

THE FOSCHINI GROUP LIMITED

(Registration No 1937/009504/06)

FORFEITABLE SHARE PLAN 2020 (FSP 2020)

DRAFT

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INTRODUCTION

The purpose of the FSP 2020 is to provide selected Employees with the opportunity of receiving Shares in the Company through the granting of Awards thereby:

- a. recognising the contributions made by the Participants to the growth of the Company ensuring a close link between pay and performance;
- b. attracting and retaining suitably skilled and competent talent in the Company;
- c. aligning the interests of the Participants and the interest of shareholders; and
- d. motivating Participants to remain in the employ of the Company.

These Rules governing the FSP 2020 will govern all Awards made hereunder after [insert approval date]. For the avoidance of doubt, awards made under the FSP 2010 will continue to be governed under the FSP 2010.

The FSP 2020 provides that a Bonus Award and / or Performance Award and / or Retention Award (collectively referred to as Forfeitable Shares) be awarded on the following basis:

- a. For a Bonus Award, the value of the Bonus Award will be determined as a percentage of the Annual Bonus based on performance in the previous Financial Year, the Vesting of which is subject to the Employment Condition, or the Annual Bonus is Awarded partly in cash and partly as a Bonus Award, the Vesting of which is subject to the Employment Condition;
- b. For a Performance Award, the Vesting thereof is subject to the satisfaction of Performance Conditions and the Employment Condition in line with the Group's approach of performance related incentives;
- c. For a Retention Award, the Vesting thereof is subject to the satisfaction of the Employment Condition, where the Committee recognizes key talent instrumental in delivering the Group's business strategy.

All Awards made under this FSP 2020 are subject to malus provisions as specifically outlined in these Rules.

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INTERPRETATION

1. Definitions

Unless otherwise provided for in the Rules or inconsistent with the context, the following words and expressions will have the following meanings:

- 1.1 “**Accept**” means the formal acceptance of an Award by way of completion of a Notice of Acceptance by an Employee and “Acceptance” shall bear the same meaning;
- 1.2 “**Act**” means the Companies Act 71 of 2008 as amended and any re-enactment or replacement thereof;
- 1.3 “**Annual Bonus**” means the annual performance bonus earned in any particular Financial Year under the Company’s short-term incentive scheme, or the annual performance bonus to which a Participant may become entitled in any particular Financial Year under the Company’s short-term incentive scheme;
- 1.4 “**Auditors**” means the auditors of the Company from time to time;
- 1.5 “**Award**” means the award of a (i) Bonus Award and/or (ii) Performance Award and/or a (iii) Retention Award which are awarded as Forfeitable Shares under the circumstances set out in the Award Letter and the Rules, and “Awards” and “Awarded” will bear a similar meaning;
- 1.6 “**Award Date**” means the date on which the Remuneration Committee resolves to make an Award to an Eligible Employee, as specified in the Award Letter, irrespective of the date of Acceptance thereof; **14.13**
- 1.7 “**Award Letter**” means a letter containing the information specified in Rule 3.6;
- 1.8 “**Board**” means the board of Directors of the Company from time to time;
- 1.9 “**Bonus Award**” means an award of Forfeitable Shares, the quantum of which is determined as a percentage of the Annual Bonus based on performance in the previous Financial Year, which is subject to forfeiture if the Employment Condition as specified in

the Award Letter is not satisfied, or an award of Forfeitable Shares Awarded in settlement or part settlement of the Annual Bonus to which a Participant may become entitled in any particular Financial Year under the Company's short-term incentive scheme, the Vesting of which is subject to the Employment Condition;

1.10 “**Business Day**” means any day on which the JSE is open for the transaction of business;

1.11 “**Capitalisation Issue**” means a capitalisation issue as contemplated in section 47 of the Act;

1.12 “**Change of Control**” means where a person (or persons acting together in concert), who did not have Control of the Company, through a transaction or series of transactions, acquires Control of the Company;

1.13 “**Change of Control Date**” means the date on which the Change of Control of the Company becomes effective;

1.14 “**Company**” means The Foschini Group Limited, a public company registered and incorporated with limited liability under the laws of South Africa, with registration number **1937/009504/06**;

1.15 “**Company Official**” means the company official as approved by the Remuneration Committee from time to time, to be noted in the relevant meeting minutes;

1.16 “**Control**” means circumstances, as contemplated in International Financial Reporting Standard 10 and as validated by the Auditors as and when required, where an investor has all three of the following elements:

(a) power over the Company;

(b) exposure or rights to variable returns from its involvement with the Company; and

(c) the ability to use its power over the Company to affect the amount of the investor's returns;

- 1.17 **“Date of Termination of Employment”** means the date on which the cessation of permanent employment or office of a Participant with any Employer Company takes effect;
- 1.18 **“Death”** means an event where the Participant’s employ with the Company is terminated due to the Participant’s death prior to the Vesting Date of the Award;
- 1.19 **“Directors”** means the Company’s directors from time to time;
- 1.20 **“Dismissal”** means an event where the Participant ceases to be an Employee of the Company due to his abscondment from an Employer Company or being lawfully dismissed from the employ of an Employer Company in compliance with the provisions of the LRA, prior to the Vesting Date of the Award;
- 1.21 **“Disability”** means ill-health, injury, permanent physical or mental disability or incapacity of a Participant (such that the Participant becomes permanently incapacitated and thereby unable to perform the functions which he is required to perform in the ordinary course of his employment with the Company or Employer Company);
- 1.22 **“Employee”** means any person holding permanent salaried employment or office with any Employer Company, but excluding any non-executive director of the Group; 14.1 (a), 14.4, 14.5
- 1.23 **“Employer Company”** means a Group company which employs an Employee;
- 1.24 **“Employment Condition”** means the condition of continued employment with any Employer Company for the duration of the Employment Period;
- 1.25 **“Employment Period”** means the period commencing on the Award Date and ending on the date as specified in the Award Letter during which the Participant is required to fulfil the Employment Condition;
- 1.26 **“Escrow Agent”** means the person or entity appointed by the Company from time to time to hold Forfeitable Shares on behalf of the Participants, subject to the terms and conditions of these Rules;

