REMUNERATION

REPORT AS EXTRACTED FROM THE GOVERNANCE REPORT

THE FOSCHINI GROUP LIMITED

2024

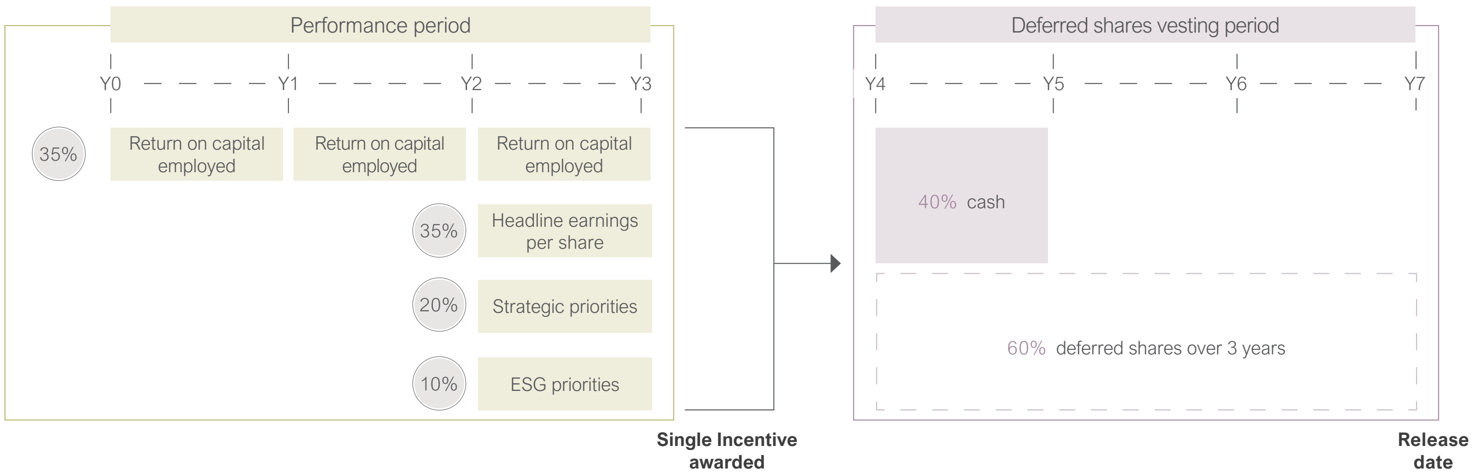
Snapshot of our FY 2025 remuneration policy

Our Single Incentive Plan:

- Aligned to BOLTS strategy.
- Targets for Strategic and ESG measures are aligned to achievement of long-term intent.
- Weighting of measures recalibrated – ROCE increased.
- Contribution of measures:
  - Financial 70%.
  - Strategic and ESG measures 30%.
- Reshaped vesting periods and shareholding requirements to align with long-term interests of shareholders.

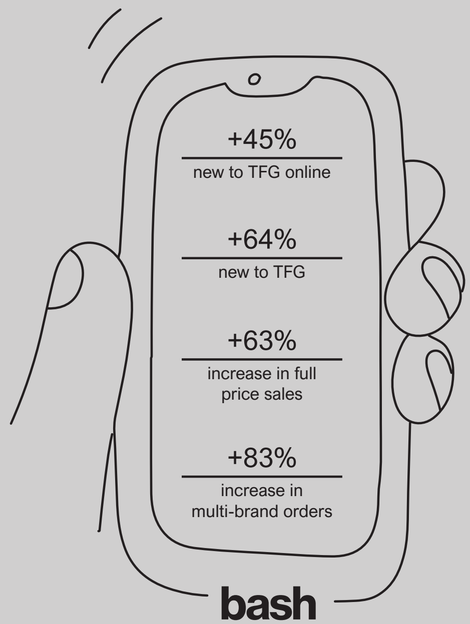
Other key elements:

- Malus and clawback provisions remain.
- Five-year minimum shareholding requirements (MSR) now:
  - CEO at 300% (2024: 200%).
  - CFO at 200% (2024: 100%).



Shareholder feedback	Committee response
Vesting periods of deferred incentive should be more aligned with shareholder value	Four-year vesting of deferred incentive.
ROCE is a key measure over a longer-term basis	Measured on a three-year trailing period. Contribution increased from 30% to 35%.
HEPS and ROCE targets should be stretching	Threshold will not be below WACC. Challenging stretch targets set with appropriate increments between threshold, target and stretch.
Strategic measures should reward for long-term delivery	Strategic and ESG targets are based on a three-year continuum. Deferred shares vesting period increased.

TFG Africa own manufactured units (million)



Snapshot of our FY 2024 remuneration outcomes

Guaranteed pay

- Stores and distribution centres: +6%.
- Executive pay: +5%.
- Non-executive directors: +5%.

Single Incentive plan

Vesting at 52,28%

Strategic and ESG measures

People and transformation:

- Jobs created exceed target.

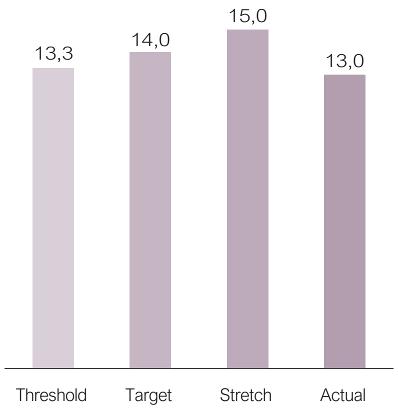
ESG procurement:

- Over achieved local sourcing and sustainable cotton targets.

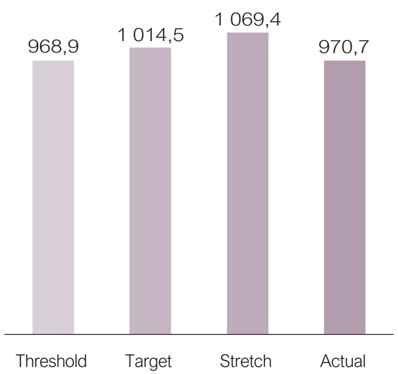
Customer:

- Enhancement to Bash and delivery of Riverfields with no disruptions to customer.

