documents and the automation of business processes that generate paper or manual information required to support the remote working requirements

Technology effectiveness

IT measures performance across seven objectives and key functional activities that comprehensively represent the scope of the Group's activities. This baseline helps the IT division to track its contribution to the implementation of our business strategy and build a roadmap to improve the effectiveness of our operating model in realising strategic goals.

The IT governance process has progressively brought about improvements in the overall IT environment, resulting in fewer audit findings. There are, however, still areas that require further improvement.

The parking management solution, for instance, is still being implemented to provide adequate and effective user access. IT security management and physical and environmental controls have been improved to ensure that all systems operate in an efficient and effective control environment. Some automated controls in the financial reporting system on Oracle are being implemented to mitigate the risks posed to optimal business process functioning.



GOVERNANCE OF COMPLIANCE

King IV™ Principle 13

The governing body should govern compliance with applicable laws and adopt non-binding rules, codes and standards in a way that supports the organisation as an ethical and good corporate citizen.

The Board of Directors has an overall responsibility to ensure that the Group complies with applicable laws and regulations. This includes non-binding rules, codes and standards. Our compliance framework is aligned with ISO 19600, a standard for compliance management and best practices.

Compliance processes

In providing oversight and guidance to the Group, the Board is guided by legislation and various codes of good practice, which include but are not limited to the:

- Airports Company Act (No. 44 of 1993)
- Civil Aviation Act (No. 13 of 2009)
- King Code of Corporate Governance for South Africa™ (2016)
- Protocol on Corporate Governance for the Public Sector (2002)
- Public Finance Management Act (No. 1 of 1999)
- Treasury Regulations
- Companies Act (No. 71 of 2008)
- Protection of Personal Information Act (No. 4 of 2013)
- Promotion of Access to Information Act (No. 2 of 2000)
- Income Tax Act (No. 58 of 1962)
- Value Added Tax Act (No. 89 of 1991)

There were no changes in legislation that substantively affected the achievement of the Group's objectives during the reporting period.

The Board delegates oversight of the compliance function to the Audit and Risk Committee, and processes are in place to report and address non-compliance. A quarterly compliance status report is produced in order to keep the Executive Committee and the Audit and Risk Committee informed of non-compliance issues and this is used to facilitate the escalation of issues as and when necessary. There were no material instances of non-compliance with legislation and regulations during the reporting period.

The effectiveness of the compliance function is monitored through Internal Audit and an integrated compliance management process is embedded in the business to enhance our capacity for recording and reporting instances of non-compliance.

Key focus areas during the 2024 financial year included:

- Reviewing and approving the Integrated Annual Report for 2023
- Reviewing and approving the Corporate Plan for the period from the 2025 financial year to the 2027 financial year
- Overseeing plans, policies and frameworks within the mandate of the Committee
- Evaluating the performance of the CFO and the finance function
- Establishing and confirming the Group's status as a going concern
- Reducing irregular expenditure
- Eliminating fruitless and wasteful expenditure
- Aligning the DLA to the GFOM
- Overseeing risk management and the Group's risk appetite and tolerance levels
- Monitoring the Group's internal auditing processes and combined assurance reports
- Performing the internal audit
- Reviewing and updating the External Audit Strategy
- Developing an action plan for the external audit
- Assessing the independence of the external auditor
- Reviewing and approving the External Audit Report
- Overseeing compliance and governance matters

Various training programmes on the POPIA, PFMA, Preferential Procurement Policy Framework Act (No. 5 of 2000), Treasury Regulations, Treasury Practice Notes, supply chain management policies and procedures are conducted on an ongoing basis to embed a culture of compliance.



GOVERNANCE OF REMUNERATION

King IV™ Principle 14

The governing body should ensure that the organisation remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short-, medium- and long-term.

The Board is responsible for our remuneration philosophy and policy, and is guided in its responsibilities for this by the Human Resources, Remuneration and Nominations Committee. Our remuneration philosophy supports sustainable value creation by rewarding our people for their contribution towards achieving our strategic objectives. We offer competitive total rewards, which promote a high-performance culture that enables the fulfilment of our objectives.

The Remuneration Policy includes procedures for the governance of remuneration, the attraction and retention of skills, succession planning, disclosure, benefits, conditions of employment and performance-linked remuneration.

Details of all remuneration awarded to members of the governing body and executive management are disclosed in the Remuneration Report.



ENSURING EFFECTIVE CONTROL

King IV™ Principle 15

The governing body should ensure assurance services and functions enable an effective control environment and that these support the integrity of information for internal decision-making and of the organisation's external reports.

The Audit and Risk Committee's legislated duties, as set out in Section 94(7) of the Companies Act and the relevant best practice recommendations in Principle 8 of King IV™, define in detail the oversight responsibilities the Committee must carry out to ensure adequate and effective governance within the Group.

In addition, the Committee is responsible for adherence to Regulation 27.2.5 of the Treasury Regulations, which states: "Internal audit must be conducted in accordance with the standards set by the Institute of Internal Auditors (IIA) that gives legislative authority to the International Professional Practices Framework of the IIA."

Internal Audit exists primarily to enhance and protect organisational value through the provision of reliable objective internal audit assurance and trusted advisory services. It achieves this by assessing and evaluating the adequacy and effectiveness of the processes of governance, risk management and internal controls. Through the performance of its objective assurance and advisory services, Internal Audit serves as an enabler to the Audit and Risk Committee and, ultimately, to the Board, helping both to achieve adequate and effective corporate governance throughout the Group.

Combined assurance

Combined assurance refers to the integration, coordination and alignment of risk management and assurance processes to optimise and maximise the level of governance, control and oversight over the risk landscape. The Combined Assurance Model aims to optimise the assurance coverage obtained from management and internal and external assurance providers on the risks facing the Group. Our Combined Assurance Model remains unchanged during the reporting period and supports this centralised approach.