- 1.27 “**Financial Year**” means the financial year of the Company which runs from April of each year, until changed, from which date the new period will apply;
- 1.28 “**Forfeitable Shares**” means Shares, Awarded to a Participant by virtue of an Award, registered in the name of or for the benefit of the Participant, the Vesting of which is subject to the fulfilment of the Employment Condition and may be subject to Performance Conditions, and any other condition as may be specified in the Award Letter;
- 1.29 “**FSP 2020**” means the Foschini Group Limited Forfeitable Share Plan 2020 constituted by these Rules and adopted on [insert] 2020, as amended from time to time;
- 1.30 “**Group Entity**” means collectively, individually or separately, the Company and its Subsidiaries and “Group Entities” or “Group” means all of them;
- 1.31 “**JSE**” means the exchange operated by the JSE Limited (registration number 2005/022939/06), a public company duly registered and incorporated with limited liability in accordance with the company laws of South Africa, licensed as an exchange under the Financial Markets Act, No. 19 of 2012, as amended;
- 1.32 “**JSE Listings Requirements**” means the listings requirements as amended from time to time by the JSE, whether by way of practice note or otherwise;
- 1.33 “**Liquidation Date**” means the date on which application for the final liquidation of the Company is successful;
- 1.34 “**LRA**” means the Labour Relations Act 66 of 1995;
- 1.35 “**Malus**” means the reduction, (in part or in full) of a Participant’s Award due to the discovery of a Trigger Event before the Vesting Date;
- 1.36 “**Market Value**” means the volume weighted average price (“VWAP”) of a Share, as quoted on the JSE, on any particular day on which a determination of the Market Value of the Shares is to be made for the purposes of these Rules;

- 1.37 **“Mutual Separation”** means an event where the Participant ceases to be in the employ of the Employer Company as a result of an agreed termination between the Employer Company and the Participant prior to the Vesting Date of the Award;
- 1.38 **“Notice of Acceptance”** means a written or electronic notice completed by an Employee in respect of the Acceptance of an Award;
- 1.39 **“Participant”** means an Employee who has Accepted an Award, including the appointed executor, representative or curator of such Employee’s estate where appropriate;
- 1.40 **“Performance Award”** means an Award of Forfeitable Shares, which are subject to forfeiture if the Performance Conditions and Employment Condition as specified in the Award Letter are not satisfied;
- 1.41 **“Performance Condition”** means a condition of Vesting of a Performance Award, as set out in the Award Letter;
- 1.42 **“Performance Period”** means the period in respect of which a Performance Condition is to be satisfied, which could be aligned with the Financial Year of the Company, as set out in the Award Letter;
- 1.43 **“Price Sensitive Information”** as defined in the JSE Listings Requirements;
- 1.44 **“Prohibited Period”** means (a) a closed period as defined in the JSE Listing Requirements or (b) any period when there exists any matter which constitutes Price Sensitive Information in relation to the Company’s securities (whether or not the Participant has knowledge of such matters);
- 1.45 **“Recharge Policy”** means a policy or agreement in force from time to time between the Company and the Group Entities regulating the funding of the Settlement;
- 1.46 **“Remuneration Committee”** means the remuneration committee from time to time of the Board, the members of which do not hold any executive office within a Group Entity and who are charged with the governance of the FSP 2020; [14.4](#), [14.5](#)

- 1.47 “**Resignation**” means where a Participant voluntarily ceases his employment with the Company prior the Vesting Date of the Award;
- 1.48 “**Retention Award**” means an Award of Forfeitable Shares, which are subject to forfeiture if the Employment Condition as specified in the Award Letter is not satisfied;
- 1.49 “**Retirement**” means normal retirement age as determined by the Company;
- 1.50 “**Redundancy**” means where a Participant’s employment with an Employer Company is terminated by an Employer Company for operational requirements, as contemplated in the LRA prior to the Vesting Date of the Award;
- 1.51 “**Rights Issue**” means the offer of any securities of the Company to all ordinary shareholders of the Company pro rata to their holdings at the record date (whether or not renounceable);
- 1.52 “**Rights Issue Shares**” means a Share which a Participant can acquire in terms of a Rights Issue by virtue of Forfeitable Shares Awarded to him;
- 1.53 “**Rules**” means these Rules of the FSP 2020, as amended from time to time;
- 1.54 “**SAR 2020**” means the Foschini Group Limited Share Appreciation Rights Plan 2020 adopted on [insert] 2020;
- 1.55 “**Settlement**” means the delivery to the Participant of the required number of Shares in accordance with the Settlement methods stipulated in Rule 4.3, and “Settle” and “Settled” will bear a corresponding meaning;
- 1.56 “**Settlement Date**” means the date on which Settlement will occur;
- 1.57 “**Share**” means an ordinary share in the capital of the Company;
- 1.58 “**STT**” means Securities Transfer Tax levied in terms of the Securities Transfer Tax, No.25 of 2007;

- 1.59 “**Subsidiary**” means a company which is a subsidiary of the Company within the meaning of the Act;
- 1.60 “**Trigger Event**” means an event as set out in the Award Letter, that may, if it is discovered before the Vesting Date result in Malus, it being recorded that as a guidance, the Trigger Events will be contained in the Company’s remuneration policy and will be contained in the Company’s annual Remuneration Report published to all shareholders for the ensuing Financial Year;
- 1.61 “**Vest**” means the event when the Award to a Participant is no longer subject to any restrictions or potential forfeiture as determined according to Rule 6 and “Vesting” and “Vested” will be construed accordingly;
- 1.62 “**Vesting Date**” means the date on which Vesting occurs; and
- 1.63 “**Voluntary Retirement**” means retirement other than Retirement in Rule 1.49.

