

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

MINUTES OF THE 86<sup>th</sup> ANNUAL GENERAL MEETING OF SHAREHOLDERS  
CONDUCTED ENTIRELY BY ELECTRONIC COMMUNICATION  
ON THURSDAY 7 SEPTEMBER 2023 AT 14h15

PRESENT: M LEWIS (Chairman)  
F ABRAHAMS  
G H DAVIN  
E OBLOWITZ  
R STEIN  
B L M MAKGABO-FISKERSTRAND  
N V SIMAMANE  
A D MURRAY  
C COLEMAN  
D FRIEDLAND  
J N POTGIETER  
A E THUNSTRÖM  
B NTULI  
(in their capacities as members of the Board of Directors)

81.74% of the total votes applicable to ordinary shares were represented either in person or by proxy.

BY INVITATION: D VAN ROOYEN (Company Secretary)

**1. OPENING AND WELCOME**

MR LEWIS took the chair in his capacity as Chairman of the Board of Directors in terms of section 22.27 of the Company's Memorandum of Incorporation (MOI).

MR LEWIS welcomed everyone to the meeting.

The Chairman noted that a quorum was present and declared the meeting duly constituted.

He also welcomed the members of the board and the Company Secretary to the meeting and noted that the chairpersons of all the board committees were present.

**2. NOTICE**

The Chairman stated that notice of this meeting has been given in terms of the MOI and the Companies Act.

**3. CONFIRMATION OF MINUTES**

The Chairman stated that the minutes of the previous annual general meeting held on 8 September 2022 had been verified by the Board of Directors.

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

The Chairman stated 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, being Computershare. He nominated a representative of the transfer secretaries to act as scrutineer.

The Chairman stated that all the resolutions to be proposed at today's annual general meeting have been seconded by MR D VAN ROOYEN, the Company Secretary.

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 any questions pursuant to the motions will be allowed to be discussed after the last resolution on the agenda has been tabled.

The Chairman advised that a trading update and trading statement was released on SENS on Tuesday 5 September 2023. He further advised that any questions pursuant to the trading update and trading statement should also be submitted and that these will also be discussed at the end of the meeting.

**5. ORDINARY RESOLUTION 1: PRESENTATION OF ANNUAL FINANCIAL STATEMENTS**

On the proposal of the Chairman, it was resolved by a 100.00% majority of votes exercised, that the annual financial statements of the Company and the Group for the year ended 31 March 2023 which incorporated the independent auditors' report, the directors' report, the Audit Committee's report and the Social and Ethics Committee's report be received and adopted.

**6. ORDINARY RESOLUTION 2: RE-APPOINTMENT OF EXTERNAL AUDITORS**

On the proposal of the Chairman, it was resolved by a 99.26% majority of votes exercised, with 0.74% against, that Deloitte & Touche be reappointed as the independent auditors of the Company and that MR J H W DE KOCK, being a member of Deloitte & Touche, be reappointed as the designated partner who will undertake the audit of the Company for the ensuing period terminating on the conclusion of the next annual general meeting.

**7. ORDINARY RESOLUTION 3: RE-ELECTION OF MR R STEIN**

On the proposal of the Chairman, MR R STEIN (an independent non-executive director retiring by rotation) was re-elected by a 65.03% majority of votes exercised, with 34.97% votes against.

**8. ORDINARY RESOLUTION 4: RE-ELECTION OF MS NV SIMAMANE**

On the proposal of the Chairman, MS N V SIMAMANE (an independent non-executive director retiring by rotation) was re-elected by a 69.26% majority of votes exercised, with 30.74% votes against.

**9. ORDINARY RESOLUTION 5: RE-ELECTION OF MR D FRIEDLAND**

On the proposal of the Chairman, MR D FRIEDLAND (an independent non-executive director retiring by rotation) was re-elected by a 90.34% majority of votes exercised, with 9.66% votes against.

**10. ORDINARY RESOLUTION 6: RE-ELECTION OF MR J N POTGIETER**

On the proposal of the Chairman, MR J N POTGIETER (an independent non-executive director appointed by the Board subsequent to the last Annual General Meeting, on 10 July 2023) was re-elected by a 99.82% majority of votes exercised, with 0.18% votes against.