ROCE (%) – 0% vesting



HEPS (cps) – 50,7% vesting



Single-figure remuneration – CEO

	Guaranteed pay R'000	Annual incentive R'000	Deferred incentive R'000	Dividends R'000	Total remuneration R'000
FY 2024	15 750	7 822	11 734	839	36 145
FY 2023	15 000	14 501	31 445	2 934	63 880

For comparative purposes only Anthony Thunström's remuneration is shown

CEO MSR holding:

Actual	Required
352 900	335 900

Key Group metrics

Positive operating leverage achieved

Revenue

+8,9%

EBIT

+9,9%

Sustained margins

Gross profit margin

47,9%

Operating margin

10,6%

Balance sheet de-leveraged

Net debt

R4,9 billion

Capex (% of turnover)

3,6%

Inventory

R11,6 billion

Net debt/EBITDA

0,76x

Remuneration report

Structure of the report

This report comprises three parts:

Part 1 | A letter from the Remuneration Committee Chairman that summarises key policy changes for 2025, an overview of the remuneration outcomes for 2024 and the committee's approach towards remuneration governance.

Part 2 | Our remuneration policy outlining the main factors shaping our remuneration philosophy, the remuneration policy for FY 2025, our approach to executive remuneration and to wider workforce pay.

Part 3 | The implementation report for FY 2024.

Part 1: A letter from the Remuneration Committee Chairman

As part of our continuing shareholder engagement process, we have listened to our shareholders and responded to them by making fundamental changes to our variable pay model so remuneration can be closer aligned to our strategic priorities, financial performance and ESG imperatives. An annual incentive, together with a longer-term deferred incentive, balances the need to incentivise employees to deliver on short-term priorities and a longer-term incentive which has greater shareholder alignment.

Eddy Oblowitz
Chairman

Remuneration report

On behalf of the Board, and the Remuneration Committee, I am pleased to present the FY 2024 remuneration report for the Group. This report provides our stakeholders with an overview of our Group's overall remuneration philosophy, highlights key underlying remuneration principles, and outlines how these principles have been implemented during FY 2024.

Operating across multiple jurisdictions and relevant dynamic trends has a profound impact on how we approach remuneration in the Group, aligned to varying stakeholder expectations.

Remuneration aligned to financial, strategic and ESG priorities

Balancing the varying needs of our stakeholders continues to be at the essence of our purpose. In particular, our remuneration policy is designed with the interests of all stakeholders in mind. It includes attempting to balance financial performance and progress made with the strategic priorities and an ESG component.

Financial performance

The Group has produced strong financial results in the face of challenging headwinds in South Africa, London and Australia. South Africa continues to be plagued, among other detractors, with ageing infrastructure, the challenges associated with increasing cost-of-living, and the geopolitical impacts evident across all geographies. Specific callouts for our Bash online platform's stellar growth, the positive operating leverage, effective working capital management and the cash flow generation. This is a testament to the concerted efforts by management in effectively managing costs and margin yield.

Additionally, the strengthening of the balance sheet is evidenced by the following positive year-on-year movements in these key metrics:

- Capex % of turnover has decreased from 5,8% to 3,6%.
- Inventory reduced from R13,1 billion to R11,6 billion.
- Net debt reduced from R7,1 billion to R4,9 billion.
- Leverage ratio (Net debt/EBITDA) improvement from 1,21x to 0,76x.

Despite ROCE of 13,0% (incl goodwill), being below the remuneration threshold set, it is noteworthy that EBIT has increased by 9,9% year-on-year while capital employed has only increased by 2,3%, showing a strong year-on-year ROCE performance.

Strategic priorities

We continue to make meaningful progress in implementing our strategic priorities, thereby building the Group sustainably in the long term.

Omnichannel

In its full first year of operation, Bash, our online retail site, has significantly exceeded our expectations. This success is largely attributed to our customers' overwhelmingly positive response and our Bash team's dedicated efforts. Our extensive network of physical stores plays a crucial role in this achievement by enabling in-store fulfilment through the Bash app while in-store. This integrated omnichannel approach has driven Bash toward forecasted profitability ahead of our initially estimated timeline.

Quick Response Manufacturing

Our local sourcing from and vertical integration of our owned factories has been and will continue to be a strategic differentiating priority as we further cement and build on the efficiencies they create. More than 70% of our products is sourced locally, which has a significant impact regarding decreasing lead times by over a third. This results in a significant release of working capital lock-up and improved sales margins relative to imports.

ESG priorities

As a responsible corporate citizen and the largest apparel and homeware retailer in South Africa, we continue to contribute to increasing employment and related opportunities especially for the people of South Africa. We have exceeded our targets by creating more than 1 300 jobs through organic and inorganic growth.

We are proud to support several initiatives that further underscore our ongoing commitment to community development:

- **Local hiring programmes and job protection:** We prioritise hiring locally to create job opportunities within the communities we serve and protecting the jobs of the most vulnerable by proactively finding suitable alternatives where possible.
- **Training and development:** We offer comprehensive training programmes to equip our employees with the skills they need to succeed and grow within the company. We also provide internship programmes that help young people gain valuable work experience.
- **Employee well-being:** Our focus on employee well-being includes offering competitive benefits, a supportive work environment and opportunities for career advancement. A 24-hour helpline is also available to our team members and their families across our African operations.
- **Community engagement:** We actively participate in community projects and support local charities to strengthen our ties with the communities around our stores and factories.

We will continue to include components of job creation and community development in the performance measures of our variable pay schemes, reinforcing our commitment to making a positive impact on society.

Remuneration report

Our remuneration journey

We value our shareholders' constructive feedback on how we structure our remuneration framework and policies. At the 2023 annual general meeting, 28,83% of shareholders voted in favour of the Remuneration policy and 56.67% voted in favour of the Implementation report. Post the AGM, shareholders were requested to advise the Group of their reasons for their dissenting votes on the remuneration policy and implementation report. These were also discussed at our quarterly engagement meetings with top shareholders.

The summary below illustrates the journey we have taken to incorporate the feedback raised by shareholders into our remuneration policy.