2. **Principles of interpretation**

- 2.1 The headings in these Rules are inserted for reference purposes only and will in no way govern or affect the interpretation hereof.
- 2.2 If any provision in a definition is a substantive provision conferring rights or imposing obligations on any party, effect will be given to it as if it were a substantive provision.
- 2.3 Unless the context indicates otherwise:
- (a) derivatives of defined terms will be construed accordingly;
 - (b) an expression that denotes any gender includes the others;
 - (c) a natural person includes a created entity (corporate or unincorporated); and
 - (d) the singular includes the plural, and vice versa in each case.

2.4 References in these Rules to any statutory provisions include a reference to those provisions as amended or replaced from time to time and include any regulations made under them.

2.5 Any annexures or other documentation to be applied in conjunction with these Rules will be incorporated in these Rules as if they had been executed as part of the implementation of the FSP 2020.

3. Making of Awards

Time when Awards may be made

3.1 The Remuneration Committee may, on the recommendation of any Employer Company, make Awards to Employees:

3.1.1 after the FSP 2020 has been approved by shareholders; and

3.1.2 on any day on which there are no restrictions on the making of Awards, being restrictions imposed by a Prohibited Period, statute, order, regulation or directive, or by any code adopted by the Company relating to dealings in Shares by Directors or the JSE Listings Requirements, as the case may be.

Basis of Awards and affordability 14.1(f)

3.2 The Remuneration Committee will have final authority to decide:

3.2.1 which Employees will participate in the FSP 2020 in respect of each Award and if such Awards will be in the form of Bonus Awards, Performance Awards or Retention Awards, or a combination thereof;

3.2.2 subject to Rule 13, the aggregate quantum of Awards to all Employees;

3.2.3 subject to Rule 13, the number of Forfeitable Shares that may comprise an Award to an Employee by taking into account the Employee's salary, grade, individual performance, retention requirements, the quantum of the Annual Bonus and market benchmarks, as appropriate;

- 3.2.4 Employment Period(s);
- 3.2.5 if applicable, the terms of Performance Conditions;
- 3.2.6 if applicable, Performance Period(s);
- 3.2.7 if an Award is subject to Malus; and
- 3.2.8 any other conditions and all other issues relating to the governance and administration of the FSP 2020.
- 3.3 In approving the aggregate Awards, the Remuneration Committee shall consider the overall affordability of the Group.

Procedure for making Awards

- 3.4 When the Remuneration Committee approves Awards, the Company and the Employer Company of each Employee who has been approved for participation in the FSP 2020 will be notified.
- 3.5 The Company Official will issue an Award Letter to every Employee who has been approved for participation in the FSP 2020 as soon as is practically possible after receiving the Remuneration Committee's notification in terms of Rule 3.4.

Award Letter

- 3.6 The Award Letter will be in writing and will specify the terms of the Award, including:
 - 3.6.1 the name of the Employee;
 - 3.6.2 the Award Date;
 - 3.6.3 the number of Forfeitable Shares comprising the Award and if such Award is a Bonus Award, Performance Award and/or a Retention Award;
 - 3.6.4 the Employment Period;
 - 3.6.5 the Performance Conditions and Performance Period, if applicable;

- 3.6.6 the Vesting Date;
- 3.6.7 if the Award is subject to Malus;
- 3.6.8 that the Employee must Accept the Award in writing; and
- 3.6.9 any other relevant terms and conditions.

Awards are non-transferrable

- 3.7 An Award is personal to an Employee to whom it is addressed and may only be acted on by such Employee.

Acceptance of Awards

- 3.8 An Employee must Accept an Award in writing within the period and in the format specified in the Award Letter.
- 3.9 Failing such Acceptance of an Award, the Award will be deemed to have been rejected.

Conditions attaching to Awards

- 3.10 The Vesting of Bonus Awards, Performance Awards and Retention Awards will be subject to the satisfaction of the Employment Condition over the Employment Period.
- 3.11 In addition, the Vesting of Performance Awards will be subject to the satisfaction of Performance Conditions.
- 3.12 Furthermore, Bonus Awards, Performance Awards and Retention Awards could be made subject to Malus if so determined by the Remuneration Committee.

Awards are free

- 3.13 Save for STT, which an Employer Company may recover from a Participant, a Participant will not be required to give any consideration for the receipt or Settlement of an Award.

14.1(d)(i)

3.14 The method of recovering the STT will be agreed between an Employer Company and a Participant prior to the Settlement Date. Failing such agreement being reached, an Employer Company may withhold the required amount from a Participant's salary or any other payments due to the Participant.

4. Purchase and Settlement of Awards

4.1 Subject to any Prohibited Period, following the Acceptance of an Award, the Company or relevant Employer Company will within 30 (thirty) days procure the Settlement of the Forfeitable Shares to the Participants.

4.2 The Participant will have all the shareholder rights attaching to the Forfeitable Shares that they have been Awarded from the Settlement Date, subject to the forfeiture and disposal restrictions until the Vesting Date and the remaining provisions of these Rules.
14.1(e)

4.3 Any one of the following Settlement methods may be used, as directed by the Remuneration Committee:

4.3.1 The Company or relevant Employer Company will, if so instructed by the Remuneration Committee, incur an expense by making a cash contribution to any third party equal in value to the purchase consideration for the required number of Shares in Settlement of the Award on the basis that the third party will acquire the required number of Shares on the market and effect Settlement to the Participants; or **14.9(c)**

4.3.2 The relevant Employer Company by which that Participant is employed will use Shares held in treasury account and effect Settlement to that Participant; or

4.3.3 The Company or relevant Employer Company by which that Participant is employed will, if so instructed by the Remuneration Committee, incur an expense by paying the purchase consideration to any Subsidiary, other than an Employer Company, which holds Shares in treasury account for Settlement to that Participant, on the basis that the Subsidiary will deliver the Shares to a Participant for the purpose of discharging the Company or relevant Employer Company's obligation to effect Settlement to that

Participant. The purchase consideration which the Company or relevant Employer Company will pay to the Subsidiary will be either:

4.3.3.1 the Market Value per Share on the Settlement Date; or

4.3.3.2 any other minimum value per Share as prescribed in the Act; or

4.3.3.3 an amount equal to the cost incurred by the Subsidiary in acquiring the Shares held in treasury.

