Remuneration report

Committee Chairperson's report

I am pleased to present the Lewis Group Remuneration report, which sets out the Group's remuneration policy and the implementation report. The board, through the remuneration committee (the committee), continues to strive to create a performance-oriented culture which fairly rewards staff for their contribution in achieving the Group's strategic, financial and operational objectives.

SCOPE OF REPORT

The Remuneration report for the 2024 financial year covered the period ended 31 May 2024. Consequently, this year's report covers the period from 1 June 2024 to the date of this report, being 30 May 2025.

COMMITTEE COMPOSITION AND MEETINGS

The committee met on 28 May 2024, 12 March 2025 and 26 May 2025.

The composition of the committee to the date of this report was as follows:

Director	Status
Prof. Fatima Abrahams	Independent non-executive director (chairperson)
Adheera Bodasing	Independent non-executive director
Daphne Motsepe	Independent non-executive director
Tapiwa Njikizana	Independent non-executive director
Hilton Saven	Independent non-executive director
Brendan Deegan	Independent non-executive director

The chief executive officer attends meetings at the invitation of the committee.

NON-BINDING ADVISORY VOTES

At the annual general meeting held on 18 October 2024, the Remuneration policy was endorsed by shareholders and received 90.8% (2023: 96.6%) of the votes cast, while the Implementation report received 91.2% support (2023: 83.4%).

KEY FOCUS AREAS

The main areas of focus of the committee during the year were as follows:

- Considered an executive remuneration survey conducted against comparable companies (mainly in the retail sector) performed by REM Solutions, an independent remuneration consultancy
- Considered and approved the total guaranteed pay for executive directors and the internal audit executive for the 2026 financial year
- Reviewed and approved the remuneration policy and implementation report included in the 2025 Integrated report
- Set the Group's performance targets for all share incentive schemes, the cash-settled plan and cash-based performance bonus for the 2026 financial year
- Considered the measurement of the actual performance against targets for the 2025 financial year for the Lewis 2019 Executive Performance Scheme (2019 LEPS), the Lewis 2021 Executive Performance Scheme (2021 LEPS), Cash-Settled Long-Term and Short-Term Executive Performance Plan (CSLSPP) and the Lewis 2022 Cash-Settled Executive Performance Plan (2022 CSPP).
- Considered the measurement of the actual performance against targets for the 2025 financial year for the cash-based performance bonus.
- Approved the awards to be granted in the 2026 financial year under the Lewis 2022 Executive Retention Scheme (2022 LERS), Lewis 2023 Executive Performance Scheme (2023 LEPS) and the 2021 LEPS.

The committee is satisfied that it has fulfilled the requirements of its charter and that the objectives of the Remuneration policy have been met without material deviation.

Prof. Fatima Abrahams
Chairperson
30 May 2025

Remuneration report continued

Remuneration policy

REMUNERATION PHILOSOPHY

Lewis Group strives to create a performance-oriented culture which fairly rewards staff for their contribution in achieving the Group's strategic, financial and operational objectives. Key to the Group's remuneration philosophy is recognising employees' contribution to the success of the business. The growth and sustainability of the business is dependent on the Group's ability to attract, retain and motivate competent people.

REMUNERATION PRINCIPLES

Remuneration practices are structured to encourage sustainable, long-term wealth creation through the following:

- Aligning remuneration practices with the Group's strategy
- Aligning executive reward systems with the interests of stakeholders
- Promoting a performance-based culture across the business
- Offering appropriate short-term and long-term performance-related rewards that are fair and achievable
- Attracting and retaining talented individuals in the furniture retail and financial services industries
- Rewarding, retaining and motivating talented people while still managing employment costs effectively.

REMUNERATION GOVERNANCE

The board is accountable for the remuneration philosophy, policy and practices. Responsibility for oversight of the Group's remuneration policies and practices has been delegated to the committee.

The committee is chaired by an independent non-executive director, and the chief executive officer attends meetings at the invitation of the committee. The committee may, at its discretion, invite other executives or external advisers to attend meetings, but no executive may be present during any discussion on their own performance or remuneration.