	FY 2021	FY 2022	FY 2023	FY 2024	Applied for FY 2025 policy
ROCE weighting is considered to be too low	ROCE weighting 20%	ROCE weighting 25%		ROCE weighting 30%	ROCE weighting 35%
ROCE measurement period considered to be too short					ROCE measured on a 3-year trailing basis
Closer alignment of management and shareholders	MSR introduced – CEO 200%				MSR multiple increased – CEO 300%
Single Incentive scheme should be subject to a longer vesting period					Deferred share vesting period increased to 4 years

Remuneration report

In summary, the key changes to the remuneration policy for FY 2025 are:

Matters raised by shareholders	Action taken by the committee
Return on capital employed (ROCE) should be seen as a key measure and measured on a longer-term basis.	> ROCE weighting contribution has been increased from 30% to 35%. > ROCE performance measurement period is extended from a one-year period to a three-year trailing period.
There needs to be greater alignment with shareholder earnings to guarantee that executives have a vested interest in building shareholder value.	> The vesting period of the deferred incentive portion of the Single Incentive Policy (SIP) is extended by one year. All awards vest three years from the date of award and four years from initiation date. > The combined impact of the above measures significantly extends the lifespan of the SIP to a seven-year measurement period to support an effective lock-in or retention mechanism for executives. > The minimum shareholding requirement (MSR) percentages for executive directors and Operating Board members have increased and are interlinked with the deferred incentive.

Key focus areas for the year ahead

The remuneration policy contains a detailed overview of the policy to be implemented during FY 2025. Further information is also provided on how we continue to strengthen the link between remuneration and our overall Group strategy.

We anticipate that our evolutionary journey towards fair and transparent pay complemented by enhanced disclosures and our efforts to align the SIP with shareholder expectations should result in greater shareholder support with a commensurate required majority vote in favour of the remuneration policy.

External advisors

During the year under review, PwC and DG Capital continued to serve as our external remuneration advisors. The committee is satisfied that PwC and DG Capital provided objective and independent advice and services to the committee at all times.

In closing

The committee is satisfied it has fulfilled its responsibilities in accordance with its mandate for the 2024 financial year.

The committee continues to make sure the Group's remuneration principles and policy support its strategic objectives and drive appropriate executive performance to achieve sustainable short- and long-term growth. Where the committee has identified areas of improvement, it remains committed to align the performance measures and outcomes accordingly. That commitment guarantees that our remuneration policy remains sustainable, fair and responsible while aligning with our stakeholders' interests. We continue to engage regularly and transparently with our valued shareholders about their remuneration concerns and strive to align our remuneration practices with stakeholder value creation, across the Group.

The Group is committed to doing the right thing. We will continue to support our ESG initiatives, such as transformation and local manufacturing, and investing in our strategic initiatives to create a basis for future sustainability for our people and the environment.

I express my appreciation to my committee members, my Board colleagues, and our external advisors for their counsel and support. Thank you to management for their assiduous efforts in advancing the strategy of the Group and their individual and collective cooperation and assistance rendered to me and the committee.

Eddy Oblowitz
Chairman: Remuneration Committee
19 July 2024

Part 2: Our remuneration policy

Guiding principles

Our remuneration policy is built on the following guiding principles:

Equitable and fair

We consider external and internal factors when setting pay. Parity gaps between gender and race are included in discussions for both fixed and variable pay.

Linked to our strategy and stakeholders

Performance measures included financial, strategic and ESG measures with appropriate weighting. Read more about the alignment of our pay to the experience of all our stakeholders on page 52.

Rewarding the right behaviour to deliver long-term growth for our shareholders

We carefully select and calibrate performance conditions to reflect long-term growth. Several additional measures are in place to guarantee long-term alignment of interests. Read more about how we set and calibrate targets at senior levels on page 52.

Predictable and proportionate

Our pay mix is geared towards "pay at risk". Variable pay at senior levels is linked to performance and appropriately capped. Read more about how we set pay at senior levels alongside.

Simple and transparent

The remuneration policy is designed to incentivise employees to achieve clearly defined financial, operational and strategic objectives and communicate objectives and outcomes to our stakeholders in a clear and transparent manner.

Fair pay for all employees

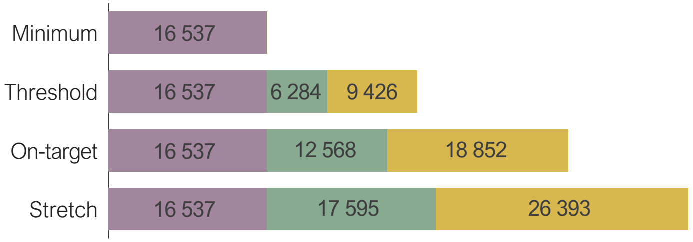
As part of its review of executive remuneration arrangements, the committee takes account of the pay policies in-place across the wider business. This includes considering the structure of remuneration offerings at each level of the business to maintain a strong rationale for how packages evolve across the different levels of the organisation.

Overview of our remuneration offering

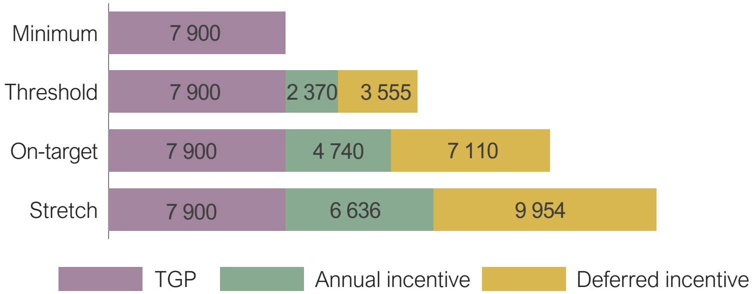
The remuneration offering consists of total guaranteed pay (TGP) and variable pay in the form of a Single Incentive Plan (SIP). The SIP is not guaranteed and includes an annual (or short-term) incentive and a deferred (or long-term) incentive component. The composition of the pay mix depends on the employee's job level, with senior-level employees having a greater variable component to their remuneration.

The FY 2025 potential pay mix for the CEO and CFO is illustrated below.

CEO pay mix (R'000)



CFO pay mix (R'000)



Minimum: TGP only, no SIP.
Threshold: TGP, 50% achievement of SIP.
On-target: TGP, 100% achievement of SIP.
Stretch: TGP, 140% achievement of SIP.