King IV™ recommends that the Audit and Risk Committee provide direction for the use of a combined assurance model and be responsible for establishing and overseeing this model to combine, coordinate and align assurance activities across the various lines of assurance so that assurance as a whole has the appropriate depth and reach.

Internal Audit's combined assurance processes are aimed at:

- Fostering a shared view and understanding of the Group's key risks and opportunities
- Understanding all the assurance providers, their roles and level of assurance they can provide
- Aligning assurance to the critical risk exposures
- Maximising risk and governance oversight
- Maximising control efficiencies
- Optimising overall assurance to the Audit and Risk Committee and the Board of Directors
- Reducing assurance costs through the elimination of possible duplication of audit efforts
- Promoting collaboration between internal audit and other assurance providers
- Ensuring the Group is in line with best practice with regard to improved governance and accountability
- Enhancing the integrity of internal information and external reports
- Providing basis for identifying, and appropriately responding to, any potential assurance gaps

Combined assurance is governed by the Combined Assurance Framework. In terms of this framework, Internal Audit is a critical function that supports the implementation and embedding of the Combined Assurance Framework and related reporting to the Audit and Risk Committee. Group Internal Audit is responsible for championing the implementation of the framework.



ENSURING EFFECTIVE CONTROL CONTINUED



The Enterprise Risk Management Framework focuses on the identification, assessment and implementation of responses to the risks facing the Group and the Combined Assurance Framework ensures that an appropriate level of assurance is provided on the effectiveness of the risk management process and the controls implemented.

Internal controls

In executing its Board-assigned mandate, Internal Audit follows a risk-based audit methodology in compliance with the IIA and the International Standards for the Professional Practice of Internal Auditing. The main objective of Internal Audit is to assist the Board and Executive Committee with the effective discharge of their responsibilities by evaluating the adequacy and effectiveness of risk management, the control environment and governance processes. Internal Audit maintains its organisational independence by reporting functionally to the Audit and Risk Committee and administratively to the CEO.

Internal Audit provides its services and support to all of the airports in our network, including our subsidiaries. Our internal auditors are members of the IIA and, in conducting their work, comply with the IIA's Code of Ethics and International Standards for the Professional Practice of Internal Auditing.

The detailed scope of work for Internal Audit is outlined in the three-year strategic and annual internal audit plans, both of which are subject to the Audit and Risk Committee's annual review and approval. Internal Audit's scope of work encompasses assessment and evaluation of the adequacy and effectiveness of the governance, risk management and internal control processes. Quarterly feedback on the progress of the annual plan is provided to the Audit and Risk Committee. The nature of work performed by Internal Audit, as is required by the International Professional Practices Framework, includes internal audit assurance and consulting services.

Internal audit assurance involves Internal Audit's objective assessment of evidence to provide opinions or conclusions regarding an entity, operation, function, process or system.

The nature and scope of an assurance engagement is determined by Internal Audit. Generally, three parties are participants in assurance services: the Group's executive and operational management, the process owner, Internal Audit, and the Board and its Audit and Risk Committee, which is the user.

Internal audit consulting services are advisory in nature and are generally performed at the specific request of management. The nature and scope of the consulting engagement are subject to agreement with management, but must be approved or ratified by the Audit and Risk Committee, as circumstances may require.

Internal Audit findings

It is the opinion of Internal Audit that, during the reporting period, processes were generally adequate and provided reasonable assurance that the operating environment demonstrates the implementation of effective controls. There were no events that would have compromised the internal audit function.

GOVERNANCE OF STAKEHOLDER RELATIONSHIPS

King IV™ Principle 16

In execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders with the best interests of the organisation over time.

Our Board actively entrenches a stakeholder-inclusive approach, which has stood the business in good stead in managing the challenges we have had to face over the past four periods. The Board takes into account the legitimate and reasonable needs, interests and expectations of all material stakeholders in the execution of its duties.

Active stakeholder engagement in the face of the unprecedented strain brought about by COVID-19, the Russia-Ukraine War, the conflict in Israel and Palestine, and significant events at home has deepened our relationships with our stakeholders. Key stakeholder groups have been engaged on the impact of these events on our business, the aviation industry at large, and our future sustainability. These have included shareholders,

investors, lenders, airline associations, the Regulating Committee, the media, Parliament, government departments, ground handlers and, most importantly, our passengers and employees. Our governance structures have proven agile and effective and have shown that a balance between the interests of our stakeholders and our business is embedded.

Subsidiary governance framework

The Board has approved a subsidiary governance framework for implementation across the Group. Subsidiaries adopt the policies of the Group to the extent that the policies apply to them. The Group Audit and Risk Committee and the Social and Ethics Committee have been mandated to perform statutory duties for the subsidiaries.

Future areas of focus

The Group will continue to engage its stakeholders on its financial sustainability and the implementation of strategies aimed at Innovation, Growth and Sustainability. The Regulating Committee, in particular, will be engaged on measures to be taken to ensure that it is sustainable and well positioned for future growth.



AUDIT AND RISK COMMITTEE



Nonzukiso Siyotula* (40)

Committee Chairman

Description of the Committee

The Audit and Risk Committee is an essential component of the Group's governance framework. Among others, the Board has delegated the following key functions to the Committee:

- Oversight of the integrity of the Group's financial statements, reporting processes and risks
- Management of the relationship with the Group's external auditor
- Oversight of the Group's internal controls and assurance processes
- Oversight of governance

All of the members of the Committee are independent Directors and meet predetermined skills, competency and experience requirements.

The Audit and Risk Committee has been delegated as the Audit and Risk Committee for the subsidiaries.