4.3.4 The Company or relevant Employer Company will, if so instructed by the Remuneration Committee, incur an expense by paying the purchase consideration to a third party equal in value to the subscription price of the Shares concerned, on the basis that the third party will acquire the number of Shares required for the purpose of discharging the Company or Employer Company's obligation to deliver Shares to Participants and effect Settlement to the Participant, by way of subscription for new Shares to be issued by the Company, for a subscription price per Share of either:

4.3.4.1 the Market Value per Share on the Settlement Date; or

4.3.4.2 any other minimum value per Share as prescribed in the Act; or

4.3.5 the Company will issue Shares to the Participants.

4.4 Where the Company issues the Shares or incurs costs in the Settlement of an Award, whether in the form of the cash contribution or otherwise, the Company will recharge such costs to the relevant Employer Company in terms of the Recharge Policy.

4.5 Shares will only be issued or purchased once a Participant has been formally identified.

14.9(a)

4.6 As directed by the Remuneration Committee, either the Company or the relevant Employer Company of a Participant will incur the required expense in purchasing the Forfeitable Shares in Settlement of the Award.

4.7 Where the Company incurs costs in purchasing the Forfeitable Shares the Company may recharge such costs in terms of the Recharge Policy to the relevant Employer Companies where the Participants are employed.

Purchase and Settlement during a Prohibited Period

4.8 Shares intended for use in the Settlement of the obligations in terms of the FSP 2020 may not be **purchased** during a Prohibited Period. 14.9(e)

4.9 Where **Settlement** is due to occur during a Prohibited Period, the Settlement of that Award will be delayed until the expiry of the Prohibited Period, whereafter Settlement will take place as soon as reasonably practicable.

Share ownership and Participant's rights before the Vesting Date

4.10 Following the Settlement of an Award, the Remuneration Committee will procure that the Shares are held by the Escrow Agent for the absolute benefit of the Participants as owners of the Forfeitable Shares, but subject to the provisions of Rule 7. The Forfeitable Shares may not be disposed of or otherwise encumbered at any time from the date of their Settlement, up to and including the Vesting Date, except on that Participant's death (as envisaged in Rule 7) his Forfeitable Shares may be transferred to the executor or representative of his deceased estate. 14.9(b)

4.11 The Forfeitable Shares will be subject to the control of the Escrow Agent acting on instructions from the Company from the Settlement Date up to and including the Vesting Date, following which the Company will, subject to Rule 7, procure the release of the Forfeitable Shares from the Escrow Agent free from any further restrictions. 14.9(b)

4.12 Except for the restrictions envisaged in Rule 4.10, the Participant has all other shareholder rights, including voting and dividend rights, in respect of Forfeitable Shares and from the Settlement Date the Shares will rank *pari passu* with existing Shares. To the extent that the Participant does not exercise his rights as shareholder, they may not be exercised by the Escrow Agent. 14.1(e)

- 4.13 The Participant will provide his Employer Company with, and the Participant will consent to his Employer Company furnishing the Escrow Agent with, any information relating the Participant's identification that the Escrow Agent may require in order to ensure compliance with the Financial Intelligence Centre Act, 2001 or any other applicable legislation.
- 4.14 The Participant will, where required, enter into a written agreement with the Escrow Agent, in a form approved by the Employer Company, relating to the holding of the Forfeitable Shares by the Escrow Agent until the Vesting Date.
- 4.15 The Employer Company will not be liable for any loss or damage arising from any act or omission of the Escrow Agent, any central securities depository participant ("CSDP") engaged by the Escrow Agent, any employee, director, or representative of the Escrow Agent or such CSDP in connection with or arising out of the holding of, or transacting in, the Forfeitable Shares.

5. Setting and review of Performance Conditions

Setting of the Performance Conditions

- 5.1 Any Performance Conditions or other conditions imposed by the Remuneration Committee for the Vesting of an Award will be objective and set out in, or attached in the form of a schedule to the Award Letter.
- 5.2 Should an event occur at any point during the Performance Period which causes the Remuneration Committee to consider that the Performance Conditions or further conditions are no longer appropriate, the Remuneration Committee may substitute or vary the Performance Conditions or further conditions in such manner as:
- 5.2.1 is reasonable in the circumstances; and
- 5.2.2 produces a fairer measure of performance and is not materially less or materially more difficult to satisfy.

5.3 The Award will then take effect subject to the Performance Conditions and further conditions as so substituted or varied and communicated to the Participant.

Review of Performance Conditions

5.4 For a Performance Award which is subject to Performance Conditions:

5.4.1 As soon as reasonably practicable after the end of the Performance Period in relation to an Award, the Remuneration Committee will review the Performance Conditions.

5.4.2 If the Remuneration Committee is satisfied that the Performance Conditions have been fulfilled, the Remuneration Committee will calculate the number of Performance Awards that will Vest for each Participant and will notify the Participant of this fact accordingly.

5.4.3 To the extent that the Remuneration Committee is satisfied that the Performance Conditions have not been fulfilled, the Performance Awards will not Vest and will be forfeited immediately. The Participant will be notified of such fact accordingly. No consideration will be payable to the Participant.

