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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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The definitions and interpretations commencing on page 5 of this Circular apply, *mutatis mutandis*, throughout this Circular, including this cover page.

If you are in any doubt as to what action you should take arising from this Circular, please consult your CSDP, broker, banker, attorney, accountant or other professional adviser immediately.

If you have disposed of all of your TFG Shares on or before Thursday, 15 June 2017, please forward this Circular to the purchaser of such TFG Shares or to the broker, CSDP, banker, attorney, or other agent through whom the disposal was effected.

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**THE FOSCHINI GROUP LIMITED**  
Incorporated in the Republic of South Africa  
Registration number: 1937/009504/06  
Ordinary share code: TFG  
Preference share code: TFGP  
Ordinary share ISIN: ZAE000148466  
Preference share ISIN: ZAE000148516  
("TFG" or "the Company")

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## CIRCULAR TO TFG SHAREHOLDERS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

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This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 7 to 8 of this document and which recommends that you vote in favour of the resolutions to be proposed at the EGM.

Your attention is drawn to a notice convening an EGM of the Company to be held at Stanley Lewis Centre, 340 Voortrekker Road, Parow East, Cape Town at 15:00 on Friday, 28 July 2017, which is set out at the end of this document.

A form of proxy for use at the EGM is enclosed. To be valid, the form of proxy should be completed, signed and returned in accordance with the instructions printed on it to Computershare Investor Services Proprietary Limited, 15 Biermann Avenue, Rosebank Towers, Rosebank, 2196, South Africa (PO Box 61051, Marshalltown, 2107), and for the orderly arrangement of matters on the day of the EGM, should (but are not required to) be received by no later than 15:00 on Wednesday, 26 July 2017.

Completion and return of a form of proxy will not preclude shareholders from attending and voting at the EGM should they choose to do so. Further instructions relating to the form of proxy are set out in the notice of EGM.

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**Financial adviser and transaction sponsor**



**Legal adviser**



**Date of issue: Friday, 30 June 2017**

*This Circular is available in English only and copies hereof may be obtained from the Company's website (<http://www.tfglimited.co.za>), as well as at the registered offices of TFG at the registered addresses set out in the "Corporate information and advisers" section of this Circular on the inside front cover, during normal business hours from Friday, 30 June 2017, up to and including the date of the EGM.*

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## CORPORATE INFORMATION AND ADVISERS

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The definitions and interpretations commencing on page 5 of this Circular apply, *mutatis mutandis*, to this corporate information and advisers section:

### **Company secretary and registered office**

D van Rooyen  
The Foschini Group Limited  
Registration number: 1937/009504/06  
Stanley Lewis Centre  
340 Voortrekker Road  
Parow East  
Cape Town, 7500  
PO Box 6020, Parow East, 7501

### **Auditors**

KPMG Inc.  
8<sup>th</sup> Floor, MSC House  
1 Mediterranean Street  
Cape Town, 8001  
PO Box 4609, Cape Town, 8000

### **Financial adviser and transaction sponsor**

Rand Merchant Bank  
A division of FirstRand Bank Limited  
Registration number: 1929/001225/06  
1 Merchant Place  
Corner Fredman Drive and Rivonia Road  
Sandton, 2196  
PO Box 786273, Sandton, 2146

### **Transfer Secretaries**

Computershare Investor Services Proprietary Limited  
Registration number: 2004/003647/07  
15 Biermann Avenue,  
Rosebank Towers  
Rosebank, 2196  
PO Box 61051, Marshalltown, 2107

### **Legal adviser to TFG**

Edward Nathan Sonnenbergs Incorporated  
150 West Street  
Sandton  
Johannesburg, 2196  
PO Box 783347, Sandton, 2146

### **Legal adviser to RMB**

Bowman Gilfillan Incorporated  
11 Alice Lane  
Sandton  
Johannesburg, 2196  
PO Box 785812, Sandton, 2146

### **Board of directors**

#### **Executive**

AD Murray (*Chief Executive Officer*)  
AE Thunström (*Chief Financial Officer*)

#### **Non-executive**

M Lewis<sup>^</sup> (*Chairman*)  
SE Abrahams<sup>^</sup>  
F Abrahams<sup>^</sup>  
GH Davin<sup>^</sup>  
D Friedland<sup>^</sup>  
E Oblowitz<sup>^</sup>  
BLM Makgabo-Fiskerstrand<sup>^</sup>  
NV Simelane<sup>^</sup>  
R Stein

<sup>^</sup>Independent

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## IMPORTANT DATES AND TIMES