The Committee has achieved a rating of 3.5 out of 4 for its performance, an indication that members are satisfied with the Committee's performance. The assessment covered the committee composition, role of the committee, committee processes and procedures, committee culture and dynamics. The Board will track the implementation of recommendations which have been made and the focus areas which have been identified in the evaluation report.

Composition and focus areas

Audit and Risk Committee Chairman: Nonzukiso Siyotula* Attendance: 100%	
Members	Andile Khumalo Dudu Hlatshwayo* Ntombifuthi (Futhi) Zikalala-Mvelase Yershen Pillay
Number of meetings	10
Committee focus for the year	The Committee's focus for the year was on considering and evaluating the following: • The FY2024/25 to FY2026/27 Corporate Plan • The Group's performance • The Group's financial sustainability • Reduction of irregular expenditure • Elimination of fruitless and wasteful expenditure • Alignment of the DLA to the GFOM • External Audit Strategy • External Audit Reports • Action plan for the External Audit Report • Risk management and the Group's risk appetite and tolerance levels • Business continuity management • Internal audit activity and combined assurance reports • Integrated Annual Report for FY2022/23 • Plans, policies and frameworks within the mandate of the Committee • Governance matters such as compliance, insurance and supply chain management
Relevant material matters	• Business sustainability • Financial sustainability • Business growth • Business integration and operational planning • Legal and regulatory compliance • Governance

* Dudu Hlatshwayo was retired as Chairman on 5 April 2023 and has remained as a member. Nonzukiso Siyotula was appointed as Chairman on the same date.

AUDIT AND RISK COMMITTEE CONTINUED

Meeting schedule

	SM 26/04/23	SSM 30/05/23	SSM 24/07/23	SM 28/07/23	SM 14/08/23	SM 30/10/23	SM 30/11/23	SM 30/01/24	SSM 19/02/24
Ms Ntombifuthi Zikalala Mvelase	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms Dudu Hlatshwayo*	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms Nonzukiso Siyotula**	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr Yershen Pillay	✓	A	✓	✓	A	✓	A	✓	✓
Mr Andile Khumalo**	✓	✓	✓	✓	✓	✓	✓	✓	✓

SM: Scheduled Meeting SSM: Scheduled Special Meeting USM: Unscheduled Special Meeting

* Dudu Hlatshwayo retired as Chairman on 5 April 2023 and has remained as a member. Nonzukiso Siyotula was appointed as Chairman on the same date.



BOARD INVESTMENT COMMITTEE



Dudu Hlatshwayo (60)

Committee Chairman

Description of the Committee

The Board Investment Committee is an essential component of the Group's governance framework. Among others, the Board has delegated the following key functions to the Committee:

- Oversight of the Group's investment, commercial and treasury activities
- Oversight of major capital projects
- Oversight of infrastructure and property development activities
- Oversight of a business development activities

The Committee comprises a majority of Independent Directors and one Executive Director, the CEO.

The Committee has achieved a rating of 3.5 out of 4 for its performance, an indication that members are satisfied with the Committee's performance.

The assessment covered the committee composition, role of the committee, committee processes and procedures, Committee culture and dynamics. The will track the implementation of recommendations which have been made and the focus areas which have been identified in the evaluation report.

Composition and focus areas

Board Investment Committee Chairman: Dudu Hlatshwayo** Attendance: 100%	
Members	Dr Kgabo Badimo* Andile Khumalo** Gcobani Mancotywa** Nompumelelo Mpofu Yershen Pillay Ntombifuthi (Futhi) Zikalala Mvelase
Number of meetings	6
Committee focus for the year	The Committee's focus for the year was on: • Monitoring the implementation of the Growth strategy and its strategic initiatives: Fuel Strategy, Aerotropolis and Airport Cities Strategy, Cargo Strategy, Commercial Strategy, Fixed-base Operations and General Aviation Strategy, Hotel Strategy and Network Strategy • Monitoring treasury activities • Consideration of policies and strategies within the mandate of the Committee • The 2022/23 Board and Committee Evaluation Action Plan • The Group's commercial activities • Updates on the Group's investments and property developments • Economic regulatory matters • Refinancing strategies for the Company's debt • Risk monitoring

* Kgabo Badimo was retired on 5 April 2024

** Andile Khumalo, Dudu Hlatshwayo and Gcobani Mancotywa were appointed on 5 April 2023

Meeting schedule

The purpose of the special meetings was to consider the Company's strategic initiatives for the Company's Growth Strategy, and the following strategies relevant to the Committee's mandate and commercialisation of Western Precinct.

	SM 18/05/23	SM 17/08/23	USM 16/11/23	USM 05/12/23	USM 15/02/24	SM 04/03/24
Ms Dudu Hlatshwayo**	✓	✓	✓	✓	✓	✓
Ms Ntombifuthi Zikalala Mvelase	✓	✓	✓	✓	✓	✓
Dr Kgabo Badimo*	✓	✓	✓	✓	✓	✓
Mr Andile Khumalo**	✓	✓	✓	✓	✓	✓
Mr Gcobani Mancotywa**	✓	✓	✓	✓	✓	✓
Ms Nompumelelo Mpofu	✓	✓	✓	✓	✓	✓
Mr Yershen Pillay	✓	✓	✓	A	✓	✓

SM: Scheduled Meeting SSM: Scheduled Special Meeting USM: Unscheduled Special Meeting

BOARD ECONOMIC REGULATION COMMITTEE



Dr Sandile Nogxina (66)

Committee Chairman

Description of the Committee

The Board Economic Regulation Committee was an *ad hoc* committee of the Board to which the Board has delegated responsibility for the development and implementation of the Economic Regulatory Strategy ensuring compliance with all economic regulatory legislation and requirements. Subsequent to the issuance of the 2024–2028 Permission cycle, the Board has agreed that the Committee will meet quarterly for monitoring the Permission projects.