**11. ORDINARY RESOLUTION 7: ELECTION OF MR E OBLWITZ AS A MEMBER OF THE AUDIT COMMITTEE**

On the proposal of the Chairman, MR E OBLWITZ (an independent non-executive director) was elected as a member of the Audit Committee by a 85.94% majority of votes exercised, with 14.06% votes against.

**12. ORDINARY RESOLUTION 8: ELECTION OF MS B L M MAKGABO-FISKERSTRAND AS A MEMBER OF THE AUDIT COMMITTEE**

On the proposal of the Chairman, MS B L M MAKGABO-FISKERSRAND (an independent non-executive director) was elected as a member of the Audit Committee by a 77.27% majority of votes exercised, with 22.73% votes against.

**13. ORDINARY RESOLUTION 9: ELECTION OF MR G H DAVIN AS A MEMBER OF THE AUDIT COMMITTEE**

On the proposal of the Chairman, MR G H DAVIN (an independent non-executive director) was elected as a member of the Audit Committee by a 97.89% majority of votes exercised, with 2.11% votes against.

**14. ORDINARY RESOLUTION 10: ELECTION OF MS N V SIMAMANE AS A MEMBER OF THE AUDIT COMMITTEE**

On the proposal of the Chairman, MS N V SIMAMANE (an independent non-executive director) was elected as a member of the Audit Committee by a 67.45% majority of votes exercised, with 32.55% votes against.

**15. ORDINARY RESOLUTION 11: ELECTION OF MR D FRIEDLAND AS A MEMBER OF THE AUDIT COMMITTEE**

On the proposal of the Chairman, MR D FRIEDLAND (an independent non-executive director) was elected as a member of the Audit Committee by a 91.65% majority of votes exercised, with 8.35% votes against.

**16. ORDINARY RESOLUTION 12: ELECTION OF MR J N POTGIETER AS A MEMBER OF THE AUDIT COMMITTEE**

On the proposal of the Chairman, MR J N POTGIETER (an independent non-executive director) was elected as a member of the Audit Committee by a 99.80% majority of votes exercised, with 0.20% votes against.

**17. ORDINARY RESOLUTION 13: NON-BINDING ADVISORY VOTE ON REMUNERATION POLICY**

On the proposal of the Chairman, the remuneration policy as set out in the Remuneration Committee report on pages 136 to 144 of the 2023 integrated annual report, by way of a non-binding advisory vote, was not endorsed by shareholders, with a 71.17% majority of votes against and only 28.83% of votes in favour.

**18. ORDINARY RESOLUTION 14: NON-BINDING ADVISORY VOTE ON REMUNERATION IMPLEMENTATION REPORT**

On the proposal of the Chairman, the remuneration implementation report as set out in the Remuneration Committee report on pages 145 to 152 of the 2023 integrated annual report, by way of a non-binding advisory vote, was endorsed by shareholders, by a 56.67% majority of votes exercised, with 43.33% votes against.

**19. SPECIAL RESOLUTION 1: NON-EXECUTIVE DIRECTOR REMUNERATION**

On the proposal of MR THUNSTRÖM (taking the chair for this resolution), it was resolved by a 98.83% majority of votes exercised, with 1.17% votes against, that the remuneration to be paid to non-executive directors for the period 1 October 2023 to 30 September 2024 and as set out in the notice of the annual general meeting be approved.

**20. SPECIAL RESOLUTION 2: FINANCIAL ASSISTANCE TO RELATED OR INTERRELATED COMPANY OR CORPORATION**

On the proposal of the Chairman, it was resolved by a 99.03% majority of votes exercised, with 0.97% votes against, that the Company may provide direct or indirect financial assistance to a related or interrelated company or corporation provided that such financial assistance may only be provided within two years from the date of adoption of this special resolution and subject further to sections 44 and 45 of the Companies Act.

Special resolution number 2 and the reason and effect of special resolution number 2, as set out in the notice convening the meeting, were taken as read.