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2017

Record date to determine which TFG Shareholders are entitled to receive this Circular	Thursday, 15 June 2017
Circular posted to TFG Shareholders including notice convening EGM released on SENS	Friday, 30 June 2017
Last day to trade to be recorded in the Register to be eligible to attend and vote at the EGM	Tuesday, 18 July 2017
Record date for TFG Shareholders to be recorded in the Register to be eligible to attend and vote at the EGM	Friday, 21 July 2017
Form of proxy for the EGM should (but are not required to) be received by the Transfer Secretaries by no later than 15:00 on	Wednesday, 26 July 2017
EGM of the TFG Shareholders held at the Stanley Lewis Centre, 340 Voortrekker Road, Parow East, Cape Town at 15:00 on	Friday, 28 July 2017
Results of the EGM announced on SENS	Friday, 28 July 2017

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### Notes:

1. All dates and times may be changed by TFG. Any change will be published on SENS.
2. Shareholders should note that transactions in TFG Shares are settled in the electronic settlement system used by Strate, and settlement of trades takes place 3 (three) Business Days after such trade. Therefore, Shareholders who acquire Shares after Tuesday, 18 July 2017 will not be eligible to vote at the EGM.
3. All times set out in this Circular are local times in South Africa.
4. If the EGM is adjourned or postponed, forms of proxy submitted for the initial EGM will remain valid in respect of any adjournment or postponement of the EGM.

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## DEFINITIONS AND INTERPRETATIONS

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In this Circular and its annexures, unless otherwise stated or the context indicates otherwise, the words and expressions in the first column shall have the meanings stated opposite them in the second column, and words and expressions in the singular shall include the plural and *vice versa*, words importing natural persons shall include juristic persons and unincorporated associations of persons and *vice versa*, and any reference to one gender shall include the other gender.

“Acquisition”	the acquisition of the entire issued share capital of RAG, an unlisted Australian speciality retailer, by the Company, as published in the Terms Announcement, for a total consideration which is capped at the lower of 7 (seven) times RAG’s audited normalised EBITDA for the year ending June 2017 and A\$302.5 million and is calculated on a debt free cash free basis and with reference to an agreed level of working capital as more fully set out in the Terms Announcement;
“Board” or “Directors”	the board of directors of TFG, which, as at the Last Practicable Date, is comprised of the persons whose names appear on page 3 of this Circular;
“Bridge Funding”	the short-term bridge funding provided by RMB to the Company to fund the Acquisition;
“Business Day”	a day other than a Saturday, Sunday or official public holiday in South Africa;
“Certificated TFG Shares”	TFG Shares that have not been Dematerialised, and are represented by a share certificate or other Document of Title;
“Certificated TFG Shareholders”	TFG Shareholders who hold Certificated TFG Shares;
“Circular”	this bound document dated Friday, 30 June 2017, including its annexures and attachments, where applicable;
“Companies Act” or “Act”	the Companies Act, 71 of 2008, as amended;
“CSDP”	Central Securities Depository Participant with the meaning as set out in section 1 of the Financial Markets Act;
“Dematerialisation”	the process by which securities held in certificated form are converted to or held in electronic form as uncertificated securities and recorded as such in a sub-register of securities holders maintained by a CSDP and “Dematerialised” shall bear the corresponding meaning;
“Dematerialised TFG Shareholders”	TFG Shareholders who hold Dematerialised TFG Shares;
“Dematerialised TFG Shares”	TFG Shares which have been Dematerialised;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts or any other documents of title to Shares;
“EBITDA”	earnings before interest, taxes, depreciation and amortization;
“EGM”	the extraordinary general meeting of the TFG Shareholders, to be held at TFG’s registered office, Stanley Lewis Centre, 340 Voortrekker Road, Parow East, Cape Town on Friday, 28 July 2017 at 15:00, for the purposes of considering and, if deemed fit, passing the ordinary resolutions proposed thereat;
“Financial Markets Act”	the Financial Markets Act 19 of 2012, as amended;
“JSE”	JSE Limited (registration number 2005/022939/06), a public company duly registered and incorporated in accordance with the company laws of South Africa and licensed as an exchange under the Financial Markets Act;
“Last Practicable Date”	Wednesday, 28 June 2017, being the last practicable date prior to the finalisation of this Circular;
“Listings Requirements”	the Listings Requirements of the JSE as amended from time to time;
“MOI” or “Memorandum of Incorporation”	the Memorandum of Incorporation of TFG;
“Own-name Registration”	Dematerialised Shareholders who have instructed their CSDP to hold their TFG Shares in their own name on the uncertificated securities Register of TFG;
“R” or “Rand”	South African Rand, the official currency of South Africa;
“RAG”	RAG Holdco Ltd, a public company incorporated in accordance with the laws of Australia, with company number ACN 150 181 472;
“Register”	TFG’s securities register maintained by the Transfer Secretaries in accordance with sections 50(1) and 50(3) of the Companies Act, including TFG’s Dematerialised sub-registers maintained by CSDP’s;