At the core of its function is the deliberation of the approach leading to permission applications for submission to the Regulating Committee, which determines airport tariffs for the Group from time to time and monitoring implementation of the projects approved in the 2024–2028 Permission cycle.

The Committee comprises the Chairman of the Board and the chairs of the other Board committees who are independent Directors.

The Committee has achieved a rating of 3.5 out of 4 for its performance, an indication that members are satisfied with the Committee's performance. The assessment covered the Committee composition, role of the committee, committee processes and procedures, Committee culture and dynamics. The will track the implementation of recommendations which have been made and the focus areas which have been identified in the evaluation report.

Composition and focus areas

Board Economic Regulation Committee Chairman: Dr Sandile Nogxina Attendance: 100%		
Members	Dudu Hlatshwayo Gcobani Mancotywa** Ntombifuthi Zikalala Mvelase Nonzukiso Siyotula** Yershen Pillay	
Number of meetings	1	
Committee focus for the year	The Committee's focus for the year was on considering and evaluating the following: • Implementation of the economic regulation strategy	• The 2024 to 2028 permission application decision and its impact on the sustainability of the Group • Monitoring of risks pertaining to economic regulation
Relevant material matters	• Business sustainability • Financial sustainability • Business growth	• Stakeholder engagement • Legal and regulatory compliance • Governance

* Kgabo Badimo was retired on 5 April 2023

** Gcobani Mancotywa and Nonzukiso Siyotula became members on 5 April 2023

Meeting schedule

	SM 19/02/24
Dr Sandile Nogxina	✓
Ms Nonzukiso Siyotula	A
Ms Dudu Hlatshwayo	✓
Mr Gcobani Mancotywa	✓
Mr Yershen Pillay	✓
Ms Ntombifuthi Zikalala-Mvelase	✓

SM: Scheduled Meeting

HUMAN RESOURCES, REMUNERATION AND NOMINATIONS COMMITTEE



**Ntombifuthi (Futhi)
Zikalala-Mvelase (60)**

Committee Chairman

Description of the Committee

The Committee assists the Board on matters of people management, strategic remuneration and nominations by ensuring decisions are aligned with the Group's strategic objectives.

The Committee is comprised of independent Directors.

The Committee has achieved a rating of 3.5 out of 4 for its performance, an indication that members are satisfied with the Committee's performance. The assessment covered the committee composition, role of the committee, committee processes and procedures, Committee culture and dynamics. The will track the implementation of recommendations which have been made and the focus areas which have been identified in the evaluation report.

Composition and focus areas

Human Resources, Remuneration and Nominations Committee Chairman: Ntombifuthi (Futhi) Zikalala-Mvelase Attendance: 100%		
Members	Gcobani Mancotywa** Kgabo Badimo* Sandile Nogxina Sibongile Sambo Nonzukiso Siyotula	
Number of meetings	9	
Committee focus for the year	The Committee's focus for the year was on: • Review of the employee value proposition (EVP) • Consideration of initiatives for restoration of the EVP • Implementation of the Governance Framework and Operating Model 2020 (GFOM) and Macro Structure • The Board Evaluation Action Plans	
Relevant material matters	• Restoration of EVP • Monitoring of risks • Performance of Executives	• Constitution of the Committees of the Board • Policies, plans and frameworks within the mandate of the Committee • Monitoring human resources management • Skills audit • Risk monitoring • Acquisition and retention of skills • Legal and regulatory compliance • Governance

* Appointed on 12 October 2023.

** Appointed on 5 April 2023.

Meeting schedule

	SM 11/05/23	SSM 25/07/23	SM 11/08/23	MODERATION 24/08/23	SSM 28/08/23	SSM 07/09/23	SSM 12/10/23	SM 09/11/23	SSM 04/12/23	SM 08/02/24
Ms Sibongile Sambo	✓	✓	✓		✓	✓	✓	✓	✓	✓
Ms Gcobani Mancotywa	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr Sandile Nogxina	✓	A	✓	A	A	✓	✓	✓	✓	✓
Dr Kgabo Badimo*								✓	✓	✓
Ms Ntombifuthi Zikalala-Mvelase	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms Nonzukiso Siyotula	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

SM: Scheduled Meeting SSM: Scheduled Special Meeting

* Dr Badimo was appointed 12 October 2023.

INFORMATION, COMMUNICATION AND TECHNOLOGY COMMITTEE



Yershen Pillay (41)

Committee Chairman

Description of Committee

The Committee is responsible for monitoring compliance of the governance of technology, communications and information with the guidelines set out in King IV™. It also oversees the alignment and integration of the Group's information and communication technology strategy with the Group's overall strategy and business needs. It further ensures implementation of the Cybersecurity Strategy and that strategies emanating from innovative initiatives are reviewed and support digital capabilities.

The Committee is comprised of Independent Directors.

The Committee has achieved a rating of 3.7 out of 4 for its performance, an indication that members are satisfied with the Committee's performance. The assessment covered the committee composition, role of the committee, committee processes and procedures, Committee culture and dynamics. The will track the implementation of recommendations which have been made and the focus areas which have been identified in the evaluation report.

Composition and focus areas

Information, Communication and Technology Committee Chairman: Yershen Pillay Attendance: 100%		
Members	Dr Kgabo Badimo Dudu Hlatshwayo Sibongile Sambo* Nonzukiso Siyotula*	
Number of meetings	4	
Committee focus for the year	The Committee's focus for the year was on: • Implementation of the IT Strategy • Monitoring of the governance of technology and information • Monitoring cybersecurity • Monitoring management of the Group's overall information and communication strategy and systems	
Relevant material matters	• Business sustainability • Financial sustainability • Business growth • Business integration and operational planning • Digital transformation	• Monitoring progress of ICT projects • Monitoring of ICT audit findings • The 2022/23 Board Evaluation Action Plan • Risk monitoring • Monitoring the implementation of the Innovation Strategy • Cyber security • Safety and security of ICT assets • Legal and regulatory compliance • Governance • Monitoring the implementation of the Innovation Strategy

* Appointed on 5 April 2023.