The responsibilities of the committee are as follows:

- Ensuring the Remuneration policy is aligned with the Group's strategic objectives and encourages superior individual performance
- Reviewing and approving compensation of executive management, executive and non-executive directors and the internal audit executive
- Ensuring executive directors are equitably rewarded based on market trends, surveys, individual performance and contribution
- Reviewing incentive and bonus schemes to ensure continued alignment to the enhancement of shareholder value
- Approving the award of share incentives for equity and cash-settled schemes
- Approving the performance targets for the incentive and bonus schemes
- Ensuring employee benefits are suitably disclosed
- Recommending non-executive directors' fees for shareholder approval based on market information
- Ensuring practices are compliant with relevant legislation and regulation.

NON-BINDING ADVISORY VOTE

The Group's Remuneration policy and Implementation report are subject to non-binding advisory votes by shareholders at the AGM each year.

This enables shareholders to express their views on the Remuneration policy and the implementation of the policy, and for the board to take these views into account.

In the event that either the Remuneration policy or the Implementation report are not adopted by a vote of at least 75%, the committee shall follow a shareholder engagement process and take proactive measures to address shareholders' concerns.

REMUNERATION BENCHMARKING

Remuneration is market-based and competitive owing to the portability of skills in the retail and financial services sectors. External remuneration surveys are used to benchmark executive and non-executive remuneration in comparable positions. Market surveys assist in ensuring executives are competitively rewarded in line with their performance and contribution.

Remuneration packages are determined by considering market trends, the importance of a position relative to the Group's business, the required skills set, job-specific expertise, performance and contribution of individuals.

REMUNERATION STRUCTURE

Remuneration is optimised through a combination of annual guaranteed pay, benefits, and short- and long-term incentives.

Executive directors and senior management

The remuneration structure of executive directors and senior management is closely linked to the achievement of the Group's financial and operating targets, and is therefore closely aligned to the interests of shareholders.

Executive director and senior management remuneration packages comprise the following elements, with a significant portion of remuneration being performance-related:

1. Annual guaranteed pay
2. Annual cash-based performance bonus
3. Medium- and long-term share-based incentives.

The chief executive officer and chief financial officer have employment contracts which are subject to 24-month and 12-month notice periods from either party respectively.

Annual guaranteed pay

Annual guaranteed pay includes a cash salary and employer contributions to retirement and healthcare funding. Cash salaries are benchmarked against peers in comparable positions in similar companies. Salaries are reviewed annually by the committee and the level of increase is merit-based in relation to individual and Group performance, and also considers market pay movements. Increases are effective from 1 April, at the start of the financial year.

Annual cash-based performance bonus

Executive directors and senior management participate in a performance bonus scheme which is linked to their salary. No portion of any participants' bonus is guaranteed. Bonus payments are based on the Group's performance relative to board-approved budgeted targets. During this year, a broader approach was adopted and additional measures included, resulting in the following targets being applied:

- Revenue
- Gross profit margin
- Operating cost management
- Satisfactory paid customers
- Collection rates
- Net profit before taxation.

The individual performance of the executive directors and senior management is also evaluated against personal performance and bonuses are adjusted downwards where targets are not met.

The actual performance against the above targets for the 2025 financial year is disclosed on page 73. The above targets for the 2026 financial year are not disclosed as this is considered by the board to be market and price-sensitive information.

The sustainability of the Group's business is critical in determining remuneration and performance targets and are designed to discourage increased risk-taking by the executives.

The bonus conditions for the executive team in respect of the 2025 financial year are:

- Below 90% of target results, no bonus would accrue
- Between 90% and 100% of target, 25% of cash salary increasing *pro-rata* to 75% (for the chief executive officer: 95%) of cash salary at 100% of target
- In the event of target results being exceeded by 6%, the bonus amount would result in a *pro-rata* increase from 75% (for the chief executive officer: 95%) to 150% of cash salary (for the chief executive officer: 190%) at 106%.

Remuneration report continued

Annual cash-based performance bonus for executive directors and senior management

Percentage of annual cash salary for performance bonus	Below threshold (<90% of target)	Between 90% and 100% of target	Between 100% and 106% of target
Chief executive officer, chief financial officer and executive team (based on total guaranteed pay)	0%	25% increasing *pro rata* to 75% (chief executive officer – 95%)	75% (chief executive officer – 95%) increasing *pro rata* to 150% (chief executive officer – 190%)
Senior management (based on cash salary)	0%	12.5% to 17.5% increasing *pro rata* to 25% to 35%	25% to 35% increasing *pro rata* to 50% to 70%

The achievement of targets is reviewed by the committee before any incentive payments are made to executive directors. Bonuses are paid at the end of the first quarter of the following financial year.