Remuneration report

Our elements of remuneration

Remuneration element		Eligibility
Total guaranteed pay	**Cash salary** 13th cheque (Lower management and below). **Benefits** > TFG Retirement Fund. > Group life and disability benefits. > TFG medical aid scheme.	All permanent employees.
Variable pay	Annual incentive.	Middle management and above.
	Deferred incentive.	Executives, senior executives and executive directors.
Wealth at risk	Minimum shareholding requirement.	Prescribed officers, executive committee members and executive directors.

Our approach to fixed pay

Total guaranteed pay (TGP)

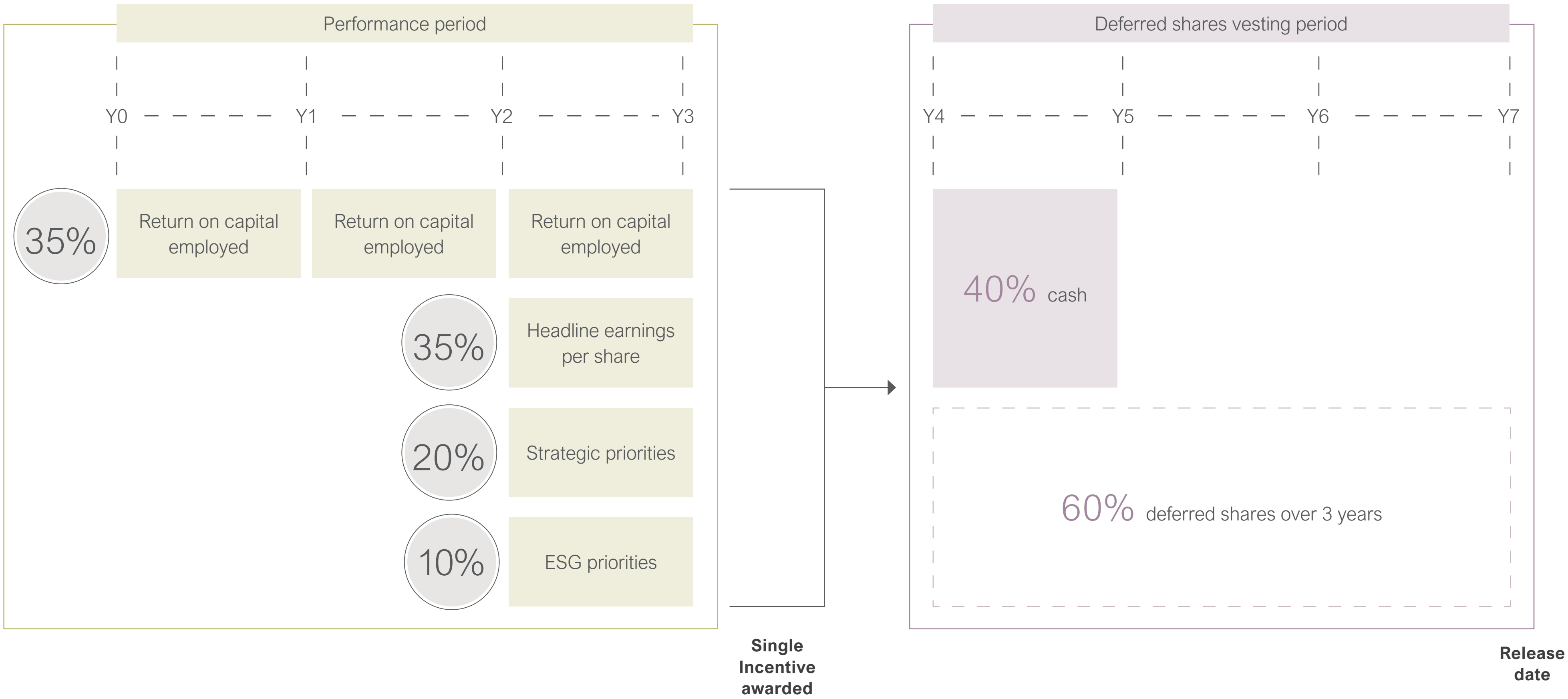
	Base pay		Benefits
Purpose and link to strategy	The cash salary component is intended to attract and retain key talent, with a focus on external market equity, internal equity and equal pay for work of equal value. The Group also considers trading conditions and affordability, and base pay forms part of the social component in our ESG approach, particularly when considering our most vulnerable employees.		The focus is on the attraction and retention of key talent, and to increase our total employee value proposition.
Participation	All permanent employees.		All permanent employees.
Operation	Cash salary.	Pensionable and non-pensionable cash salary.	TFG Retirement Fund: Company contribution of 12%. Member contribution flexible from 3% to 18%.
	Tenure-based 13th cheque.	Tenure-based 13th cheque for permanent employees from Peromnes Grade 10 and below.	Group life and disability benefits: Subsidised in full by TFG.
			TFG medical aid scheme (in-house): 50% subsidy for Peromnes Grade 10 and below.

Remuneration report

Our approach to variable pay

Illustration of the SIP

The graphic below illustrates an example of the operations of the SIP.



Our Single Incentive Plan policy for FY 2025

Several policy changes apply from FY 2025: The weighting assigned to ROCE is increased to 35% with a commensurate decrease in HEPS from 40% to 35%. The overall weighting assigned to financial performance measures is retained at 70%. The performance measurement period for ROCE is extended to a three-year trailing period. The vesting period of the deferred incentive is extended by one year. The combined impact of the above measures significantly extends the life span of the SIP from a three-year period to a seven-year period. The MSR percentages have been increased and interlinks with the deferred incentive.

Purpose and link to strategy	The SIP serves to motivate employees in line with the Group's values, and drive the key performance metrics to create increasing value for all stakeholders. The objective of the plan is to encourage transparency of outcomes, increased retention, and a share ownership culture by providing enhanced mechanisms to increase employee shareholding levels to achieve increased alignment with shareholder interests.	
Participation	**Annual incentive:** Permanent employees from Peromnes Grade 7 (middle management) and above.	**Deferred incentive:** Executives, senior executives and executive directors only (unless the committee determines otherwise).
Operation	A single scorecard is used to determine an annual incentive (cash bonus paid at the end of the year) and a deferred incentive (settled in shares).	
Combined incentive determination	Single Incentive = (TGP x on-target %) x Business Modifier % x Personal Modifier %.	
On-target percentage	The on-target percentages, in line with seniority, are set for the combined Single Incentive.	