Meeting schedule

		SM 09/05/23	SM 08/08/23	SM 07/11/23	SM 06/02/24
Ms Sibongile Sambo	Appointed 1 March 2023	✓	✓	✓	✓
Ms Dudu Hlatshwayo		✓	✓	✓	✓
Mr Yershen Pillay		✓	✓	✓	✓
Dr Kgabo Badimo		✓	✓	✓	✓
Ms Nonzukiso Siyotula	Appointed 1 March 2023	✓	✓	✓	✓

SM: Scheduled Meeting

SOCIAL AND ETHICS COMMITTEE



Gcobani Mancotywa (54)*

Committee Chairman

Description of the Committee

The Committee monitors the Group's activities pertaining to economic transformation, socio-economic development, good corporate citizenship, security, environment, health and public safety, consumer relationships, labour and employment, ethics and stakeholder engagement.

The Committee is made up of five Independent Directors and the CEO.

The Committee has achieved a rating of 3.6 out of 4 for its performance, an indication that members are satisfied with the Committee's performance. The assessment covered the committee composition, role of the committee, committee processes and procedures, Committee culture and dynamics. The will track the implementation of recommendations which have been made and the focus areas which have been identified in the evaluation report.

Composition and focus areas

Social and Ethics Committee Chairman: Gcobani Mancotywa* Attendance: 100%		
Members	Dudu Hlatshwayo** Kgabo Badimo*** Andile Khumalo Nompumelelo (Mpumi) Mpofu Sibongile Sambo	
Number of meetings	5	
Committee focus for the year	The Committee's focus for the year was on: • ESG • Economic transformation • Stakeholder relations • Ethics • The reputation of the Group • Socio-economic development • Environmental, health and public safety • Security • Consequence management • The Board and Committee Evaluation Action Plans • Risk monitoring	
Relevant material matters	• Business sustainability • Financial sustainability • Brand, reputation and stakeholder management • Transformation • Safety • Security • Consequence management • Governance	

* Appointed on 5 April 2023.

** Retired on 5 April 2023.

*** Retired as Chairman on 5 April 2023 and remained a member.

Meeting schedule

	SM 16/05/23	SM 15/08/23	SM 14/11/23	SM 13/02/24	USM 04/03/24
Ms Sibongile Sambo	✓	✓	✓	✓	✓
Dr Kgabo Badimo	✓	✓	✓	✓	✓
Mr Andile Khumalo	✓	✓	✓	✓	✓
Mr Gcobani Mancotywa	✓	✓	✓	✓	✓
Ms Nompumelelo Mpofu	✓	✓	✓	✓	✓

SM: Scheduled Meeting SSM: Scheduled Special Meeting USM: Unscheduled Special Meeting

REMUNERATION

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REMUNERATION

Overview

The Board is responsible for ACSA's remuneration philosophy and policy as well as for overseeing their application, assisted and guided by the Human Resources, Remuneration and Nominations Committee and supported by management. This includes responsibility for skills attraction and retention, conditions of employment, remuneration governance, benefits, performance-linked remuneration, succession planning and disclosure. As in all of our activities, we adhere to the principles of good governance as set out in the King IV™ when it comes to recruitment, remuneration and human capital management.

Our remuneration philosophy supports sustainable value creation by rewarding our people for their contribution to achieving our strategic objectives. In the normal course of business, we offer competitive total rewards, which promote a values-based, high-performance culture that enables us to achieve those objectives. This section of the report aims to provide an overview of our remuneration philosophy and policy as well as of the factors that influenced both policy and implementation during the reporting period.

Details of all remuneration awarded to members of the governing body and executive management during the period are disclosed in the Implementation Report below.

Performance review

In the 2024 financial year, as the business continued on its post-pandemic recovery trajectory, we focused on normalising remuneration, benefits and the EVP within the framework of our corporate strategy. From a performance perspective, we had a strong year, meeting ten out of eleven organisational key performance indicators (KPIs) and demonstrating continued growth in revenue, despite still being restricted by debt covenants.

As part of this process, we relooked our performance-variable incentive policy and updated the qualifying criteria. We also simplified the model for both short-term and long-term incentives based on the Organisational Scorecard and to ensure alignment with our new strategic focus on growth and sustainability.

There were no payments of long-term and short-term incentives in the financial year.

We also continued to work on succession management, which will be concluded in the new financial year by cascading down throughout the organisation to ensure that we have the necessary capacity to execute our strategy.

Externally, we are benchmarking our salaries and aligning our remuneration policies with the market. In cases where we find we are below market, we are aligning our policy with market norms.

Normalising remuneration

Our remuneration practices are informed by total rewards benchmarking, which provides for the payment of equitable market-related remuneration. As our employees are fundamental to our sustainability and success as a business, we are committed to offering fair remuneration through both financial and non-financial means, including such benefits as subsidised housing, educational opportunities and employee recognition programmes.

We have now fully restored our benefits programme and have enhanced some benefits such as the housing scheme. Expanded eligibility now provides for Paterson C4 and C5 level employees to benefit from the scheme.

Performance and outlook

The Human Resources, Remuneration and Nominations Committee is satisfied that it delivered on its mandate during the 2024 financial year. The Committee will continue to monitor remuneration policy and practices, as well as to focus on maintaining the fair and ethical practices that ACSA is committed to. At operational level, the Human Resources division will continue to deliver on the key priorities identified in the People and Culture Strategy and to monitor the implementation of the strategy.



