28. SHARE-BASED PAYMENTS

In the 2018 financial year a new share award plan was implemented. The purpose of the plan is to retain, motivate and reward eligible employees who are able to influence the performance and growth strategies of the Company, on a basis which aligns their interests with those of the Group's shareholders.

Share awards will be issued to identified participants by the Remuneration Committee and Board. The number of share awards to be allocated to an eligible employee will primarily be based on the identified employee's annual salary, grade, performance, retention and attraction requirements and market benchmarks. The number of share awards will be recommended by the Remuneration Committee at the time that share awards are granted per an award letter.

Eligibility for participation to the plan will be considered on an annual basis. Share awards will constitute conditional shares in AfroCentric Investment Corporation Limited and on vesting date this will be issued to the identified participant in equity shares at no cost. The maximum annual allocation is 5 543 773 share awards (1% of the Company's issued shares as at the date of approval of the AfroCentric Group Management Long Term Incentive Plan by the Board and shareholders of the Company) and the maximum dilution limit is 27 718 866 (5% of the Company's issued shares as at the date of approval of the AfroCentric Group Management Long-Term Incentive Plan by the Board and shareholders of the Company).

AfroCentric expects that 90% of awards will vest to participants at the end of the plan. The share awards are subject to staggered vesting, i.e. vesting of the share awards following the three-year retention period in three equal tranches. The charge for the year is R10.2 million.

The share price on the respective grant dates on 30 November 2019 of R3.30 (2018: R5.20) and (2017: R6.30), was used to determine the IFRS 2 charge for 2020.

30 June 2020	Group					
Offer date	Issue share price R	Balance at 30 June 2019 '000	Offered '000	Forfeited '000	Balance as at 30 June 2020 '000	Fair Value as at 30 June 2020 R'000
– 8 December 2017	6.2	4 440		(1 760)	2 680	989
– 1 November 2018	5.5	4 430		(900)	3 530	1 302
– 30 November 2019	3.3		5 690		5 690	2 100
Total		8 870	5 690	(2 660)	11 900	4 391

Fair value based on closing share price as at 30 June 2020 of R3.69.

30 June 2019	Group					
Offer date	Issue share price R	Balance at 30 June 2018 '000	Offered '000	Forfeited '000	Balance as at 30 June 2019 '000	Fair Value as at 30 June 2019 R'000
– 8 December 2017	6.2	4 440	–		4 440	2 198
– 1 November 2018	5.5		4 430		4 430	2 193
Total		4 440	4 430	–	8 870	4 391

Fair value based on closing share price as at 30 June 2019 of R4.95.

	Group		Company	
	Number of shares 2020	Number of shares 2019	Number of shares 2020	Number of shares 2019
Movements in number of instruments:				
Outstanding at the beginning of the period	1 130	565	–	–
Vested				
Active employees	306	565	–	–
Outstanding at the end of the period	1 436	1 130	–	–

This represents the shares vested but not yet exercised. Exercise price will be the share price as at grant date.