**21. SPECIAL RESOLUTION 3: GENERAL AUTHORITY TO ACQUIRE TFG ORDINARY SHARES**

On the proposal of the Chairman, it was resolved by a 99.34% majority of votes exercised, with 0.66% votes against, that the Company and/or any subsidiary of the Company, by way of a general authority, from time to time, may repurchase ordinary shares in the share capital of the Company upon such terms and conditions and amounts as the Directors of the Company may from time to time determine but subject to the proviso's set out in the notice convening the meeting.

Attention was drawn to the statement by the Board of Directors of the Company and the explanatory note, which includes the reason and effect of this special resolution, in the notice convening this meeting.

Special resolution number 3, the statement by the Board of Directors of the Company and the explanatory note, which includes the reason and effect of special resolution number 3, as set out in the notice convening the meeting, were taken as read.

## **22. ORDINARY RESOLUTION 15: GENERAL AUTHORITY**

On the proposal of the Chairman, it was resolved by a 100.00% majority of votes exercised, that any director of the company or the Company Secretary of the company is authorised to carry out and to do all such things and matters as may be or are necessary in connection with the subject matter of the ordinary resolutions 1 to 15 and special resolutions 1 to 3 proposed at the company's annual general meeting, including, without limitation, being authorised to make, amend and sign all and any such necessary documents, letters, applications, announcements and affidavits as may be required for purposes of and in connection with any such resolution.

## **23. TRANSACT ANY OTHER BUSINESS**

The Chairman noted that no notice had been received of any other business that may be transacted at the annual general meeting.

The Chairman allowed questions pursuant to the resolutions tabled at the annual general meeting to be discussed before closing the voting.

MR D VAN ROOYEN (the Company Secretary) noted the following questions, which had been received via the electronic online facility:

- i. Question on Audit Committee appointments received from M. Mncube – A number of directors proposed for election to the Audit Committee are not considered to be independent as they are long tenured. Why is the Nomination Committee proposing them for election to the Audit Committee given this should be an independent committee?
- ii. Question on board independence received from N. Sibanda – How does the board ensure the independence of long tenured directors (i.e. more than 10 years on the board)? We note that a number of the 'independent non-executive directors' have long tenure. This puts the director's independence into question and is not in line with best practice. Is the board considering ratification of this issue?
- iii. Question on the remuneration policy and implementation received from M. Mncube – A bonus of R45 million was paid to the CEO without any disclosure on personal performance metrics and outcomes. Can the Remco Chair add light to the Remco's deliberations on arriving at this award? Further to this, given the previous COVID headwinds and the effects thereof, how were targets normalised given the low base we were coming from?
- iv. Question on the remuneration policy received from M. Mncube – Given the fashion industry's substantial impact on climate change, why are ESG metrics not directly attributed to climate change targets?

The Chairman referred the first two questions to MR G H DAVIN (the Lead Independent Director), the third question to MR E OBLowitz (the Chairman of the Remuneration Committee) and the last question to MR A E THUNSTRÖM (the CEO) and they responded as follows:

- i. As recommended by the King IV Code on Corporate Governance, we categorise non-executive directors as independent after assessing and concluding that there is no interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making in the best interests of the organisation. The King IV and other independence indicators, including long tenure, are considered holistically and, importantly, on a substance-over-form basis when

- performing this assessment, which is also aided by an annual independence questionnaire completed by each non-executive director. On that basis, we concluded that the non-executive directors proposed for election to the Audit Committee are in fact independent, albeit that they have tenure of longer than 9 years.
- ii. We refer you to page 63 of our 2023 integrated annual report where we state that the Supervisory Board does acknowledge investor concerns about the potential waning of independence through long tenure. Notwithstanding the fact the Supervisory Board is satisfied that all directors consistently demonstrate independence in character and judgement, it has decided to implement a new policy, progressively over a three year glide-path, such that after this three year period, a non-executive director with tenure of more than twelve years will no longer be categorised as independent. As part of dealing with this, we have recently announced the appointment of two new independent non-executive directors, namely Mr. Jan Potgieter earlier this year and Mr. Nkululeko Sowazi with effect from 1 January 2024.
  - iii. These matters are also addressed in the integrated annual report. The bonus of R45 million actually comprises 3 components – the annual short-term incentive bonus of R14.5 million and then, within the deferred incentive, there are two components – the FY2023 Single Incentive award of R14.5m and the balance relates to a residual under the old 2020 share scheme. In terms of this scheme, the award had a 3-year vesting period which is now being paid out as all the conditions have been met. All the related criteria and KPIs have either been set out in this year's integrated annual report or in previous years' reports and these have all been validly met. It's important to note that the Remco didn't apply any discretion in this regard; formulaically in terms of the assessment of the various benchmarks and KPIs, they were validly met.
  - iv. ESG does form a specific part of our incentive scheme. From a South African perspective, the 'S' in ESG, or the Social pillar, is our biggest focus at the moment against a backdrop of an ailing economy and very high unemployment. We're seeking to create as many employment opportunities as possible throughout our value chain, particularly with our localized manufacturing and the factories we've either acquired or developed over the last couple of years. We do place a lot of emphasis on climate change as well. We're working on a reduction in carbon footprint plan and, in South Africa specifically, we're addressing electricity usage, both from an environmental point of view, but equally from a sustainability of operations perspective given the weakness in Eskom's performance.