“RMB”	Rand Merchant Bank (a division of FirstRand Bank Limited);
“SENS”	the Stock Exchange News Service of the JSE;
“South Africa”	the Republic of South Africa;
“Strate”	Strate Proprietary Limited (registration number 1998/022242/07), a private company incorporated and registered in South Africa, a registered central securities depository and which is responsible for the electronic settlement system used by the JSE;
“Terms Announcement”	the detailed terms announcement published on SENS on Thursday, 25 May 2017 in respect of the Acquisition;
“TFG Shares” or “Shares”	ordinary shares with a par value of 1,25c (one comma two five South African cents) each in the issued share capital of TFG, all of which are listed on the JSE;
“TFG Shareholders” or “Shareholders”	the registered holders of TFG Shares in the Company’s Register; and
“Transfer Secretaries”	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company duly registered and incorporated in accordance with the company laws of South Africa.



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Preference share ISIN: ZAE000148516  
("TFG" or "the Company")

**Directors**

**Executive**

AD Murray (*Chief Executive Officer*)  
AE Thunström (*Chief Financial Officer*)

**Non-executive**

R Stein

**Independent Non-executive**

M Lewis (Chairman)  
SE Abrahams  
F Abrahams  
GH Davin  
D Friedland  
E Obowitz  
BLM Makgabo-Fiskerstrand  
NV Simelane

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## LETTER FROM THE CHAIRMAN OF TFG

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30 June 2017

Dear Shareholder

**1. INTRODUCTION**

On Thursday, 25 May 2017, the Company announced the Acquisition. The TFG Shareholders are referred to the detailed Terms Announcement. The Terms Announcement is included as Annexure 1 to this Circular. TFG will fund the Acquisition with a combination of its own funds and the Bridge Funding. The Bridge Funding will be refinanced with longer term funding at an appropriate time.

The Directors wish to have the tools to optimally manage the balance sheet and support and facilitate the Company's growth ambitions. Accordingly, the Company proposes to place up to 24,000,000 (twenty four million) TFG Shares under the control of the Directors to enable the Directors to implement a vendor consideration placing to settle all or a portion of the Bridge Funding.

**2. EXTRAORDINARY GENERAL MEETING**

The EGM will be held at 15:00 on Friday, 28 July 2017 at the offices of the Company at Stanley Lewis Centre, 340 Voortrekker Road, Parow East, Cape Town. Notice of the EGM is set out at the end of this document.

The resolutions to be proposed at the EGM are as follows:

- as resolution 1, an ordinary resolution authorising the Directors in terms of the MOI to issue in aggregate 24,000,000 (twenty four million) authorised but unissued ordinary shares in TFG, for the purpose of implementing a vendor consideration placing to repay all or a portion of the Bridge Funding. In terms of the MOI, resolution 1 must be approved by more than 50% (fifty percent) of the voting rights cast by the Shareholders present in person or by proxy or represented at the EGM on this resolution; and
- as resolution 2, an ordinary resolution authorising the Directors or the company secretary to do all such things and sign all such documents as may be necessary to implement the resolution above. In terms of the Companies Act, resolution 2 must be approved by more than 50% (fifty percent) of the voting right cast by the Shareholders present in person or by proxy or represented at the EGM on this resolution.

**3. RECOMMENDATION**

The Board believes that it is in the best interests of the Company and the Shareholders for the Directors to have the authority to issue Shares to optimally manage the balance sheet. The Board is confident that the Directors, who have a successful track record of deploying capital across the group in a value accretive manner, will utilise the authorities in a responsible manner to retain and increase shareholder value.

The Board recommends that Shareholders vote in favour of all the resolutions tabled in the notice of EGM which forms part of this Circular and advise that, in respect of their own shareholding in TFG, they intend to vote in favour of all the resolutions contained in such notice.

#### **4. ACTION REQUIRED BY TFG SHAREHOLDERS**

An EGM of the TFG Shareholders will be held at the Stanley Lewis Centre, 340 Voortrekker Road, Parow East, Cape Town at 15:00 on Friday, 28 July 2017 to consider and, if deemed fit, pass the resolutions referred to above. A notice to convene the EGM of TFG Shareholders is attached to and forms part of this Circular.