5.5 In the event that the Performance Conditions or further conditions have to be reviewed prior to the end of the Performance Period, as envisaged in Rule 6, the Remuneration Committee will, depending on the nature of the conditions, have regard to the following when determining whether, and the extent to which, they have been satisfied:

5.5.1 where the event which triggers the early review occurs within 6 (six) months of the end of the Company's preceding Financial Year end, the Performance Conditions or further conditions will be reviewed with reference to the results reported by the Company at its previous Financial Year end; and

5.5.2 where the event which triggers the early review occurs more than 6 (six) months after the end of the Company's preceding Financial Year end, the Performance Conditions or further conditions will be reviewed with reference to the results to be reported by the Company in respect of the forthcoming Financial Year end.

6. Vesting of Awards

Vesting Date of Awards

- 6.1 Subject to Rules 7 and 8, Awards will Vest on the later of:
- 6.1.1 the date on which the Participant has satisfied the Employment Condition as specified in the Award Letter; and
 - 6.1.2 to the extent applicable, the date on which the Remuneration Committee determines that the Performance Condition has been met; and
 - 6.1.3 to the extent applicable, any other conditions imposed have been satisfied.

Effect of Award Vesting

- 6.2 The effect of an Award Vesting will be that the restrictions imposed on the Forfeitable Shares will cease to apply and the risk of forfeiture will lift.

Vesting of Awards are free

- 6.3 No amount will be payable by a Participant in respect of the Vesting of an Award.

7. Termination of employment 14.1(h)

Resignation and Dismissal

- 7.1 Where the employment of the Participant is terminated for any of the following reasons:
- 7.1.1 Resignation; or
 - 7.1.2 Dismissal;

All unvested Awards of a Participant will be forfeited immediately on the Date of Termination of the Employment. No consideration will be payable to the Participant.

7.2 A Participant will not be treated as ceasing to be an Employee of an Employer Company if, on the same date on which he ceases to be an Employee of an Employer Company, he is employed by another Employer Company.

Retirement and Voluntary Retirement, Retrenchment, Disability and sale of an Employer Company

7.3 Subject to the Remuneration Committee determining otherwise in their absolute discretion, where the employment of the Participant is terminated for any one of the following reasons:

7.3.1 Retirement;

7.3.2 Voluntary Retirement;

7.3.3 Retrenchment;

7.3.4 Disability; or

7.3.5 a Participant's employment with an Employer Company transfers to any third party pursuant to section 197 of the LRA

a portion of a Participant's unvested Awards will Vest on the Date of Termination of Employment or the date as soon as reasonably practicably possible thereafter when the Remuneration Committee has determined the extent to which the Performance Condition, where applicable, has been met in accordance with Rule 5.5. The portion of the Award which will Vest will be calculated in accordance with Rule 7.4 and Rule 7.5.

7.4 In respect of Bonus Awards and Retention Awards, the portion of the Award which will Vest will reflect the number of complete months served since the Award Date to the Date of Termination of Employment, over the total number of months in the Employment Period.

7.5 In respect of the Performance Awards, the Remuneration Committee will, in accordance with Rule 5.5 calculate whether, and the extent to which, the Performance Condition has

been satisfied, and the number of Performance Awards vesting will be calculated based on the number of complete months served since the Award Date to the Date of Termination of Employment over the total number of months in the Employment Period and further adjusted based on the extent to which the Performance Condition has been achieved. Vested Shares will be released as soon as the Performance Conditions have been tested in accordance with the provisions of Rule 5.5.

7.6 To the extent that there is more than one Vesting Date and more than one Employment Period in respect of a particular Award, the calculation indicated by Rules 7.4 and/or 7.5 will be carried out in respect of each Employment Period.

7.7 The portion of the Award that does not Vest will be forfeited on the Date of Termination of Employment. No consideration will be payable to the Participant for such forfeited portion.

7.8 For the avoidance of doubt, any Awards of Forfeitable Shares which have already Vested will be unaffected by this provision.

Death

7.9 Where the employment of the Participant is terminated as a result of Death, a portion of a Participant's unvested Awards will Vest on the Date of Termination of Employment or the date as soon as reasonably practicably possible thereafter when the Remuneration Committee has determined the extent to which the Performance Condition, where applicable, has been met. The portion of the Award which will Vest will be calculated in accordance with Rule 7.10 and Rule 7.11.

7.10 In respect of Bonus Awards and Retention Awards, the portion of the Award which will Vest will reflect the number of complete months served since the Award Date to the Date of Termination of Employment, over the total number of months in the Employment Period.

7.11 In respect of the Performance Awards, the Remuneration Committee will calculate whether, and the extent to which the Performance Condition has been satisfied on the

Date of Termination of Employment by reference to immediately preceding Financial Year.

7.12 The portion of the Award which will Vest will be determined based on the extent to which the Performance Condition or any other conditions imposed in terms of Rule 5 have been satisfied and the number of complete months served since the Award Date to the Date of Termination of Employment over the total number of months in the Employment Period and adjusted based on the extent to which the Performance Conditions have been met. Vested Shares will be released as soon as is practical following the Date of Termination of Employment;

7.13 To the extent that there is more than one Vesting Date and more than one Employment Period in respect of a particular Award, the calculation indicated by Rules 7.10 and/or 7.11 will be carried out in respect of each Employment Period.

7.14 The portion of the Award that does not Vest will be forfeited on the Date of Termination of Employment. No consideration will be payable to the Participant for such forfeited portion.

7.15 For the avoidance of doubt, any Awards of Forfeitable Shares which have already Vested will be unaffected by this provision.

Mutual Separation

7.16 Subject to the Remuneration Committee determining otherwise in its absolute discretion, where the employment of the Participant is terminated as a result of Mutual Separation, all unvested Awards of a Participant will be forfeited immediately on the Date of Termination of the Employment. No consideration will be payable to the Participant.

7.17 If the Remuneration Committee applies its discretion in terms of Rule 7.16, the maximum portion of the unvested Award which will Vest will be determined based on the extent to which the Performance Condition imposed in terms of Rule 5 has been satisfied. The portion to Vest will be determined based on the number of complete months served since the Award Date to the Date of Termination of Employment over the total number of

months in the Employment Period and adjusted based on the extent to which the Performance Conditions have been met in accordance with Rule 5.5.