The Chairman also allowed questions pursuant to the trading update and trading statement or any other questions of a general nature to be discussed.

MR D VAN ROOYEN (the Company Secretary) noted the following question from C. Reddy, which had been received via the electronic online facility:

- i. How has trade been in the period since 26 August across the various geographies and divisions? Are conditions getting better or worse?

The Chairman referred the question to MR A E THUNSTRÖM (the CEO) and he responded as follows:

- i. You would have seen our recent trading update which dealt with trade up until 26 August, so it's been a period of less than two weeks since then. There's obviously a limit in terms of what we can share without sharing price sensitive information, but in broad terms we had seen a gradual improvement in the last couple of months prior to the release of the trading update and this has pleasingly continued. This is despite elevated levels of load shedding over the last few days as the country has move back to stage 6. It's a very short period, but it's been more positive than not. You would also have observed, walking through the shopping malls at the moment, we were in a super promotional period across South African retail for many of the last couple of months. For the most part this appears to be drying up as we reach the end of the winter season. Summer product is starting to appear in most retail stores at the moment and it certainly feels like the level of promotional activity has also lessened, which is good news if that continues, because that has been one of the big pressures on gross margin. Looking at Australia and UK, there are slightly different dynamics to South Africa and between themselves, but during the last two weeks we have seen slightly better trade. Again, this is over such a limited period of time, we wouldn't place too much emphasis on it. It's certainly better news than we otherwise could have been sharing.

The Chairman closed the voting and the results of the poll were displayed.

The Chairman declared that, with the exception of ordinary resolution 13, all the other ordinary and special resolutions had been passed with the requisite majority.

#### **24. STATEMENT BY THE CHAIRMAN**

The Chairman addressed the results of voting in respect of ordinary resolutions 13 and 14, the non-binding advisory votes in respect of the Company's remuneration policy and remuneration implementation report, respectively. He made the following statement:

"We are grateful to our shareholders who supported the relevant resolutions related to remuneration. However, we are disappointed that the voting outcomes of our Remuneration Policy and Implementation were well below our expectations. These outcomes do not tangibly support the progress attained from the intensive and ongoing efforts of our Remuneration Committee to engage with shareholders throughout the year.

These regular shareholder engagements serve as valuable forums for our Remuneration Committee to timeously address shareholder concerns and coordinate the design and integration of shareholder insights and recommendations into our remuneration policy and its implementation.

We reiterate our stated intent to ensure that the alignment of our remuneration policy and its implementation with our shareholder preferences remains a fundamental and ongoing process for our Remuneration Committee.

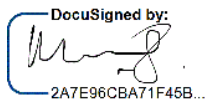
Shareholders are invited to advise the Group of their reasons for their dissenting votes on the remuneration policy and the implementation of the remuneration policy by sending correspondence by email to the Group Company Secretary, Darwin van Rooyen (company\_secretary@tfg.co.za), by 6 October 2023.

We welcome further engagement on these issues and, based on the feedback received, will schedule individual meetings with the relevant shareholders."

#### **25. CLOSING**

In closing the Chairman noted that all agenda items had been dealt with and declared the meeting closed at 15h45.

**APPROVED AND SIGNED THIS 7<sup>th</sup> DAY OF NOVEMBER 2023**

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**CHAIRMAN**