	Measure	Weighting	Measurement period
Business modifier	**Financial objectives: 70%**		
	HEPS	35%	One year
	Group ROCE	35%	Three years (on a trailing basis)
	Strategic and ESG objectives: 30%		
	ESG Priorities	10%	One year
	Strategic objectives	20%	One year (linked to long-term strategy)

Personal modifier	The Single Incentive can be modified between 75% and 125% of the calculated award based on criticality and individual performance criteria.

	Annual incentive	Deferred incentive
Annual and deferred incentive components	40% of the total incentive for participants who participate in both components. 100% for participants who only participate in the annual incentive.	60% of total incentive for participants who participate in both components.
Settlement and vesting period	Settled in cash at the end of the performance period, based on financial statements. Executives can elect to have the annual incentive deferred in shares and committed towards their MSR.	Settled in forfeitable shares at the end of the performance period. Shares vest three years after the end of the performance period (from allocation date).

Remuneration report

Linking remuneration to our strategy

Our remuneration policy is designed to deliver balanced outcomes for our stakeholders, driving long-term sustainable performance for the benefit of all groups. In overseeing remuneration outcomes, the committee makes sure that performance is assessed holistically and the committee considers the impact on broader stakeholder groups when making decisions on remuneration.

The Supervisory Board guides and approves the overall strategy for TFG and approves the budget presented by management which is used as a basis for the targets the committee sets for the SIP. These targets set are based on robust deliberations by the committee with input from management and independent advisors.

The table below outlines the performance measurement period and targets for the FY 2025 SIP awards:

Measure	Rationale	Link to Group strategy	Weighting	Targets
Financial performance (three years – on a trailing basis)				
Group ROCE*	Effective use of capital results in sustainable profits and growth	L | Leverage	35%	Threshold: 13,0 Target: 13,5 Stretch: 14,5
Financial performance (measured over one year)				
HEPS**	Underlying profit is a key measure of shareholder value and future earnings potential	B | Build out O | Optimise	35%	Threshold: 970,7c Target: 1 029,0c Stretch: 1 107,0c
Strategic priorities (measured over one year building on strategic implementation)				
Customers	Building our omnichannel strategy to reach more customers	T | Transform	5%	To be retrospectively disclosed due to commercial sensitivity
Localisation of manufacturing	Local sourcing and manufacturing to support a Quick Response strategy linked to higher sales margin and lower lead times	O | Optimise	5%	
Omnichannel	Improve the profitability of Bash enabled by in-store generated sales (assisted selling on Bash)	T | Transform	10%	
ESG priorities (measured over one year continuum)				
ESG: People and transformation	Job creation, to enable an empowered, representative workforce	S | Sustain	5%	B-BBEE scorecard and creation of workplace opportunities
ESG: Procurement	Sustainable sourcing of cotton		2,5%	50% sustainably sourced cotton by FY 2026
ESG: Procurement	Traceability of supply		2,5%	40% tier 2 traceability by FY 2027
Total			100%	

* *ROCE to be normalised for any corporate actions approved by the Supervisory Board (enabling long-term growth and sustainability), not able to be factored in at time of the publication of this report.*
** *The HEPS target in the table above is used for remuneration purposes only and does not constitute an earnings forecast.*

FY 2025 Financial target setting

As part of its target setting process for FY 2025, the committee deliberated extensively on the targets set as depicted in the table on the previous page. These deliberations considered various relevant factors, the salient ones as follows:

> The budget and strategy as set and approved by the Supervisory Board.
> The expected trading conditions for the year ahead in all TFG operating territories as influenced by macroeconomic, socioeconomic, political, industry and competitive considerations.
> At each target level, balancing pay outcomes with the respective performance required to deliver appropriately acceptable financial returns, to attain alignment with our fundamental remuneration philosophy of "pay for performance".
> Feedback received as part of Remco's regular engagements with key shareholders which included advice for Remco to consider setting stretch targets to be significantly challenging yet attainable, together with sufficient increments between threshold and target, and between target and stretch, respectively, to ensure that any payment at stretch levels is reserved for exceptional financial outcomes only.

The HEPS target represents a 6% year-on-year growth, and the stretch target represents a CPI + 9% year-on-year growth.

Group ROCE, which has been increased by the committee in its weighting to 35% in the Single Incentive revised design, has been set to require a CPI + 6,5% year-on-year growth in EBIT for the target, and a CPI + 14% year-on-year growth in EBIT for the stretch, assuming that Capital Employed remains static.

These targets are considered by the committee to be sufficiently challenging.

Linking pay to long-term value creation

Fixed versus performance-linked remuneration

We aim to pay our executive directors at the upper quartile, taking the relative complexity of the business, the diverse nature, and multi-jurisdictional nature of the business into account.

Remuneration increases are guided by comparison with industry peers, independent market surveys, national economic indicators, and TFG's trading performance. A significant proportion of executive directors' remuneration is performance-linked, long-term and at risk due to withholding and recovery provisions for a period during which the committee can modify vesting outcomes or recover sums paid. Our high levels of MSR will require executive directors to remain invested in the company over the long-term.

The following incentive percentages and vesting levels will be used for FY 2025 – they are unchanged from FY 2024:

	Business multiplier			
	Below threshold (0%)	**Threshold performance (50%)**	**Target performance (100%)**	**Stretch performance (140%)**
CEO	**0%**	**95%**	**190%**	**266%**
CFO	**0%**	**75%**	**150%**	**210%**

Our approach to pay and wealth at risk

Wealth at risk

Minimum shareholding requirements

Executive directors are expected to build and maintain an interest in the Group's shares. Accumulation subject to a maximum period of five years from the introduction of the MSR policy (1 June 2021) or the appointment of the executive, whichever is the later.