REMUNERATION CONTINUED

Remuneration policy

Our remuneration policy includes procedures for the governance of remuneration, the attraction and retention of skills, succession planning, disclosure, benefits, conditions of employment and performance-linked remuneration. The elements of total remuneration are given in the table below:

Elements of total remuneration

	Fixed pay	Variable incentives	
		Single Incentive	
	Total guaranteed package	Annual portion	Deferred portion
Purpose	To attract and retain employees through competitive fixed pay.	To attract and retain employees and to drive a high-performance culture that is aligned to the corporate strategy.	
Who	All employees	All employees	Executive Directors
Description	Basic plus benefits and allowances	A single incentive (performance related bonus) is determined based on an on-target percentage of total guaranteed pay, modified by individual, divisional and Group performance, as applicable. Each employee grade is allocated an on target percentage to be used for this calculation. Depending on the seniority of the employee, this may be paid out in full or in part, with a portion being deferred. For Paterson grades A to E3, the incentive is paid in full. In the case of employees at Paterson E4 and above, 50% is deferred over a further four-year period and is paid out in equal tranches.	
Settlement method	Cash	Cash	Cash
Frequency	Monthly	Annually	Annually
Performance	Based on personal performance ratings, and both internal and external parity.	Performance measurement is based on a combination of Group, divisional and individual performance.	
Proposed changes	There are currently no proposed changes for the 2025 financial year.		

REMUNERATION CONTINUED

Our guiding principles in the application of our remuneration policy are:

Fair, equitable and responsible	Equity, fairness and consistency in the remuneration of employees is applied in accordance with the value of their work.
Competitive	Total remuneration is externally competitive and ensures that ACSA can attract, retain and motivate its employees.
Strategy aligned	The remuneration strategy is aligned to ACSA's strategy and supports the achievement of that strategy.
Governance compliance	Remuneration is compliant with the relevant legislation and the governance principles outlined in King IV™.
Performance based	To create a strong link between pay and performance, all variable incentives are subject to performance.
Affordability	ACSA strives to pay market-related remuneration subject to affordability.

Fair and responsible pay

The remuneration policy ensures that employees are remunerated fairly for their individual contribution to ACSA's performance. Our remuneration practices therefore ensure that fair and responsible remuneration will always be a top priority.

We have various measures in place to ensure that our remuneration practices comply with the relevant legislation governing the equal pay for equal work principle. King IV™ states that, in order to eliminate unfair discrimination, employers must take steps to eliminate differences in their terms and conditions of employment, including those relating to remuneration, for employees who perform the same or substantially similar work or for work of equal value in terms of section 6(1) of the Employment Equity Act (No. 55 of 1998).



REMUNERATION CONTINUED

The values that inform our fair and responsible remuneration philosophy are:

The diagram consists of seven teal circles arranged in a cluster, each containing a value that informs the remuneration philosophy:

- TRANSFORMATION
- PROMOTION OF EMPLOYMENT EQUITY
- JOB CREATION
- EQUAL PAY FOR WORK OF EQUAL VALUE
- FAIR AND RESPONSIBLE PAY
- PROMOTES TRANSPARENCY
- MINIMISING GENDER PAY GAP

The factors that are considered to ensure that ACSA remunerates fairly include but are not limited to:

- Individual and Group performance
- Financial profitability of the Group
- Economic environment
- Market pay benchmarking
- Fair pay assessment

Total remuneration

We offer a market competitive set of benefits, which include medical aid, a housing scheme, travel allowances and other circumstantial allowances, among others.

REMUNERATION CONTINUED

Total guaranteed package

Our standards for guaranteed pay and benefits are:



Guaranteed pay

Employee guaranteed pay is reviewed annually, considering Consumer Price Index (CPI), market trends, employees and Group performance, internal parity and Group affordability. The Group has a culture of awarding increasing above CPI percentages, considering the cost of living relating to the Producer Price Index (PPI) to ensure fair and responsible remuneration.

In addition, for the following employee categories, the following measures are also considered:

Executives

- (a) Individual parity
- (b) Individual and Group performance

Senior management, middle management and professionals

- (a) Individual parity
- (b) Individual and Group performance

Skilled and general workers

- (a) National negotiations
- (b) Internal parity
- (c) 13th cheque forms part of the guaranteed pay



Benefits

Employees are contractually obliged to belong to an approved medical aid and retirement fund, inclusive of risk benefits. Our benefits policy is structured in a way that promotes the employee financial wellness.

Executives, senior management, middle management and professionals

- (a) Employees contribute 100% towards medical and retirement fund (inclusive of risk benefits)
- (b) Long service awards

Skilled and general workers

- (a) Retirement fund: 13% employer and 8% employee contribution
- (b) Medical aid: 50% employer and 50% employee contribution
- (c) A one-off capital grant of R75 000 is offered to first-time homeowners
- (d) A monthly housing subsidy is offered to salaried employees
- (e) Employees are provided with branded uniforms
- (f) Long service awards



Circumstantial allowance

Circumstantial allowances paid are aligned with legislative requirements and operational effectiveness.

Executives, senior management, middle management and professionals

The following allowances are paid based on job-specific requirements:

- (a) Acting allowance (paid in line with the policy to employees who are required to act in roles that are higher than their designated roles)
- (b) Demand and capacity
- (c) Relocation

Skilled and general workers

- (a) Shift
- (b) Standby
- (c) Overtime
- (d) Relocation

REMUNERATION CONTINUED



Variable pay: single incentive

Overview

Variable pay is determined according to the single incentive methodology, which was approved for implementation in the 2024 financial year. In terms of the single incentive, a portion of the calculated incentive is paid as a bonus and a portion is deferred into a long-term incentive. All employees are eligible to receive the annual portion of the payment, with only executives eligible to receive the deferred portion. All payments are made in cash.