TFG Shareholders or their proxies may participate in (but not vote at) the EGM by way of electronic means. Such Shareholder (or proxy) will need to contact TFG's company secretary (Darwin van Rooyen; company\_secretary@tfg.co.za; +27 (0) 21 938 1911) by no later than 15:00 on Wednesday, 26 July 2017 so that TFG can provide for a teleconference dial-in-facility. Shareholders must ensure that, when such Shareholder intends to participate via teleconference, the voting proxies should (but are not required to) be sent through to the transfer secretaries by no later than 15:00 on Wednesday, 26 July 2017.

In terms of section 61(10) of the Companies Act, every shareholders' meeting of a public company must be reasonably accessible within South Africa for electronic participation by Shareholders.

#### **DEMATERIALIZED TFG SHAREHOLDERS WITHOUT "OWN NAME" REGISTRATION**

Voting at the EGM

- Your broker or CSDP should contact you to ascertain how you wish to cast your vote at the EGM and thereafter cast your vote in accordance with your instructions.
- If you have not been contacted by your broker or CSDP, it is advisable for you to contact your broker or CSDP and furnish them with your voting instructions.
- If your broker or CSDP does not obtain voting instructions from you, they will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your broker or CSDP.
- You must not complete the attached Form of Proxy (grey).

Attendance and representation at the EGM

- In accordance with the mandate between you and your broker or CSDP, you must advise your broker or CSDP if you wish to attend the EGM and your broker or CSDP will issue the necessary letter of representation to you to attend the EGM.

#### **DEMATERIALIZED TFG SHAREHOLDERS WITH "OWN NAME" REGISTRATION:**

Voting and attendance at the EGM

- You may attend the EGM in person and may vote at the EGM.
- Alternatively, you may appoint a proxy to represent you at the EGM by completing the attached form of proxy (grey) in relation to the EGM in accordance with the instructions it contains and returning it to the Transfer Secretaries to be received (but not required) by no later than 15:00 on Wednesday, 26 July 2017.

#### **CERTIFICATED TFG SHAREHOLDERS:**

Voting and attendance at the EGM

- You may attend the EGM in person and may vote at the EGM.
- Alternatively, you may appoint a proxy to represent you at the EGM by completing the attached form of proxy (grey) in relation to the EGM in accordance with the instructions it contains and returning it to the Transfer Secretaries to be received (but not required) by no later than 15:00 on Wednesday, 26 July 2017.

**Michael Lewis**

Chairman

30 June 2017



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## ANNEXURE 1 – TERMS ANNOUNCEMENT

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### THE FOSCHINI GROUP LIMITED

Incorporated in the Republic of South Africa

Registration number: 1937/009504/06

Ordinary share code: TFG

Preference share code: TFGP

Ordinary share ISIN: ZAE000148466

Preference share ISIN: ZAE000148516

("TFG" or "the Company")

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## ACQUISITION OF AUSTRALIAN SPECIALITY MENSWEAR APPAREL RETAILER, THE RETAIL APPAREL GROUP

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### 1. INTRODUCTION

Shareholders are advised that TFG Retailers Pty Ltd, a wholly-owned subsidiary of the Company and a private company incorporated in accordance with the laws of the Commonwealth of Australia, with company number ACN 612 634 312 ("TFG Australia") has entered into an agreement with the current shareholders ("Vendors") of RAG Holdco Limited trading as Retail Apparel Group ("RAG") in terms of which, amongst other things, TFG Australia will acquire the entire issued ordinary and preference share capital of RAG from the Vendors ("Acquisition"). The Vendors are private equity group Navis Capital, Stephen Leibowitz (the founder of RAG) and certain members of management, who have entered into new employment agreements with TFG Australia and will remain as the management of RAG following implementation of the Acquisition.

### 2. OVERVIEW OF RAG

RAG was established in 1987 and has since grown to become a leading speciality menswear apparel retailer in Australia. RAG houses a balanced portfolio of core and emerging retail apparel brands, and has established itself as a menswear player in the mid to value, fashion conscious speciality store segment in its local market. In addition, RAG has a small but growing women's athleisurewear retail offering (Rockwear).

