

**THE FOSCHINI GROUP LIMITED**  
("Company")

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS  
CONDUCTED ENTIRELY BY ELECTRONIC COMMUNICATION  
ON THURSDAY 16 JULY 2020 AT 08h30

PRESENT: A E THUNSTRÖM (Chairman)  
B NTULI  
  
(in their capacities as shareholders and members of the Board of Directors)  
  
77.1% of TFG's issued ordinary shares eligible to vote were represented either in person or by proxy.

BY INVITATION: D VAN ROOYEN (Company Secretary)  
  
(in his capacity as shareholder and company secretary)

APOLOGIES: M LEWIS

**1. OPENING AND WELCOME**

MR THUNSTRÖM took the chair in his capacity as Director nominated in terms of section 22.27 of the Company's Memorandum of Incorporation ("MOI").

He NOTED that a quorum was present and declared the meeting duly constituted.

He NOTED further that an apology had been received from MR LEWIS.

**2. NOTICE**

The notice convening the meeting, having been in the members hands for the prescribed period was, with the consent of the shareholders present, taken as READ.

**3. PROCEEDINGS – VOTING BY WAY OF A POLL**

On the proposal of the Chairman, it was unanimously resolved that voting on all resolutions would take place by way of a poll, such poll to be conducted entirely electronically as contemplated in section 63(2) of the Companies Act and clause 22.6 of the MOI, through the electronic online facility provided by the transfer secretaries of the Company. He NOMINATED a representative of the transfer secretaries to act as scrutineer.

It was RESOLVED that Computershare Investor Services Proprietary Limited be appointed as scrutineers to count the votes cast on the poll.

The Chairman advised that the voting was now open on the electronic online facility and can be performed at any time during the meeting. He further advised that shareholders are able to send messages and view the webcast whilst the poll is open and motions will be allowed to be discussed after they have been put to the meeting.

**4. SPECIAL RESOLUTION 1: AUTHORITY OF THE BOARD TO ISSUE THE RIGHTS OFFER SHARES SPECIFICALLY FOR THE PURPOSES OF IMPLEMENTING THE RIGHTS OFFER**

On the proposal of the Chairman, seconded by MS NTULI, it was resolved by a 99.02% majority of votes exercised, with 0.98% against, that the Board be authorized, subject to Ordinary resolution number 1 and 4, and in terms of section 41(3) of the Companies Act and clause 10.4 of the MOI, to issue such number of ordinary shares in the unissued authorised share capital of the Company

("Unissued Shares") as may be required and as determined by the Board, specifically for the purpose of implementing the fully underwritten, renounceable rights offer proposed to be undertaken by the Company in order to raise gross proceeds of up to R3.95 billion ("Rights Offer"), such shares being the rights offer shares ("Rights Offer Shares") (anticipated to exceed 30% of the total voting power of all the issued shares in the share capital of the Company ("Issued Shares")), on terms and conditions as the Directors may determine in their discretion, which authority for the avoidance of doubt will include the authority to issue any Rights Offer Shares to any underwriters or sub-underwriters of the Rights Offer and/or any person falling within the ambit of section 41(1) of the Companies Act, being a director, future director, prescribed officer or future prescribed officer of the Company or a person related or inter-related to the Company or related or inter-related to a director or prescribed officer of the Company.

**5. ORDINARY RESOLUTION 1: PLACING OF THE RIGHTS OFFER SHARES (IN THE AUTHORISED BUT UNISSUED SHARE CAPITAL OF TFG) UNDER THE CONTROL OF THE BOARD**

On the proposal of the Chairman, seconded by MR VAN ROOYEN, it was resolved by a 98.77% majority of votes exercised, with 1.23% against, that subject to (i) the passing of Special resolution number 1 and Ordinary resolution number 4, and (ii) clause 10.1 of the MOI, to place such number of Unissued Shares as may be required and as determined by the Board, in its discretion, specifically for the purpose of implementing the Rights Offer, such shares being the Rights Offer Shares, under the control of the Board with specific authority to issue such Unissued Shares on such terms and conditions as may be determined by the Board, in its discretion, for the specific purpose of implementing the Rights Offer, subject to the applicable provisions of the Companies Act, the MOI and the Listings Requirements of the JSE for the time being.

**6. ORDINARY RESOLUTION 2: ELECTION OF DIRECTOR APPOINTED BY THE BOARD (A D MURRAY)**

On the proposal of the Chairman, seconded by MS NTULI, it was resolved by a 94.96% majority of votes exercised, with 5.04% against, to elect Mr A D Murray as a Director as contemplated in clause 24.17 of the MOI, it being recorded that he is eligible and offers himself for election.

**7. ORDINARY RESOLUTION 3: ELECTION OF DIRECTOR APPOINTED BY THE BOARD (C COLEMAN)**

On the proposal of the Chairman, seconded by MR VAN ROOYEN, it was resolved by a 99.89% majority of votes exercised, with 0.11% against, to elect Mr C Coleman as a Director as contemplated in clause 24.17 of the MOI, it being recorded that he is eligible and offers himself for election.

**8. ORDINARY RESOLUTION 4: GENERAL AUTHORISATION**

On the proposal of the Chairman, seconded by MS NTULI, it was resolved by a 99.35% majority of votes exercised, with 0.65% against to authorise any Director or the Company Secretary to take all actions necessary and sign all documents required to give effect to the aforementioned resolutions.

**9. PROPOSED ACQUISITION OF JET**

The Chairman thanked TFG's shareholders for their overwhelming support for all the resolutions.

The Chairman referenced the recent announcement released on SENS on 13 July 2020 in relation to the proposed acquisition of Jet. He explained the background to the proposed acquisition and highlighted the following:

- 5 years ago TFG was invited by the shareholders of Edcon to consider the acquisition of the Edcon Group or parts thereof
- After a 5 to 6 week due diligence process TFG declined to pursue the opportunity due to a number of reasons including the fact that Edcon's credit book had been sold to ABSA; the complexity and cost associated with the transition of the IT systems; concerns around the management team and strategy at the time; and the prohibitive purchase price
- At the time of TFG's year-end results announcement (18 June 2020) management was not interested in or engaged with any discussions around the acquisition of any parts of the Edcon Group

- Subsequent to this, TFG was informed by Edcon's Business Rescue Practitioners that the Jet business was still for sale and management decided to reassess this acquisition opportunity
- The problematic areas identified 5 years ago have to a large extent been resolved, including the fact that the credit book has since been acquired by RCS, a specialist retail credit provider; Edcon having largely addressed the ease of transition of the IT systems; the fact that we fundamentally believe in the current Jet management team and strategy; and the purchase price is a lot more attractive and not expected to be more than R480 million in respect of the core business
- The strategic rationale for the proposed acquisition includes the fact that TFG is currently underrepresented in the Value sector; the Value sector is a significant portion of the South African retail apparel market; and the retail trend of consumers shopping down to Value is expected to continue

The Chairman noted that management is working hard to finalise the deal in the next 4 to 6 weeks, which is still subject to a number of conditions precedent, including approval from the Competition Commission.

#### 10. CLOSING

In closing, the Chairman noted that all agenda items had been dealt with and declared the meeting closed at 09h00.



**Chairman**



**Date**