Medium- and long-term share-based incentives

Share incentive schemes are aimed at motivating executive directors and senior management to contribute to the long-term growth and sustainability of the Group, attracting and retaining talented people and aligning rewards with shareholder interests. The Group's equity-settled share schemes are operated through the Lewis Employee Incentive Scheme Trust specifically for this purpose. Awards will only be paid if the participant is in the employ of the Group at the time of vesting, other than in the event of death, ill-health, retirement or retrenchment.

The Group has adopted cash-settled schemes from May 2019, which mirrors many of the terms and conditions of the equity-settled schemes operated through the Lewis Employee Incentive Scheme Trust. The main difference is that, instead of delivery of shares, the value of shares is paid in cash.

Participation in both the equity and cash-settled schemes is at the discretion of the committee and limited to the executive directors of Lewis Group and the directors, general managers and selected senior management (executives) of Lewis Stores, the Group's main operating subsidiary. Awards are usually made annually in June. Special awards can be made when the committee deems it appropriate.

Incentive awards to the management group are split into two groups, those participating in the equity-settled schemes and the remainder in the cash-settled scheme. This limits the shareholder dilution.

Lewis 2022 Executive Retention Scheme (2022 LERS)

This scheme was approved at the AGM held on 28 October 2022.

The 2022 LERS is aimed at retaining executives who play a key role in the operation of Lewis Group and can influence the performance of the business. The Lewis Group operates a cash-based performance bonus scheme in terms of which bonuses are determined and paid annually based on Lewis Group's performance relative to board-approved targets. Executives will be offered the opportunity to invest a portion of their net after-tax annual performance bonus in the Company's shares. The maximum percentage that can be invested in the scheme is set by the committee, which can be between 25% and 100% of the net bonus payable.

Selected executives will be required to hold (or, additionally, provide an irrevocable undertaking to hold) a beneficial interest in respect of a prescribed number of Company shares before such executive may be eligible to participate in the scheme. This requirement was introduced to ensure that there is even greater alignment between the interest of the executives and those of the Company's shareholders.

The formula to determine the qualification shares is as follows:

A = [(B x 12) x C] / D

where

A = the minimum number of qualifying shares;

B = monthly cash salary in the calendar month prior to the month in which the award is granted;

C = in respect of the chief executive officer, C shall be equal to 2; in respect of the chief financial officer, C shall equal to 1.5; and in respect of any other executive, C shall be equal to 1

D = the market value of the shares, which shall be the average closing price of the shares over the last three business days during which shares were traded on the JSE prior to the relevant date determined by the remuneration committee.

The qualifying shares must be held as follows:

- Hold direct beneficial shares in Lewis Group, but which exclude invested shares which form part of the various retention schemes
- Provide an irrevocable undertaking for all or a portion of the matching share options which can be exercised no later than six months after the beginning of the financial year in which the award is to be made and the invested shares related to that matching award, such that the shares subject to the undertaking will be transferred into the executive's name as a direct beneficial holding on vesting.

Executives elect the percentage of their net bonus to be invested in shares, subject to a minimum of 10% of their respective net bonuses and the maximum being the percentage of the bonus set by the committee for each participant. Shares are then purchased on the market on behalf of the executive. These invested shares are held on the executive's behalf in a nominee capacity for a period of three years, whereafter the registered ownership of the shares is transferred to the executive. These invested shares are exposed to normal market fluctuations like any other shareholder.

Remuneration report continued

Where invested shares are acquired, the Company issues matching share options to the executive at no consideration in a pre-determined ratio, such that the value of the matching share option at the date of grant is equivalent to the percentage of the gross bonus which the executive elected to invest. As executives have already met the performance targets and/or standards determined by the committee, there is an additional requirement to hold qualification shares for the duration of the award. The matching share options vest on the third anniversary of the grant date of the matching share options, provided that the executive remains in the employ of the Lewis Group.