RAG's retail portfolio spans five speciality apparel brands:

Brand name	Fashion focus	Price point	Store footprint
Tarocash	Leading, on-trend menswear brand	Mid-market	114
yd.	Leading, fashionable, younger menswear brand	Mid-market	98
Connor	Fast growing, on-trend menswear brand	Value	137
Johnny Bigg	On-trend big and tall menswear brand	Mid-market	26
Rockwear	Differentiated, on-trend women's athleisurewear	Value	25
<b>Total</b>			<b>400</b>

RAG's core menswear brands, Tarocash and yd., are long established and leading brands in the Australian menswear market, while Connor is one of the fastest growing menswear brands in Australia. Johnny Bigg has been proven as a unique offering in the market, and is in the process of a focused store roll-out. Rockwear's on-trend women's athletic apparel appeals to a broad range of consumers and is well positioned for further store roll-out. RAG's brands are uniquely positioned across diversified product categories, generating a resilient and growing earnings stream.

Through its customer centred approach, RAG has grown its national footprint to a network of 400 stores, strategically positioned throughout Australasia to capture its target market. 80% of RAG's stores are located in shopping centres, with the remainder in city centres, neighbourhood centres and factory outlets.

Further detail regarding RAG and its brands can be found on its website, <http://rag.net.au>.

### 3. RATIONALE FOR THE ACQUISITION

RAG has achieved consistent growth in sales and profitability within the Australian market, through:

- an experienced and proven management team;
- a differentiated low risk product strategy;
- excellent sourcing and distribution, whereby RAG ensures that products are manufactured in a cost-optimal location through its strong supplier network;
- centralised stock and IT infrastructure; and
- digital marketing and online channels.

TFG believes that the product and value offerings of RAG are well aligned with the current brand and value offering of TFG. In conjunction with TFG's recent value enhancing acquisitions of Phase Eight and Whistles, the Acquisition will further diversify its international expansion into its chosen geographies. RAG's strong store and online platform is expected to catalyse the expansion of TFG's brands into Australia.

The Acquisition satisfies the four specific requirements of TFG's stated expansion strategy:

- A strong financial track record – strong historical revenue and earnings before interest, tax, depreciation and amortisation (“EBITDA”) growth;
- Established footprint in the target market and well positioned to take advantage of future opportunities;
- An experienced, motivated and self-sufficient management team; and
- Exciting growth prospects in the target market and the opportunity to further expand in strategic international markets.

In addition, RAG has the following attractive attributes for the Company:

- Impressive track record of growing sales at a faster rate than the retail sector as a whole (14.3% compound average revenue growth over the past 3 years and 10.7% compound average EBITDA growth over the past 3 years) while successfully increasing its market share;
- Scalable business model with scope for further market share growth;
- Strong earnings enhancement is anticipated from continued roll-outs and optimisation of its operating brands;
- Enhances the geographic diversification of the Company outside of South Africa, providing a further earnings and currency hedge, and entrenches its position in Australia;
- Expands the Company's outlet footprint from 3 328 to 3 728 (as at March 2017); and
- Alignment with the Company's multi-brand business model with a focus on menswear and athleisure.

#### **4. ACQUISITION CONSIDERATION**

All figures in this announcement are calculated using an illustrative ZAR:AUD exchange rate of R10.00.

The Acquisition consideration (“Consideration”) is capped at the lower of 7 (seven) times RAG's audited normalised EBITDA for the year ending June 2017 and AUD302,5 million (ZAR3 025 million) and is calculated on a “debt free cash free” basis and with reference to an agreed level of working capital (“Target Working Capital”).

The Consideration will be settled in cash and is payable on the later of:

- 26 June 2017; and
- the date which is the latest to occur of:
  - the first day of the month following the month in which all conditions precedent have been fulfilled or waived; and
  - the date which is the seventh Business Day after all conditions precedent have been fulfilled or waived,

(“Consideration Payment Date”).

On the Consideration Payment Date 95% of the Consideration shall be payable to the Vendors, adjusted for estimated net debt and for the difference between the estimated actual working capital, and the Target Working Capital, as at the effective date (“Adjustment Amounts”). The remaining c.5% of the Consideration shall be transferred on the Consideration Payment Date into an escrow account (“the Escrow Funds”).

Following the finalisation of RAG's audited financial statements for the year ending June 2017 and the actual Adjustment Amounts, the proportions in which each of TFG Australia and the Vendors become entitled to the Escrow Funds will be determined.

TFG will utilise a combination of its own funds as well as a short-term bridge facility (“Bridge Facility”) provided by Rand Merchant Bank, a division of FirstRand Bank Ltd (“RMB”), which will be refinanced with longer term funding at an appropriate time, to provide TFG Australia with the required funding to enable it to pay the Consideration due in terms of the Acquisition. The Company intends to retain the flexibility to potentially issue new ordinary shares to refinance all or part of the Bridge Facility, whether by way of a vendor consideration placing or otherwise. The expected purchase price has been hedged.