Performance is assessed according to a balanced scorecard aligned to our long-term strategy. A balanced scorecard including financial and non-financial components is used, which is weighted according to the seniority of the individual and segmented into "Group", "divisional" and "individual" components. Group targets are impacted by the Shareholder's Compact, driving sustainable business growth over the long term. KPIs take into account our business, our people, our society and our environment. Different weightings are applied to each of the components of performance depending on grade. For example, senior employees have a higher weighting towards Group performance and a lower weighting towards individual performance.

Individual performance

The individual performance modifier is determined based on the individual's performance rating, which is determined according to the performance management process, but is primarily based on achievement of KPIs provided for in each individual's balanced scorecard. The individual modifier ranges between 0% and 175%.

Group performance

Group performance conditions and the relevant targets are approved annually by the Board and the Remuneration and Nominations Committee (RemNom). Threshold, target and stretch levels of performance are set, and these are used as a basis for determining the modifier. The Group modifier ranges between 0% and 150%.

Divisional performance

The divisional performance modifier is determined in the same way as the Group performance modifier, but conditions and targets are set by division. The divisional modifier ranges between 0% and 150%.

Determination of the single incentive

Total incentive pool cap: The short-term incentive pool is based on a sharing percentage within a range of 3% to 5% of earnings

before interest, tax, depreciation and amortisation (EBITDA).

The total incentive pool cap is reviewed by the Board on an annual basis. This is only calculated if at least 60% of the annual measures informing the Group performance score have been achieved. In instances in which the 60% is not achieved, but Group performance has improved from the prior year, RemNom has the discretion to reduce the total incentive pool cap by up to 10% for each incremental 5% below the gatekeeper provision.

Potential single incentive: The potential single incentive is calculated based on the individual's total guaranteed package multiplied by a grade-specific on-target percentage and further modified by a performance modifier, which is based on a weighted formula.

An employee must have demonstrated consistent performance and have received a performance rating that exceeds a rating of three point one out of five in the previous performance management cycle to qualify for a single incentive. As such, a potential single incentive is calculated for employees whose rating is above three.

Performance modifier: Each participant's potential on-target single incentive can be modified downwards to zero or upwards to 153% to 158%, depending on seniority, and based on the weighted average modifier.

REMUNERATION CONTINUED

Final single incentive: The final incentive is determined according to the distribution of the pool based on the formula illustrated in the graphic below. Should the total incentive pool cap be larger than the total of the potential incentives calculated, no adjustments are made to the potential incentives. When the total incentive pool cap is lower than the total of the incentives, downward adjustments are made.



Approval: The pool, calculated in terms of the principles outlined above, is approved by RemNom and recommendations are made to the Board for final approval. Should the total incentive pool cap be larger than the total of the potential bonuses calculated, no adjustments are made to the potential bonuses. When the total incentive pool cap is lower than the total of the potential bonus pool, downward adjustments are made to the potential bonuses.

Final incentive calculation: To calculate the individual incentive payable to eligible employees, the results of the sum of all the potential incentives is compared to the pool. Where the pool is larger than the sum of all the potential incentives, payments are limited to the potential values calculated. However, where the pool is smaller than the sum of potential incentives calculated, every participant's incentive is adjusted on a *pro rata* basis. This means that payments are capped at the sum of all the calculated incentives or the pool amount, whichever is the lesser, to ensure affordability.

Deferred portion: For executives, 50% of the single incentive calculated is deferred into a long-term incentive and paid in equal tranches over a period of four years. The individual modifier ranges between 0% and 175% and is informed by Group, divisional and personal performance. Different weightings are applied to each of the components of performance depending on grade. For example, senior employees have a higher weighting in relation to Group performance.

Board discretion

The Board has the discretion to grant single incentive awards and these are not an automatic entitlement. The discretion of the Board includes the discretion to reduce, remove and/or defer payments. Factors considered by the Board in the application of its discretion include but are not limited to:

- The Group being in a cash-negative position
- Fulfilment of the free cash flow conditions
- Malus and clawback provisions
- A qualified audit opinion
- If the payment would result in the breaching of debt covenants

Benchmarking

At ACSA, our payment philosophy is to benchmark total remuneration to the median of the market and the 50th percentile. To ensure that our total remuneration offering is market competitive, we perform benchmarks annually. Two approaches are followed for benchmarking, depending on the level of the employee:

Executives: Various data points are taken into consideration when benchmarking the total remuneration for executives. These are:

- Companies listed on the Johannesburg Stock Exchange. The companies included in this analysis are determined based on size, complexity and performance

- Comparable State-Owned Companies, taking the size of these companies into consideration
- REMchannel® survey data, which is used to perform a grade-based benchmark analysis

Below executive level: A grade and job title-based benchmark analysis is performed using benchmark data obtained from the REMchannel® survey database.