The trust will purchase shares for the purpose of the 2022 LERS on the open market to avoid dilution of ordinary shareholders. It remains Company policy not to allow the trust to purchase shares on the open market during closed periods. The Company will utilise a maximum of 1.5 million shares for purposes of the 2022 LERS, irrespective of the source of those shares. The maximum number of shares that can be awarded to an individual executive is 600 000 shares over the lifetime of the 2022 LERS.

The Group is entitled to a clawback of shares through the repurchase and cancellation of shares held by the participant and/or an equivalent in money where shares have not been repurchased and cancelled where the executive:

- is dismissed for misconduct involving fraud, misrepresentation and/or dishonesty and failure to materially perform their duties
- where the executive is accused of serious misconduct that would warrant dismissal, he or she resigns from his/her employment prior to the outcome of the disciplinary proceedings.

Lewis 2019 Executive Retention Scheme (2019 LERS)

The final outstanding award made under this scheme was on 6 July 2022. No further awards under this scheme will be made as the scheme limits have been reached.

This scheme contains substantially the same terms as were contained in the 2022 LERS, except that selected executives were not required to hold (or, additionally, provide an irrevocable undertaking to hold) a beneficial interest in respect of a prescribed number of Company shares before such executive may be eligible to participate in the scheme. This requirement was introduced for the first time under the 2022 LERS.

Lewis 2023 Executive Performance Scheme (2023 LEPS), Lewis 2021 Executive Performance Scheme (2021 LEPS), Lewis 2019 Executive Performance Scheme (2019 LEPS) (collectively "Executive Performance Schemes")

This section deals with the 2023 LEPS, 2021 LEPS and the 2019 LEPS collectively as the terms and conditions for these schemes are substantially the same.

The 2023 LEPS was approved in October 2023 and the first award granted on 12 June 2024.

The 2021 LEPS was approved by shareholders at the AGM on 22 October 2021. The awards granted under this scheme include short-term awards granted on 6 July 2022, 5 June 2023 and 12 June 2024 and long- term awards granted on 6 July 2022.

The 2019 LEPS was approved by shareholders at the AGM held on 25 October 2019. Currently, short-term awards made under this scheme include those on 6 July 2022 and 5 June 2023.

The purpose of the Executive Performance Schemes is to:

- motivate executives to continue to contribute to the growth and sustainability of the Lewis Group and to maintain a performance-oriented culture
- align executive rewards with the interests of stakeholders
- attract and retain talented individuals in the furniture retail and financial services industries; and
- offer appropriate short-term and long-term performance-related rewards that are fair and achievable.

Granting awards to executives provides them with the opportunity to acquire shares, thereby aligning the interests of Lewis Group and its stakeholders.

Awards made under the Executive Performance Schemes offer executives the right to acquire shares for no consideration, subject to the achievement of performance targets determined by the committee.

The following awards may be granted in terms of the Executive Performance Schemes:

Short-term awards

- Three-year awards which vest three years after the grant date.

Long-term awards

- Four-year awards which vest as follows:
  - 50% on the third anniversary of the grant date
  - 50% on the fourth anniversary of the grant date.
- Five-year awards which vests as follows:
  - One-third on the third anniversary of the grant date
  - One-third on the fourth anniversary of the grant date
  - One-third on the fifth anniversary of the grant date.
- Alternate awards on such vesting dates as the committee may determine. It is anticipated that this type of award will only be used in exceptional circumstances.

Performance targets for short-term awards

Performance targets can either be set at the grant date for the entire performance period or for each financial year during the performance period, which shall be determined by the committee within three months after the commencement of each financial year or such later date as the committee may determine if extraordinary circumstances exist, as determined by the committee.

The committee shall select any or all of the following performance criteria for determining the performance targets in respect of short-term awards:

- Headline earnings per share
- Quality of the debtors book
  - satisfactory paid accounts
  - debtor costs as a percentage of net debtors; and
- Gross profit margin.

Performance targets for long-term awards

Performance targets will be set for the performance period as at the grant date. The performance criteria set by the committee shall be as follows:

- Headline earnings per share; and
- At least one of the following performance criteria:
  - return on average shareholders' equity
  - after tax return on average capital employed
  - pre-tax return on average capital employed
  - pre-tax return on average assets managed
  - gearing ratio.