#### **5. NET ASSETS ACQUIRED AND PROFITS ATTRIBUTABLE TO THOSE ASSETS**

The net assets of RAG as at 31 December 2016 (being the date of the most recent reviewed interim financial statements) were AUD146.2 million (ZAR1 462 million). RAG anticipates reporting EBITDA of AUD43.2 million (ZAR432 million) for the year ending June 2017.

Additional financial information relating to the historic performance of RAG is included in the presentation referred to in paragraph 10 below.

TFG is expected to consolidate approximately 8 months of RAG's trading performance in its 31 March 2018 results, assuming an effective date of 1 August 2017. The inclusion of RAG's trading results (excluding acquisition costs) is expected to have a positive impact on TFG's earnings for the 2018 financial year and the Acquisition is expected to be earnings accretive in the first year of inclusion. This statement is based on management forecasts which have not been audited by TFG's auditors and is provided for information only. Similarly, any forecast financial information contained in this announcement has not been reviewed or reported on by the Company's auditors.

#### **6. CONDITIONS PRECEDENT**

The Acquisition is subject to the fulfilment or waiver where capable of waiver, of the following conditions precedent, by no later than 29 September 2017:

- South African Reserve Bank approval;
- Australian Foreign Investment Review Board approval; and
- Certain of RAG's lessors providing consent to the change in ownership of RAG.

#### **7. RETENTION OF RAG KEY MANAGEMENT**

Key RAG management have entered into new employment contracts with TFG Australia, which will provide for operational continuity post-closing.

**8. EFFECTIVE DATE**

The effective date of the Acquisition will be the end date of the retail month in which the last condition precedent is satisfied or waived.

**9. RAG MEMORANDUM OF INCORPORATION**

On implementation of the Acquisition, RAG will become a wholly owned subsidiary of TFG Australia, which is a wholly owned subsidiary of TFG, and the Company confirms that:

- the provisions of RAG's incorporation documents do not frustrate TFG in any way from compliance with its obligations in terms of the Listings Requirements of the JSE Limited ("Listings Requirements"); and
- nothing in RAG's incorporation documents shall relieve TFG from compliance with the Listings Requirements.

**10. ACQUISITION PRESENTATION**

Shareholders are referred to the Acquisition presentation, which forms part of the March 2017 results presentation, on the TFG website ([www.tfglimited.co.za](http://www.tfglimited.co.za)) which will be available later today.

**11. JSE CATEGORISATION**

The Acquisition constitutes a Category 2 transaction in terms of paragraph 9.5(a) of the Listings Requirements and accordingly no shareholder approval is required.

Cape Town  
25 May 2017

**Sole financial advisor and transaction sponsor to TFG**  
Rand Merchant Bank (A division of FirstRand Bank Limited)

**Legal advisors to TFG**  
Herbert Smith Freehills  
ENS Africa

**Sponsor to TFG**  
UBS South Africa (Proprietary) Limited



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("TFG" or "the Company")

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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Notice is hereby given that an EGM of TFG Shareholders will be held at TFG's registered office at 15:00 on Friday, 28 July 2017, at Stanley Lewis Centre, 340 Voortrekker Road, Parow East, Cape Town.

The record date on which Shareholders must be recorded as such in the securities register maintained by Transfer Secretaries for the purpose of being entitled to attend and vote at the EGM is Friday, 21 July 2017. Accordingly, the last day to trade to be eligible to attend and vote at the EGM is Tuesday, 18 July 2017.

In terms of section 63(1) of the Companies Act any person attending or participating in a meeting of Shareholders must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as a TFG Shareholder or as proxy for a TFG Shareholder) has been reasonably verified. Accordingly, all Shareholders will be required to provide identification reasonably satisfactory to the chairman of the EGM in order to participate in and vote at the EGM. Acceptable forms of identification include valid identity documents, drivers' licenses and passports.

The purpose of the EGM is to transact the business set out below, and to consider and, if deemed fit, to pass, with or without modification, the resolutions set out below:

### **ORDINARY RESOLUTION NUMBER 1 – DIRECTORS AUTHORITY TO ISSUE SHARES**

"**IT IS RESOLVED THAT**, subject to compliance with the provisions of the Companies Act and the Listings Requirements, the Board be and is hereby authorised, in terms of clause 10.1 of TFG's MOI, to issue up to 24,000,000 (twenty four million) of the authorised but unissued ordinary shares in TFG on a pro rata or non-pro rata basis and on such terms and conditions and for such purposes, as the Board may deem fit."