Exceptional circumstances

7.18 The Remuneration Committee has a discretion to deviate from the application of Rule 7, subject to compelling reasons existing for such a deviation and with these reasons being documented and reported on to the shareholders of the Company.

7.19 In these exceptional circumstances, Rules 7.4 and/or 7.5 will apply to determine the portion of the Awards to Vest on the Date of Termination of Employment or as soon as reasonably practicable thereafter.

7.20 The portion of the Awards that does not Vest will be forfeited. No consideration will be payable to the Participant.

8. Malus

8.1 Notwithstanding any other provision of the Rules, should a Trigger Event occur and be discovered at any time before the Vesting of an Award to which the Remuneration Committee has specified that Malus applies, the Remuneration Committee may in its discretion, reduce the Award in whole or in part (including, for the avoidance of doubt, to nil) in accordance with the provisions of these rules read in conjunction with the Award Letter and remuneration policy.

8.2 Whenever a reduction is made, the relevant Award or portion thereof, as relevant, shall be treated as having immediately been forfeited. No consideration will be payable to the Participant.

9. Change of Control 14.1(g)

9.1 In the event of a Change of Control of the Company before the Vesting Date, a portion of the Awards shall Vest as soon as possible of such occurrence of a Change of Control. The portion to Vest will be determined based on the number of complete months served since the Award Date to the Change of Control Date over the total number of months in

the Employment Period and adjusted based on the extent to which the Performance Conditions have been met by reference to immediately preceding Financial Year. The portion of the Awards that do not Vest on the Change of Control, will continue to be subject to the terms of the Award Letter relating thereto unless, the Remuneration Committee, in its absolute discretion, determines that the terms of the Award Letter relating thereto are no longer appropriate, in which case the Remuneration Committee shall make such adjustment to the number of Awards or take such other action as may be required.

9.2 To the extent that there is more than one Vesting Date and more than one Employment Period in respect of a particular Award, the calculation set out in Rule 9.1 shall be carried out in respect of each Employment Period.

9.3 The portion of the Award that does not Vest on the Change of Control Date will lapse. No consideration will be payable to the Participant. 14.3 (a)

9.4 If there is an internal reorganisation in the Company which does not involve any Change of Control or if any other event happens which may affect the Awards, including the Shares ceasing to be listed on the JSE, the Committee may take such action as it considers appropriate to protect the interests of Participants, provided and to ensure that the Participant is not in a substantially worse economic position as he was prior to such event occurring.

9.5 If the Company is placed into liquidation for purposes other than reorganisation, the Award shall ipso facto lapse as from the liquidation date. No consideration will be payable to the Participant. 14.1(e)

10. **Variation of Share capital** 14.3 (a) (b) (c)

10.1 In the event of a Capitalisation Issue, unbundling or any other corporate action or other event affecting the share capital of the Company or in the event of the Company making distributions including a distribution in specie or a payment in terms of section 46 of the Companies Act (other than a dividend paid in the ordinary course of business out of

distributable reserves) before the Vesting Date in respect of an Award, the Committee may make such adjustment to the number of Forfeitable Shares comprised in the Award as it deems appropriate. Such adjustment should place the Participant in no worse position as he was prior to such event occurring.

10.2 The issue of Shares as consideration for an acquisition, and the issue of Shares or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to Awards. 14.3(c)

10.3 The Company will notify the Participants of any adjustments which are made under Rule 10.1 and will further comply with Rule 13. Where necessary, in respect of any such adjustments, the Company's Auditors, acting as experts and not as arbitrators and whose decision will be final and binding on all persons affected thereby (save for manifest error), will confirm to the Company in writing that these are calculated on a reasonable and non-prejudicial basis. 14.3(d)

10.4 Any adjustments made will be reported in the Company's annual financial statements in the year during which the adjustment is made. 14.3(e)

10.5 If the Company is placed into liquidation for purposes other than reorganisation, an Award will *ipso facto* lapse as from the Liquidation Date. 14.1(e)

Rights Issue 14.3(b)

10.6 In the event of a Rights Issue, a Participant will be entitled to participate in any Rights Issue in respect of his Forfeitable Shares and any additional Shares subject to the Awards thereof as a result of any event listed in Rule 10.1 above. 14.1(e)

10.7 If a Rights Issue to the shareholders of the Company is proposed, the Remuneration Committee will notify the Participants holding Awards of Forfeitable Shares of that Rights Issue in writing. The written notice will specify:

10.7.1 the terms and conditions of the Rights Issue as contained in the letter of allocation accompanying the Rights Issue;

- 10.7.2 the number of Rights Issue Shares offered;
- 10.7.3 the price payable in respect of the Rights Issue Shares and any applicable costs to the purchase of the Rights Issue Shares; and
- 10.7.4 the date by which the Participant should notify the Remuneration Committee if he intends to purchase the Rights Issue Shares.
- 10.8 If any Participant holding Awards of Forfeitable Shares intends to purchase the Rights Issue Shares he will:
- 10.8.1 notify the Remuneration Committee of his intention by the date specified in the notice sent to him in terms of Rule 10.7;
- 10.8.2 simultaneously pay the full price in respect of the Rights Issue Shares and costs incidental to the purchase of the Rights Issue Shares, including STT; and
- 10.8.3 be deemed to have authorised the Escrow Agent to take all necessary steps and sign all documents to purchase the Rights Issue Shares for his benefit.
- 10.9 If the Participant fails to notify the Remuneration Committee of his intention to purchase the Rights Issue Shares by the date specified in the notice in terms of Rule 10.7 he will be deemed to have waived his right to take up any Rights Issue Shares in terms of the Rights Issue. In this instance the Escrow Agent will sell the rights pertaining to the Rights Issue on behalf of the Participant and remit such proceeds to such Participant.
- 10.10 The Rights Issue Shares will not be subject to any restrictions in terms of the FSP 2020 and will Vest immediately upon acquisition in terms of the Rights Issue.
- 10.11 To the extent that the Participant is not permitted to participate in a Rights Issue, Rule 10.1 to 10.3 will apply mutatis mutandis to Forfeitable Shares that have not Vested.