General

The committee has the discretion to determine what portion of an award shall relate to a particular performance target, such that if some, but not all of the performance targets are met, then only the specified portion shall vest. Furthermore, the committee has the ability to allocate a greater proportion of an award to performance targets which the executive has the ability to influence, having due regard to his/her employment responsibilities.

Performance targets may be adjusted, where material changes (both positive and negative), have been made to accounting policies resulting from IFRS becoming effective after the grant date. The committee shall be entitled, in exceptional circumstances, (both positive and negative), to amend performance targets, having regard to all circumstances including, but not limited to, changes to international and national macroeconomic circumstances, the performance of the Lewis Group relative to the industry in which it operates, and any corporate actions undertaken by the Lewis Group during the relevant performance period.

The scheme allows for a vesting at certain percentages where the performance target was not met. The table below sets out the percentages:

Equal or greater than 100% of target	100% vested
97.5% to 100% of target	25% vested
95% to 97.5% of target	10% vested
Less than 95% of target	No vesting

The Lewis Employee Incentive Scheme Trust (trust) will purchase shares for the purpose of the Executive Performance Schemes on the open market to avoid dilution of ordinary shareholders.

It is Company policy not to allow the trust to purchase shares on the open market during closed periods. The Company will utilise a maximum of 1.75 million shares for the 2023 LEPS, 1.75 million shares for the 2021 LEPS and 2.25 million shares for purposes of the 2019 LEPS, irrespective of the source of those shares. The maximum number of shares that can be awarded to an individual executive is 875 000 shares for the 2023 LEPS, 700 000 shares for the 2021 LEPS and 850 000 shares for 2019 LEPS over the lifetime of the schemes.

The Group is entitled to a clawback of shares through the repurchase and cancellation of shares held by the participant and/or an equivalent in money where shares have not been repurchased and cancelled where the executive:

- is dismissed for misconduct involving fraud, misrepresentation and/or dishonesty and failure to materially perform his/her duties
- where the executive is accused of serious misconduct that would warrant dismissal, he/she resigns from his/her employment prior to the outcome of the disciplinary proceedings.

Remuneration report continued

New equity-settled schemes

New equity-settled schemes for both the Retention and Performance Schemes to be utilised in June 2026 will be proposed on substantially the same rules as the existing schemes for approval by the shareholders at the annual general meeting to be held in October 2025.

Cash-Settled Executive Performance Plan (2022 CSPP)

The committee approved an updated cash-settled plan being the 2022 CSPP which is aligned with the 2023 LEPS, 2021 LEPS and 2019 LEPS, other than the requirement of a cash-settled plan to pay the value of shares in cash at date of vesting, rather than delivery of shares. The outstanding awards under this plan are on 6 July 2022, 5 June 2023 and 12 June 2024.

It is the intention of the Group to continue to use the scheme to incentivise management and to eliminate the dilution of shareholders that is a consequence of equity-settled schemes. The Group will voluntarily disclose the number of notional shares issued under this plan and the Lewis Cash-Settled Long-Term and Short-Term Executive Performance Scheme to provide equivalent disclosure required for equity-settled schemes.

Cash-Settled Long-Term and Short-Term Executive Performance Plan (CSLSPP)

The committee approved a cash settled plan in May 2019 which was based on the old Lewis Long-Term and Short-Term Executive Performance Scheme. The plan operates on a similar basis as the 2019 LEPS described above, except for the following:

- It is a cash-settled plan. No shares are delivered, but the value of shares at date of vesting will be paid in cash. The performance targets in the CSLSPP plan are the same as that of the equity settled performance schemes
- Vesting is at 100% only, i.e. vesting only occurs when the performance targets are met. In other words, there is no vesting at all if the performance target is not met
- There is no clawback clause in the CSLSPP as there is in the 2019 LEPS.

There are no outstanding awards under this scheme. With the introduction of the 2022 CSPP, the committee has decided not to grant any further awards under the CSLSPP and that all new awards will be under the 2022 CSPP.

Setting of performance targets

Targets are set for the bonus and share incentive schemes in a rigorous manner, both for short-term and long-term targets. All targets are realistic stretch targets and are based on what is achievable at the time of setting the target.