Malus or clawback

Malus or clawback to any incentive award made in terms of the remuneration policy, which may take effect on discovery of certain trigger events, remains at the discretion of the Board. According to the Group's malus and clawback policy, the following events can be described as trigger events, although this should not be considered an exhaustive list:

- Discovery of a material misstatement resulting in an adjustment in the audited consolidated accounts of the Group or the audited accounts of any member of the Group
- Assessment that any performance condition or conditions were based on error or on inaccurate or misleading information
- Discovery that any information used to determine the amount of an incentive award was based on error or on inaccurate or misleading information
- Action or conduct of an employee which, in the reasonable opinion of the Board, amounts to employee misbehaviour, fraud or gross misconduct

REMUNERATION CONTINUED

- Events or behaviour of an employee that have led to the censure of a member of the Group by a regulatory authority or have had a significant detrimental impact on the reputation of any member of the Group, provided the Board is satisfied that the relevant employee was responsible for the censure or reputational damage and the censure or reputational damage is attributable to them

Executive employment contracts

Executive Directors and Group Executives

The following types of employment contracts are offered to Executive Directors and Group Executives:

- The CEO and CFO are appointed on five-year fixed-term contracts
- All Group Executives are appointed by the CEO
- All Group Executives are on five-year contracts with a six-month probation period
- Executive Directors and Group Executives are eligible for guaranteed pay and variable incentives as per the plan/s operated by ACSA
- Employment contracts are offered until the retirement age of 65 years

Non-executive Directors

Service contracts for Non-executive Directors are for a period of three years and they are appointed in terms of the Group's memorandum of incorporation. The fees payable to Non-executive Directors are determined by National Treasury and approved by the Minister of Transport.

Non-executive Directors are paid based on the roles they occupy on the Board and the Board Committees. Their fees are determined according to the following principles:

- Fees are approved through a special resolution by shareholders in accordance with the Companies Act
- Non-executive Directors do not participate in the variable pay schemes and are remunerated on a retainer basis with specified fees for meetings and *ad hoc* functions

- Fees are exclusive of any value added tax that might be applicable
- The remuneration policy precludes the payment of termination benefits to Directors

Implementation Report

This section gives details of the implementation of the ACSA's remuneration policy during the reporting period. There were no deviations from the Remuneration Policy.

Remuneration

Service fees for Non-executive Directors

The table below declares the remuneration paid to Non-executive Directors during the period:

Board members	R'000
S Nogxina	879
Y Pillay	630
N Zikalala-Mvelase	736
K Badimo	522
D Hlatshwayo	727
N Siyotula	740
G Mancotywa	656
SR Sambo	551
A Khumalo	687
N Nokwe-Macamo*	–
Total	6 128

* Resigned 2 March 2023.

Remuneration for Executive Directors and Group executives

The table below declares the remuneration paid to Executive Directors and Executives during the reporting period. There were no deviations from the Remuneration Policy and revised Financial Plan, however, the strategy has transitioned from Recover and Sustain into Innovate, Grow and Sustain, as approved by the Board:

Name	Guaranteed package	Ex gratia bonus	Other remuneration	Total remuneration
T Delomoney	3 048 267	633 343	110 922	3 792 533
C Shilowa	3 529 312	707 544	1 804	4 238 660
S Ngwenya	3 005 286	602 489	0	3 607 774
S Sibiya	579 638	0	263 536	843 173
L Mukhudwani	940 588	263 689	355 156	1 559 433
D Mncwabe	3 495 134	700 692	9 091	4 204 917
N Mpofu	5 280 475	1 270 333	0	6 550 808
S Mthethwa	590 401	0	476 364	1 066 766
L Langa	2 992 916	600 009	699	3 593 624
M Petros	3 325 463	666 677	22 283	4 014 422
L Less	2 771 219	555 564	4 193	3 330 975
L Mbotya	1 233 333	0	0	1 233 333
L Sesoko	173 050	0	0	173 050
Total	30 965 082	6 000 340	1 244 048	38 209 468

REMUNERATION CONTINUED

Salary increases for executives and employees

Percentage increases for executives and employees, as approved by the Board, were as follows:

Executives	7%
All other employees	7%

Ex gratia bonus

During the financial year, the short-term incentive gatekeeper threshold was not met, but RemNom determined that employees should be rewarded for their extraordinary efforts in keeping ACSA operational over the Covid-19 pandemic period. For many employees, this involved taking on extra responsibilities with no commensurate acting allowance or additional remuneration within the context of no pay increase and benefit freezes.

RemNom accordingly determined that an *ex gratia* bonus would be paid to qualifying employees which, depending on employment level, amounted to a 13th cheque or an amount equivalent to an on-target performance bonus allocation. Total payments made totaled R75 million.

REMUNERATION CONTINUED

The table below summarises ACSA's cumulative KPI results as at 31 March 2024

Strategic objectives and KPIs		Weight	Progress corporate plan target				Achieved/ Not Achieved (YES/NO)	FY2023/24 Actual	FY2023/24 Target
			Q1	Q2	Q3	Q4			
Our business									
Financial sustainability	EBITDA (cumulative)	18%	●	●	●	●	yes	R2 812m	R1 862m
	CAPEX allocation (cumulative)	18%	●	●	●	●	no	R551m	R679m
Diversify the business portfolio	Aeronautical revenue (cumulative)	12%	●	●	●	●	yes	R3 586m	R3 234m
	Non-aeronautical revenue (cumulative)	12%	●	●	●	●	yes	R3 194m	R2 756m
Increase reputation	Reputation index	10%	●	●	●	●	yes	61.3%	60% Reputational Index Survey
	Passenger satisfaction	6%	●	●	●	●	yes	3.86	3.74
	Operation efficiency Index	6%	●	●	●	●	yes	3.5	3
Our people and society									
Transform ACSA Business	B-BBEE Level	4.7%	●	●	●	●	yes	Level 2	Level 2
	% Black business share of Company revenue generated	4.7%	●	●	●	●	yes	68%	55%
	# of job opportunities created	4.6%	●	●	●	●	yes	18 567	16 991
Our environment									
Reduce environmental impact	ACI Carbon Accreditation Level	4%	●	●	●	●	yes	Maintain ACI Level 2 Accreditation for at least 3 Airports (ORTIA, CTIA, KSIA)	Maintain Level 2 Reduction Certification for at least 3 airports (ORTIA, CTIA, KSIA)
Total number of KPIs achieved		100%	6/8	7/8	7/8	10/11			

Legend key

- KPI target met or exceeded
- KPI target not met
- Annual target