11. **Forfeiture and lapse of awards**

- 11.1 Notwithstanding any other provision of the Rules, an Award shall lapse on the earliest of:

- 11.1.1 The Remuneration Committee determining that the Performance Condition(s) (to the extent applicable), has not been satisfied either in whole or in part;
- 11.1.2 The Awards being forfeited in terms of Rule 7;
- 11.1.3 The Liquidation Date;
- 11.1.4 The occurrence of a Trigger Event and application of Malus; and
- 11.1.5 Any other date provided for under these Rules.
- 11.2 Upon such forfeiture, the Company will instruct the Escrow Agent to sell any forfeited Shares on such terms as the Company may consider appropriate.
- 11.3 The Company, or any relevant Employer Company, may withhold any amounts or make such arrangements as are necessary to meet any liabilities in respect of the Award. The arrangements may include the sale of Shares on behalf of the Participants and the use of the proceeds thereof to meet such liability.
- 11.4 In order to give effect to the provisions of Rule 11, each of the Participants hereby unconditionally, irrevocably and *in rem suam* appoints the Company as its attorney, agent and proxy to do all such things as may be necessary to comply with and give effect to Rule 11.
- 11.5 From the date that Forfeitable Shares are forfeited in terms of Rule 11.1 until such time as the Forfeitable Shares are Settled to a new Participant or sold in terms of Rule 11.2, these Shares will not have their votes at general meetings or annual general meetings taken into account for the purposes of resolutions proposed in terms of the JSE Listings Requirements and will not be taken into account for the purposes of determining categorisations as detailed in section 9 of the JSE Listings Requirements. **14.10**

12. **Amendments and termination** **14.2**

- 12.1 The Remuneration Committee may at any time, alter, vary or add to these terms and conditions as it thinks fit. Amendments to these terms and conditions may only affect

Awards to Participants that have already been made if they are to the advantage of Participants, subject to the JSE Listings Requirements.

- 12.2 Except as provided in Rule 12.3 the provisions relating to: 14.2
- 12.2.1 the category of persons who are eligible for participation in the FSP 2020 as envisaged in Rule 1.22; 14.1(a)
- 12.2.2 the number of Shares that may be utilised for the FSP 2020 as envisaged in Rule 13.1; 14.1(b)
- 12.2.3 the individual limitations on benefits or maximum entitlements envisaged in Rule 13.4; 14.1(c)
- 12.2.4 the basis upon which Awards are made as stipulated in Rule 3.2; 14.1(f)
- 12.2.5 the amount payable upon the Award, Vesting, and Settlement; 14.1(d)(i)
- 12.2.6 the voting, dividend, transfer and other rights attached to Shares which are subject to Forfeitable Shares including those arising on a liquidation of the Company; 14.1(e)
- 12.2.7 the adjustment of Awards and price in the event of a Variation of Capital of the Company as stipulated in Rule 10; 14.1(g)
- 12.2.8 the procedure to be adopted in respect of the Vesting of Forfeitable Shares in the event of a Change of Control as stipulated in Rule 9; 14.1(g)
- 12.2.9 the procedure to be adopted in respect of the Vesting of Forfeitable Shares in the event of termination of employment as envisaged in Rule 7; and 14.1(h)
- 12.2.10 the terms of this Rule 12.2,

may not be amended without the prior approval of the JSE and by ordinary resolution of 75% (seventy five percent) of shareholders of the Company, present or by proxy, in general meeting, excluding all of the votes attached to all Shares owned and controlled by persons who are existing Participants in the FSP and and who may be impacted by

the change.

12.3 Subject to JSE notification and approval, the Remuneration Committee may make minor amendments for ease of the administration of the FSP 2020, to comply with or take account of the provisions of any proposed or existing legislation or to obtain or maintain favourable, taxation or regulatory treatment of the Company or any Employer Company or any present or future Participant.

12.4 The Remuneration Committee may terminate the FSP 2020 at any time, but Awards before such termination will continue to be valid and as described in the provisions of the FSP 2020.

13. FSP 2020 and individual limits

Overall Company limit 14.1(b)

13.1 Subject to Rules 13.5 and 13.6, the aggregate number of Shares at any one time which may be Settled in respect of this FSP 2020 and the SAR 2020 collectively to all Participants will not exceed **[insert number of Shares] (insert number of Shares in words)** Shares, which equates to approximately **[5%]** of the number of issued Shares at the date of adoption of the FSP 2020 and SAR 2020. In the event of a discrepancy between number of Shares and the percentage it represents, the number will prevail.

13.2 In determining the number of Shares Settled in respect of this FSP 2020 for the purposes of contemplated in Rule 13.1, the following will be included:

13.2.1 The number of Shares held in treasury account and which have been utilised by the Company in Settlement of Awards in terms of this FSP 2020, as contemplated in Rules 4.3.2 and 4.3.3; and

13.2.2 The number of Shares issued by the Company in Settlement of this FSP, as contemplated in Rules 4.3.4 and 4.3.5.

13.3 In determining the number of Shares Settled in respect of this FSP 2020 for the purposes contemplated in Rule 13.1, the following will be excluded:

- 13.3.1 Shares purchased in the market as contemplated in Rule 4.3.1 in Settlement of Awards in terms of this FSP; and 14.9(c)
- 13.3.2 Forfeitable Shares comprising Awards under this FSP 2020 which do not subsequently Vest in a Participant as a result of the forfeiture thereof. 14.3(f)

Individual limit 14.1(c)

- 13.4 Subject to the provisions of Rules 13.5 and 13.6, the maximum number of Shares Settled to and Vested in any single Participant in terms of this FSP 2020 and SAR 2020 collectively, will not exceed [insert number of Shares (insert number of shares in words)] Shares, which equates to approximately [1%] of the number of issued Shares at the date of adoption of the FSP 2020 and SAR 2020. In the event of a discrepancy between the number of Shares and the percentage it represents, the number of Shares will prevail. FSP 2020 awards which are forfeited will not be considered to be Settled for the purposes of this Rule.