For short-term targets, a budget for the next year is prepared. As a starting point, the Company's budget is based on the prior year and is adjusted for all once-off items and other IFRS adjustments not likely to recur, to determine a revised base, irrespective of whether the adjustment is positive or negative. Assumptions of the main drivers of the Company's growth, namely sales growth and collections, are added to form the basis of the new budget. These assumptions are subject to an assessment of the economic environment (in particular, the state of the consumer spending), the cyclical nature of the industry and Company-specific factors at the time of setting the target.

For long-term targets, a five-year budget is prepared, taking into consideration the long-term and medium-term targets of the Company and the required shareholder returns.

The targets are set and approved by the committee prior to the annual audited results being released and are not changed during the performance period.

MANAGEMENT

Managers and selected staff of Lewis Stores receive an annual guaranteed salary, which includes retirement and healthcare benefits. They may also participate in the annual performance bonus scheme and the medium- and long-term share-based incentive schemes described above, at the discretion of the committee. Salaries are reviewed annually and the level of increase is based on Group and individual performance.

STAFF

Staff receive a base salary, performance-linked incentives or a 13th cheque, retirement and healthcare funding. The Group subsidises membership of designated healthcare schemes in each of the countries in which it operates. Staff benefits include educational bursaries, discounts on staff purchases and low-cost funeral and personal accident insurance. Membership of one of the Group's retirement funds is compulsory for all permanent staff. Salaries are reviewed annually and the level of increase is based on Group and individual performance.

Salespersons earn a commission on gross profit once a gross profit threshold is exceeded. Operational management are incentivised on a balanced set of targets including sales, collections, debtor write-offs, stock management and expense control.

NON-EXECUTIVE DIRECTORS

Non-executive directors are paid a fee for their service as directors.

In addition, fees are paid for serving on board committees. The fees are benchmarked externally against comparable companies and based on an assessment of the non-executive director's time commitment and increased regulatory and governance obligations.

In line with best governance and remuneration practice, non-executives do not participate in the Group's incentive schemes. None of the non-executive directors have service contracts with the Group.

Benchmarking exercises were performed this year by REM Solutions, an independent remuneration consultancy, to ensure that the non-executive directors' remuneration is aligned to the market. The remuneration of non-executive directors is reviewed annually by the committee and recommended to shareholders for approval at the AGM.

Implementation report 2025

APPROVALS GRANTED BY SHAREHOLDERS

The Group's Remuneration policy and Implementation report were proposed to shareholders for non-binding advisory votes at the AGM on 18 October 2024. The Remuneration policy and Implementation report were endorsed by shareholders and received 90.8% and 91.2% support respectively as set out below:

Resolution	Votes for % 2025	Votes for % 2024	Votes against % 2025	Votes against % 2024	Abstentions % 2025	Abstentions % 2024
Approval of the Company's remuneration policy	**90.8**	96.6	**4.9**	2.9	**4.3**	0.5
Approval of the Company's Implementation report	**91.2**	83.4	**4.3**	16.1	**4.5**	0.5

Shareholders also approved the fees payable to non-executive directors for the 2025 financial year by a vote of 89.4%.

ANNUAL SALARY INCREASE

The average staff increase was 5.3% for April 2025 (2024: 6.5%). Increases for senior management and executives were merit-based and averaged 6.1% in April 2025 (2024: 6.4%). Increases as a result of promotions were excluded from these averages.

2025 REMUNERATION BENCHMARKING SURVEY

A remuneration benchmarking survey was conducted in 2025 by independent remuneration specialists, REM Solutions, who were appointed on the recommendation of the committee. The scope of the remuneration survey was to benchmark the total guaranteed pay, short- and long-term incentives, remuneration mix and performance levels in relation to short-term incentives with a peer group which included mainly listed retail companies. A review of non-executive directors' fees was also included.

The recommendations of the above survey were as follows:

- The total guaranteed pay of the chief executive officer was below the peer group
- A review of the non-executive pay indicated that the level of non-executive remuneration was in line with the peer group with the exception of the fees for the risk committee. Adjustments have been made to these proposed fees to more closely align with the peer group.