The following targets, expressed as a percentage of TGP apply:

	FY 2024	**FY 2025**
CEO	200%	**300%**
CFO	100%	**200%**
Executive committee members and prescribed officers	75%	**100%**

Forfeiture and lapse of incentives

Termination of employment

In addition to subjecting all incentives to performance conditions, incentives remain at risk if employment is terminated before the payment or vesting date:

> Annual incentive: Forfeited in full regardless of the reason for termination of employment.
> Deferred incentive: Forfeited (if employment is terminated before the date on which the annual incentive is paid, or the forfeitable shares are awarded).

Deferred incentive: Termination after the award date of the forfeitable shares will be treated in accordance with the Forfeitable Share Plan (FSP) 2020:

> Resignation or dismissal: unvested forfeitable shares will be forfeited.
> Death, retirement, voluntary retirement, retrenchment, disability or s197 transfer: awards will vest early and pro-rated to take the number of completed months served during the vesting period into account.

Malus and clawback

Any variable pay (relating to present and past variable remuneration awards) may be reduced in whole or in part by the application of the malus and clawback principles, following a trigger event which, in the judgement of the committee, had arisen during the relevant vesting, pay-out or financial period. Decisions made by the committee regarding the application of malus and/or clawback are final and binding.

The trigger events for the application of malus and clawback include, but are not limited to:

> Employee dishonesty, fraud or gross misconduct.
> A material misstatement of the financial results for the performance or employment period of the award, resulting in an adjustment in the audited consolidated annual financial statements of TFG (or any employer company).
> The assessment of any performance metric or condition (where applicable) regarding an award that was based on error, or inaccurate or misleading information.
> Any information used to determine the quantum of any incentive, or the number of shares subject to an LTI/deferred award was based on error or inaccurate or misleading information.
> Events or behaviour of the employee that had a significant detrimental impact on the reputation of TFG.

Reduction or recoupment of incentives

Several measures are in place, allowing the committee to lapse, reduce unvested or recoup any past incentive payments. Shareholding requirements are in place to reinforce the importance of sustainable long-term performance and alignment.

Additional considerations

Use of discretion

Flexibility, discretion and judgement are crucial for successfully designing and implementing the remuneration policy. There are fundamental difference between these concepts:

> Our policy is flexible so the committee can make decisions on an annual basis depending on prevailing conditions in the external and internal environment.
> The committee is routinely asked to apply its judgement (for example, assessing the satisfaction of an annual bonus objective based on progress against an aspect of strategy).
> Discretion, in an upwards or downwards direction, may be needed to produce outcomes of implementation of the remuneration policy that is fair to all stakeholders taking the overall performance and position of the Group into account.

The committee has not exercised any discretion in FY 2024.

Restraints and minimum service agreements

The Group has restraint of trade and minimum service agreements in place for key executives. These agreements exist for the duration of employment and contain notice periods of between six and 12 months. In the event of summary dismissal on the grounds of misconduct (for example, dishonest or fraudulent conduct), notice periods do not apply.

Ex gratia or lump sum payments

There are currently no agreements in place that provide for *ex gratia* or other lump sum payments to executives on severance or retirement.

Executives who depart are not awarded “golden handshakes”. No *ex gratia* payments are made in the event of a merger or takeover or for any special projects undertaken.

Non-executive directors (NEDs) remuneration policy

NED fees are based on market benchmarks and the level of increased responsibility of regulatory oversight placed on NEDs given the Group’s international expansion.

The arrangements pertaining to NEDs (South African resident and foreign) are outlined below:

> Paid a base fee and a committee fee based on the number of committees on which they serve.
> Reimbursed for all travel expenses incurred during the course and scope of their duties in accordance with the Group’s approved travel policy.
> Do not receive any form of variable pay.
> Do not have service contracts with the Group.
> Appointed for a three-year term on recommendation by the Nomination Committee.
> May be eligible for re-election depending on their annual performance evaluation.

The proposed NED fees (VAT inclusive) that will be tabled for approval by the shareholders at the AGM on 5 September 2024.

Category	FY 2024 Actual Rand excl. VAT	**FY 2025 Proposed Rand excl. VAT**	% increase
Chairman (all inclusive)	1 653 750	**1 736 438**	5%
Director (South African)	474 075	**497 779**	5%
Director (Foreign)	715 412	**751 183**	5%
Audit Committee Chairman	388 962	**408 410**	5%
Remuneration Committee Chairman	352 800	**370 440**	5%
Risk Committee Chairman	286 650	**300 983**	5%
Social and Ethics Committee Chairperson	151 070	**158 623**	5%
Member/Invitee of Audit Committee	164 383	**172 602**	5%
Member of Nomination Committee	54 755	**57 493**	5%
Member of Remuneration Committee	103 029	**108 181**	5%
Member/Invitee of Risk Committee	128 497	**134 922**	5%
Member of Social and Ethics Committee	83 349	**87 516**	5%
Member of *ad hoc* Finance Committee	54 755	**57 493**	5%

If 25% or more of the shareholders do not endorse our remuneration policy and implementation report at the 2024 annual general meeting, the Board will invite dissenting shareholders to engage with the committee on their concerns.

Part 3: Implementation report

The implementation report relates to the executive remuneration outcomes for FY 2024 and aligns with the principles as contained in the prior period's remuneration policy.

Total guaranteed pay outcomes

As noted in the FY 2023 remuneration policy, executive pay increased on average by 5% (FY 2023: 5%) with store and distribution centre salaries increasing on average by 6% (FY 2023: 6%).

Outcome of the Single Incentive Plan for FY 2024

The assessment of the financial targets (70% weighting) and strategic targets (30% weighting) that were set at the start of the financial year are disclosed below.