Adjustments related to FSP 2020 limits 14.3 (a) (b), (c), (d) and (e)

- 13.5 The Remuneration Committee must, where required, adjust the number of Shares stated in Rules 13.1 and 13.4 (without the prior approval of shareholders in a general meeting), to take account of a sub-division or consolidation of Shares. Such adjustment to the number of Shares should result in the Company still being capable of Settling the same percentage of Shares stated in Rules 13.1 and 13.4 as was the case prior to the occurrence of the event. 14.3(a)
- 13.6 The Remuneration Committee may, where required, adjust the number of Shares stated in Rules 13.1 and 13.4 (without the prior approval of shareholders of the Company in a general meeting) to take account of a Capitalisation Issue, a special dividend, a Rights Issue or reduction in capital of the Company. Such adjustment to the number of Shares should result in the Company still being capable of Settling the same percentage of Shares stated in Rules 13.1 and 13.4 as was the case prior to the occurrence of the event. 14.3(b)

13.7 The Auditors, or other independent advisor acceptable to the JSE, will confirm to the JSE in writing that any such adjustment made in terms of Rules 13.5 and 13.6 has been properly calculated on a reasonable and equitable basis, in accordance with the Rules.

14.3(d)

13.8 The issue of Shares as consideration for an acquisition, and the issue of Shares for cash or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to limits stated in Rules 13.1 and 13.4. 14.3(c)

13.9 Any adjustments made in terms of Rules 13.5 and 13.6 must be reported on in the Company's financial statements in the year during which the adjustment is made 14.3(e)

14. Further conditions

14.1 Except as otherwise provided in the Rules, the Participant has no right to any compensation, damages or any other sum or benefit by reason of the fact that:

14.1.1 he ceased to be a Participant in the FSP 2020; or

14.1.2 any of his rights or expectations under this FSP 2020 were reduced or lost.

14.2 Where a Participant is transferred from one Employer Company to another Employer Company:

14.2.1 all Awards made to such Participant by the first Employer Company will remain in force on the same terms and conditions as set out in these Rules; and

14.2.2 the second Employer Company will assume a pro-rata portion of the first Employer Company's obligations in respect of the relevant Awards in consideration for obtaining the Participant's services from the first Employer Company.

14.2.3 The Company will ensure compliance with paragraphs 3.63 – 3.74 (director dealings) of the JSE Listings Requirements in terms of share dealings by the Company relating to the FSP. 14.9(d)

14.2.4 The issue of Shares to Employees which do not fall under the Rules of this FSP will be treated as a specific issue for cash as contemplated in paragraph 5.51 of the JSE Listings Requirements. 14.11

15. **Disclosure in annual financial statements** 14.8

15.1 The Company will disclose in its annual financial statements, to the extent required by the Act or the JSE Listings Requirements, the number of Shares that may be utilised for purposes of the FSP 2020 at the beginning of the Financial Year and changes in such number during the Financial Year and the balance of securities available for utilisation for purposes of the FSP 2020 at the end of the Financial Year.

16. **Notices**

16.1 Any notice or other document given to any Employee or Participant pursuant to the FSP 2020 may be sent to his personal email address or delivered by hand to his home address according to the records of the Company, or to such other email address as may appear to the Remuneration Committee to be appropriate. Notices or other documents sent by email will be deemed to have been given or received on the day of sending, and those delivered by hand will be deemed to have been given or received on the day of delivery.

16.2 Any notice or document given to the Company or Employer Company pursuant to the FSP 2020 will be delivered to it or sent by post to its registered office marked for the attention of the Company Official, or such other address as may be specified by the Company and the documents will not be deemed to have been received before actual receipt by the Company Official.

16.3 Notwithstanding anything to the contrary herein contained, a written notice or document which is actually received by a person will be adequate for purposes of this FSP 2020, notwithstanding that such notice or document was not received at that party's stated address for delivery of notices.

17. Disputes

17.1 Any disputes arising from or in connection with this FSP 2020, (save in respect of any decisions or other approvals or determinations made by the Remuneration Committee which shall, in all cases, be made in its sole discretion and which shall be final and binding), will be finally resolved in accordance with the Commercial Rules of the Arbitration Foundation of Southern Africa (or its successor in title) ("AFSA") by an arbitrator appointed by AFSA. There will be a right of appeal as provided for in such rules.

17.2 If AFSA no longer exists, then the arbitrator will be appointed by the President for the time being of the South African Legal Practice Council and the arbitration will be conducted in accordance with the Arbitration Act, No. 42 of 1965.

17.3 Notwithstanding anything to the contrary contained in this Rule 17, either Party will be entitled to obtain interim relief on an urgent basis from any competent court having jurisdiction.

17.4 For the purposes of this FSP 2020 (and, in particular this Rule 17, and also for the purposes of having any award made by the arbitrator being made an order of court), the Company and each Participant hereby consent and submit to the non-exclusive jurisdiction of High Court of South Africa, Western Cape Division, Cape Town.

17.5 This Rule 17 is severable from the rest of this FSP 2020 and will remain in full force and effect notwithstanding the termination of this FSP 2020 or any declaration of invalidity.

18. Governing law

18.1 The FSP 2020 and these Rules shall be governed by the laws of the Republic of South Africa.

18.2 This FSP 2020 was duly adopted at the general meeting of the Company held at [insert] on [insert], the Rules of the FSP 2020 having been available for inspection for at least 14 (fourteen) days prior to the general meeting at the Company's registered office. 14.7

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