### **Percentage of voting rights required for the adoption of ordinary resolution number 1**

Ordinary resolution number 1 must be approved by more than 50% (fifty percent) of the voting rights cast by the Shareholders present in person or by proxy or represented at the EGM.

### **ORDINARY RESOLUTION NUMBER 2 – AUTHORISING RESOLUTION**

"**IT IS RESOLVED THAT** any of the directors of TFG or the company secretary be and is hereby authorised to do all such things and sign all such documents as may be necessary to implement the resolution set out above."

### **Percentage of voting rights required for the adoption of ordinary resolution number 2**

Ordinary resolution number 2 must be approved by more than 50% (fifty percent) of the voting rights cast by the Shareholders present in person or by proxy or represented at the EGM.

### **ELECTRONIC PARTICIPATION**

Shareholders or their proxies may participate in (but not vote at) the EGM by way of a teleconference call. If they wish to do so, they must contact TFG's company secretary (Darwin van Rooyen); company\_secretary@tfg.co.za; +27 (0) 21 938 1911; by no later than 15:00 on Wednesday, 26 July 2017 and identify themselves to the satisfaction of the company secretary to obtain the dial-in code and pin number. Shareholders participating in this manner will still have to appoint a proxy to vote on their behalf at the EGM. Access by means of electronic communication will be at the expense of the Shareholder.

### **PROXIES**

A Shareholder entitled to attend and vote at the EGM may appoint one or more persons as its proxy to attend, speak and vote in its stead. A proxy need not be a Shareholder. Shareholders are referred to the attached Form of Proxy (grey) in this regard.

If you are a Certificated TFG Shareholder or a Dematerialised TFG Shareholder with Own-name Registration and are unable to attend the EGM and wish to be represented thereat, you must complete and return the attached form of proxy (grey) in accordance with the instructions contained therein to be received for the orderly arrangement of matters on the day of the EGM (but not required) by the Transfer Secretaries, 15 Biermann Avenue, Rosebank Towers, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107), by no later than 15:00 on Wednesday, 26 July 2017 for administrative purposes (or alternatively to be handed to the chairperson of the EGM prior to its commencement).

If you are a Dematerialised TFG Shareholder, other than with Own-name Registration, you must arrange with your broker or CSDP to provide you with the necessary letter of representation to attend the EGM or you must instruct them as to how you wish to vote in this regard. This must be done in terms of the agreement entered into between you and the broker or CSDP, in the manner and cut-off time stipulated therein.

By order of the board

**D van Rooyen**  
Company Secretary

30 June 2017

**Registered office**  
Stanley Lewis Centre  
340 Voortrekker Road  
Parow East, Cape Town  
South Africa



**THE FOSCHINI GROUP LIMITED**  
 Incorporated in the Republic of South Africa  
 Registration number: 1937/009504/06  
 Ordinary share code: TFG  
 Preference share code: TFGP  
 Ordinary share ISIN: ZAE000148466  
 Preference share ISIN: ZAE000148516  
 (“TFG” or “the Company”)

**FORM OF PROXY**

For use by Certificated TFG Shareholders and Dematerialised TFG Shareholders who have “Own-name” registration of securities at the EGM to be held at 15:00 on Friday, 28 July 2017 at Stanley Lewis Centre, 340 Voortrekker Road, Parow East, Cape Town.

I/We (Please print full names) \_\_\_\_\_

of (address) \_\_\_\_\_ contact number \_\_\_\_\_

being the holders of \_\_\_\_\_ Shares in the Company, hereby appoint (see Note 1)

\_\_\_\_\_ or failing him/her,

\_\_\_\_\_ or failing him/her,

the chairman of the EGM as my/our proxy to attend and speak and vote for me/us on my/our behalf at the EGM which will be held for the purpose of considering and, if deemed fit, passing the ordinary resolutions to be proposed and at each adjournment of the meeting and to vote for or against the ordinary resolutions or to abstain from voting in respect of the TFG Shares in the issued capital of TFG registered in my/our name/s, in accordance with the following instructions (see Note 2).

Insert an “X” or the number of TFG Shares (see Note 2)

	NUMBER OF ORDINARY SHARES		
	For	Against	Abstain
Ordinary resolution number 1 Authorising the Board to issue TFG Shares			
Ordinary resolution number 2 Authorising resolution			

(Indicate with an “X” or the relevant number of TFG Shares, in the applicable space, how you wish your votes to be cast). Unless otherwise directed the proxy will vote as he/she thinks fit.