		Performance targets for FY 2024			Achieved		
Measure	**Weighting**	**Threshold**	**Target**	**Stretch**	**Actual outcome**	**Resultant score**	**Weighted outcome**
Group HEPS	**40,0%**	**968,9c**	**1 040,5c**	**1 069,4c**	**970,7c**	**50,7%**	**20,3%**
Group ROCE	**30,0%**	**13,3%**	**14,0%**	**15,0%**	**13,0%**	**0%**	**0%**
People and transformation	**7,5%**	**50%**	**100%**	**140%**	**100%**	**100%**	**7,5%**
ESG procurement	**10,0%**	**50%**	**100%**	**140%**	**120%**	**120%**	**12,0%**
Customer	**12,5%**	**50%**	**100%**	**140%**	**100%**	**100%**	**12,5%**
Total score							**52,3%**

Further details regarding the strategic and ESG outcomes are provided in the table below:

Metric	Weighting	Outcome	Targets	Comment
Strategic objectives:				
ESG: People and transformation	7,5%	7,5%	> Create jobs via acquisition and organic growth in stores and factories.	> Target was to create 1 300 jobs which was achieved. Additionally, 451 jobs out of an impacted 526 jobs were preserved relating to store closures.
ESG: Procurement	10,0%	12,0%	> Increase in local sourcing and supplier development. > Sustainable sourcing of cotton.	> 70,6% of apparel, at cost, was manufactured and sourced locally based on a stretch target of 68%. > 29,3% of cotton is sustainably sourced via Better Cotton based on a target of 20%.
Customer	12,5%	12,5%	> Successful implementation of the new Riverfields distribution centre to support an omnichannel strategy. > Further Bash-specific development supporting omnichannel sales.	> New Riverfields DC successfully implemented without any disruptions to the technology systems and fulfilment obligations. > Successfully rolled out a pilot of in-store generated sales via a bespoke in-store app supporting the omnichannel strategy. This is a fundamental lever to unlock the expedited profitability of Bash.

Chief Executive Officer Single Incentive Plan for FY 2024

The final outcomes of the Chief Executive Officer's Incentive are calculated as follows:

Director	TGP	On-target %	Business modifier	Personal modifier*	Total incentive (A x B x C x D) Cash (40%)	Deferred (60%)
	A	B	C	D		
A E Thunström	R15,75 million	190%	52,28%	125%	R7,8 million	R11,7 million

* The personal modifier of the CEO as per the Single Incentive Plan has been considered by the Chairman of the TFG Limited Board and approved by the committee based on the following key factors:

> Significant improvement in the profit and balance sheet evidenced by a 9,9% improvement in EBIT year-on-year with only a 2,3% increase in capital employed.

> All key balance sheet metrics performing significantly better than the prior year (Capex reduced from 5,8% of revenue to 3,6%, inventory down from R13,1 billion to R11,6 billion, net debt reduced from R7,1 billion to R4,9 billion and leverage ratio (Net debt/EBITDA) improved from 1,21x to 0,76x).

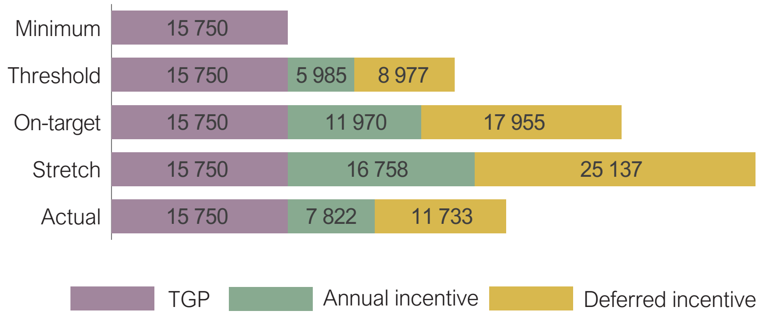
> Record revenue, gross profit and EBIT in TFG Africa and TFG London and record revenue in TFG Australia.

> These results have been achieved on the back of a volatile trading environment and subdued customer spending on discretionary retail.

> In addition to the strong financial performance of the business, key strategic initiatives have been successfully delivered, including a significant improvement towards attaining profitability of Bash, which is expected to be achieved at least a year before what was committed, growth in e-commerce market share, the investment in local manufacturing paying dividends with improved sales margins relative to importing (circa 13,3% better) and significantly shorter lead times (circa 3,3x shorter than importing).

The chart below shows the FY 2024 actual remuneration outcomes against potential remuneration opportunity, and the split between fixed and performance-based remuneration.

Actual vs potential pay mix (R'000)



Minimum: TGP only, no SIP.
Threshold: TGP, 50% achievement of SIP.
On-target: TGP, 100% achievement of SIP.
Stretch: TGP, 140% achievement of SIP.

Remuneration report

Single-figure remuneration

Executive directors	Salary R'000	Benefits[1] R'000	Guaranteed pay R'000	Annual incentive (STI) R'000	Deferred incentive[2] (LTI) R'000	Dividends R'000	Other remuneration R'000	Total remuneration R'000
	FY 2024							
A E Thunström	**15 222,7**	**527,3**	**15 750,0**	**7 822,4**	**11 733,6**	**839,1**	**–**	**36 145,1**
B Ntuli[3]	**5 303,6**	**296,4**	**5 600,0**	**–**	**–**	**347,8**	**–**	**5 947,8**

[1] *Benefits include retirement fund contributions.*

[2] *Deferred incentive comprises the following:*

[a] *Shares awarded in terms of the FY 2024 Single Incentive to vest equally in June 2026 and June 2027 based on a 30-day VWAP of R106,00.*

[3] *Ms B Ntuli resigned as executive director effective 30 November 2023 and therefore her pro-rated remuneration is included up until this date. No further payments in relation to the holding of office of Executive Director were made post this date including any termination related payments.*

Executive directors	Salary R'000	Benefits[1] R'000	Guaranteed pay R'000	Annual incentive (STI) R'000	Deferred incentive[2] (LTI) R'000	Dividends R'000	Other remuneration R'000	Total remuneration R'000
	FY 2023							
A E Thunström	14 128	872	15 000	14 501	31 445	2 934	–	63 880
B Ntuli	7 451	549	8 000	6 106	14 790	601	–	29 497

[1] *Benefits include retirement fund contributions.*

[2] *Deferred incentive comprises the following:*

[a] *Shares awarded in terms of the FY 2023 Single Incentive (R14 607k) to vest equally in June 2025 and June 2026 based on a 30-day VWAP of R94,02 and;*

[b] *Performance shares allocated in 2020 (R16 838k) which have now met the prescribed performance conditions required for vesting.*

MSR compliance status

	Required to hold by FY 2026* '000	Actual holding as at FY 2024 '000
A E Thunström	**335,9**	352,9