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2017

Signature \_\_\_\_\_

Assisted by me (where applicable) \_\_\_\_\_

**Completed forms of proxy should (but are not required to) be lodged with the Transfer Secretaries by no later than 15:00 on Wednesday, 26 July 2017 (or alternatively to be handed to the Chairperson of the EGM prior to its commencement).**

**Please read the notes on the reverse of this proxy form.**

## SUMMARY OF THE RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In compliance with the provisions of section 58(8)(b)(i) of the Companies Act, a summary of the rights of a Shareholder to be represented by proxy, as set out in section 58 of the Companies Act, is set out immediately below:

- a Shareholder entitled to attend and vote at the EGM may appoint any individual as a proxy to attend, participate in and vote at the EGM in the place of the Shareholder. A proxy need not be a Shareholder of TFG;
- a proxy appointment must be in writing, dated and signed by the Shareholder appointing a proxy, and, subject to the rights of a Shareholder to revoke such appointment (as set out below), remains valid for one year after the date on which it was signed or any longer or shorter period expressly set out in the appointment, unless revoked (as set out below);
- a Shareholder of TFG may appoint two or more persons concurrently as proxies;
- a proxy may delegate the proxy's authority to act on behalf of a Shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy;
- a copy of the instrument appointing a proxy must be delivered to TFG, or to any other person on behalf of TFG, before the proxy exercises any rights of the Shareholder at the EGM;
- the appointment of a proxy is suspended at any time and to the extent that the Shareholder who appointed such proxy chooses to act directly and in person in the exercise of any rights as a Shareholder;
- irrespective of the form of the instrument used to appoint a proxy, the appointment of a proxy is revocable (unless the proxy appointment expressly states otherwise) by the Shareholder in question cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to TFG. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the Shareholder as of the later of (a) the date stated in the revocation instrument, if any; and (b) the date on which the revocation instrument is delivered to TFG as required in the first sentence of this paragraph;
- if the instrument appointing the proxy or proxies has been delivered to TFG, as long as that appointment remains in effect, any notice that is required by the Companies Act or the MOI to be delivered by TFG to the Shareholder, must be delivered by TFG to (a) the Shareholder, or (b) the proxy or proxies, if the Shareholder has (i) directed TFG to do so in writing; and (ii) paid any reasonable fee charged by TFG for doing so;
- a proxy is entitled to exercise, or abstain from exercising, any voting right of the Shareholder without direction, except to the extent that the memorandum of incorporation, or the instrument appointing the proxy, provides otherwise; and
- attention is also drawn to the notes to the form of proxy.

## NOTES TO THE FORM OF PROXY

1. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space/s provided, with or without deleting "the chairman of the EGM" but any such deletion must be initialled by the Shareholder. The person whose name stands first on the form of proxy and who is present at the EGM will be entitled to act as proxy to the exclusion of those whose names follow.
2. Please insert an "X" in the relevant space according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of TFG Shares than you own in TFG insert the number of TFG Shares held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the EGM as he/she deems fit in respect of all the Shareholder's votes exercisable at the meeting. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder or by his/her proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the Shareholder or by his/her proxy.
3. Forms of proxy should (but are not required to) be received by the Transfer Secretaries, by no later than 15:00 on Wednesday, 26 July 2017 (or alternatively to be handed to the Chairperson of the EGM prior to its commencement).
4. The completion and lodging of this form of proxy will not preclude the relevant Shareholder from attending the EGM and voting in person at the EGM to the exclusion of any proxy appointed in terms of this form of proxy.
5. A proxy may delegate the proxy's authority to act on behalf of the Shareholder to another person, subject to any restriction set out in the instrument appointing the proxy.
6. A proxy appointment is suspended at any time and to the extent that the Shareholder chooses to act directly and in person in the exercise of any rights as a Shareholder.
7. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Transfer Secretaries or waived by the chairman of the EGM.
8. Any alterations or corrections made to this form of proxy must be initialled by the signatory/ies.
9. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Transfer Secretaries.
10. The chairman of the EGM may accept any form of proxy which is completed other than in accordance with these notes if he is satisfied as to the manner in which the Shareholder wishes to vote.
11. The proxy appointment remains valid only until the end of the EGM or any adjournment thereof.

### Transfer Secretaries:

Computershare Investor Services Proprietary Limited  
15 Biermann Avenue  
Rosebank Towers  
Rosebank, 2196  
PO Box 61051, Marshalltown 2107  
Telephone: 011 370 5000