* *Based on the increase in the MSR multiple for the CEO from 200% to 300% the number of shares required to be held by 2026 has increased from 223 939 shares to 335 909 shares.*

Directors' interests in shares

	Non-executive							Executive		Total non-executive plus executive
	M Lewis '000	E Oblowitz '000	D Friedland '000	N V Simamane '000	R Stein '000	A D Murray '000	Total non-executive '000	A E Thunström '000	Total executive '000	'000
Direct beneficial		3,0		2,3	184,2	647,0	836,5	352,9	352,9	1 189,4
Indirect beneficial	1 818,8		30,0		80,0	327,5	2 256,3			2 256,3
Total	**1 818,8**	**3,0**	**30,0**	**2,3**	**264,2**	**974,5**	**3 092,8**	**352,9**	**352,9**	**3 445,7**

		Financial year			Unvested share awards as at 31 March 2024				
	Date of award	Awarded	Earliest vesting	Balance at 31 March 2023 '000	Awarded	Sold/ transferred	Balance at 31 March 2024 '000	Dividends received R'000	Indicative value of unvested shares* R'000
A E Thunström									
FSP	19 Nov 20	2021	2024	189,2		189,2	–	–	–
FSR	19 Nov 20	2021	2024	350,0		350,0	–	–	–
	01 Jun 21	2022	2025	33,2			33,2	79,6	3 519,2
	30 Jun 22	2023	2025	56,9			56,9	136,5	6 031,4
	30 Jun 22	2023	2026	56,9			56,9	136,5	6 031,4
	30 Jun 23	2024	2026	–	77,7		77,7	186,4	8 236,2
	30 Jun 23	2024	2027	–	77,7		77,7	186,4	8 236,2
Matching shares	30 Jun 21	2022	2025	13,5			13,5	32,5	1 431,0
Deferred shares	30 Jun 21	2022	2025	33,8			33,8	81,2	3 582,8
				733,5	155,4	539,2	349,7	839,1	37 068,2

Changes to directors' interests after year-end

Acceptance of FSRs in June 2024	FSRs accepted**	Indicative value*
A E Thunström	127 538	R13 519 028

* *Indicative value based on 30-day VWAP and expected vesting percentages.*

** *he restricted forfeitable shares (FSRs) accepted is a result of the deferred incentive portion of the Single Incentive which will vest equally in June 2026 and June 2027.*

On 14 June 2024, SZL Investment Limited Partnership, which is ultimately owned by family trusts of which M Lewis and his family are beneficiaries, sold 363 766 shares pursuant to a portfolio rebalancing of the trust interests of a sibling of the director.

On 19, 20 and 21 June 2024, The Krisalex Trust, in which A D Murray is a trustee and discretionary beneficiary, sold 200 000 shares pursuant to a portfolio rebalancing.

On 27 June 2024, A E Thunström sold a portion (47 331 shares) and retained a portion (56 241 shares) of vested shares previously granted (with time based restricted conditions) on 1 July 2021 and 6 July 2022 in terms of and subject to the rules of the company's 2020 Forfeitable Share Plan in order to settle the resultant tax obligation.

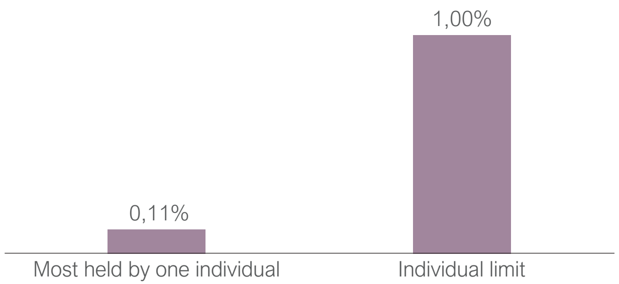
Remuneration report

Current allocation versus policy limits

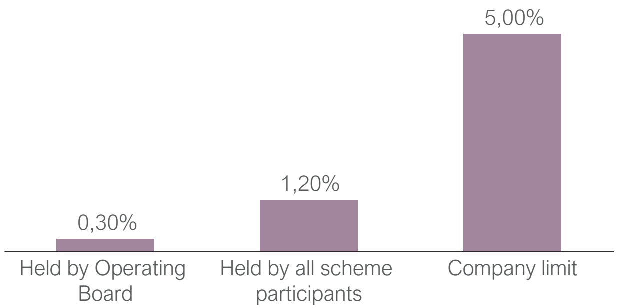
As at 31 March 2024, issued share capital comprised 324 927 430 shares. In terms of the FSP policy, the maximum aggregate number of shares that may be awarded to participants collectively in terms of the LTIs may not exceed 16 246 371 shares (5% of issued share capital) and the maximum number of shares that may be awarded to any one participant is 3 249 274 shares (1% of issued share capital). As all share awards have historically been settled via the market purchase of shares, there is no impact on the dilution of any shares in issue.

In terms of in-flight awards that are still to be settled on an overall (3 884 625 shares) and individual (349 638 shares) basis, potential share awards held by scheme participants are well within the defined limits. The CEO is the highest individual holder of share awards and is therefore compared against the individual limit.

Issued shares for individuals (%)



Issued shares for groups (%)



Non-executive directors' fees

NED fees are reviewed annually, and approved changes are effective 1 October of each year. The proposed NED fees (VAT exclusive) per role as from 1 October 2024 to 30 September 2025 are detailed in the Remuneration Policy on page 54 of this report.

Below are the actual NED fees (VAT exclusive) for the financial year ended March 2024 based on current committee memberships:

Non-executive directors	Actual FY 2024	Actual FY 2023
M Lewis	**R1 614 376**	R1 537 500
E Oblowitz	**R1 365 780**	R1 300 742
Prof. F Abrahams	**R889 728**	R847 359
R Stein	**R1 009 988**	R961 891
D Friedland	**R849 272**	R808 830
N V Simamane	**R830 060**	R790 533
B L M Makgabo-Fiskerstrand	**R830 060**	R790 533
G H Davin	**R965 752**	R919 763
A D Murray	**R2 198 906**	R2 094 196
C Coleman	**R751 830**	R716 029
J N Potgieter	**R744 216**	–
N L Sowazi	**R118 519**	–

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