ANNUAL CASH-BASED PERFORMANCE BONUS SCHEME

The comparison of actual performance against the targets is set out below:

Measure	Targets	Actual	
Revenue	R8 999 million	R9 288 million	Achieved
Gross profit margin	40.5%	43.4%	Achieved
Operating costs	R3 092 million	R3 168 million*	Achieved
Satisfactory paid customers	77%	83.5%	Achieved
Collection rates	78%	78.9%	Achieved
Profit before tax	R657 million	R984 million	Achieved

* *Exchange gains and losses excluded.*

The committee approved the achievement of the operating cost target on the basis that the operating cost target was set at 34.4% of target revenue and the actual achieved was 34.1% of revenue.

The profit before taxation target was exceeded by 49.8% and consequently, in terms of the rules of the scheme, executives and senior management are to be paid maximum cash bonuses.

LEWIS 2022 EXECUTIVE RETENTION SCHEME

The 2022 LERS allows executives, who have the requisite qualification shares, to invest their net cash bonus in Lewis Group shares and the Company issues matching share options to executives at no cost. The matching share options vest on the third anniversary, subject to the executive still being in the employ of the Company. The details of the outstanding awards as at 30 May 2025 are reflected below:

Year	Vesting date	Average share price of award	Total shares purchased for executives	Total matching share awards
July 2024 Awards	18/07/2027	R55.92	327 273	595 041

LEWIS 2019 EXECUTIVE RETENTION SCHEME

This scheme is similar to the 2022 LERS with the exception that the scheme does not have a requirement for qualification shares for the executive to be eligible to participate. The details of the outstanding awards as at 30 May 2025 are reflected below:

Year	Vesting date	Average share price of award	Total shares purchased for executives	Total matching share awards
July 2022 Awards	06/07/2025	R48.67	299 142	543 894

EXECUTIVE PERFORMANCE SCHEMES AND PLANS

Short-term awards – three-year awards

The performance targets are set by the committee at the beginning of each of the three years and are based on a weighting set for each executive, depending on their employment responsibilities, of the following:

- Headline earnings per share
- Quality of the debtors book
  - Level of satisfactory paid customers
  - Debtor costs as a percentage of net debtors
- Gross profit margin.

The committee has also approved the new short-term awards under these schemes to be granted in June 2025. This will be communicated on SENS at the time.

Below are the targets that were set for the 2023 LEPS, 2021 LEPS and 2019 LEPS schemes which are all performance-related schemes. For details of these schemes, refer to the Remuneration policy.

2025 financial year

The targets and actual results for the 2025 financial year are as follows:

2025 Targets	2025 Target	2025 Actual	2025 Award
Headline earnings per share	921.6 cents	1 482.5 cents	Achieved
Quality of the debtors book			
– Level of satisfactory paid customers	>= 77.0%	83.5%	Achieved
– Debtor costs as percentage of net debtors	<= 17.0%	15.0%	Achieved
Gross profit margin	>= 40.5%	43.4%	Achieved

Prior years

The targets and actual results for the prior years are as follows:

2024 Targets	2024 Target	2024 Actual	2024 Award
Headline earnings per share	680.8 cents	924.6 cents	Achieved
Quality of the debtors book			
– Level of satisfactory paid customers	>= 77.0%	81.3%	Achieved
– Debtor costs as percentage of net debtors	<= 15.5%	17.6%	Not achieved
Gross profit margin	>= 40.6%	43.1%	Achieved

Remuneration report continued

2023 Targets	2023 Target	2023 Actual	2023 Award
Headline earnings per share	789.3 cents	856.9 cents	Achieved
Quality of the debtors book			
– Level of satisfactory paid customers	>= 76.0%	80.4%	Achieved
– Debtor costs as percentage of net debtors	<= 13.5%	12.3%	Achieved
Gross profit margin	>= 40.5%	40.6%	Achieved

2022 Targets	2022 Target	2022 Actual	2022 Award
Headline earnings per share	550.5 cents	848.7 cents	Achieved
Quality of the debtors book			
– Level of satisfactory paid customers	>= 72.0%	79.0%	Achieved
– Debtor costs as percentage of net debtors	<= 14%	12.3%	Achieved
Gross profit margin	>= 40.5%	40.5%	Achieved

Long-term awards – five-year awards

A long-term award being a five-year award was granted to executives on 6 July 2022 under the Lewis 2021 LEPS, details are set out below.

As required by the scheme rules, the performance target for long-term awards are set at the grant date for the whole period of the award. The five-year award has three vesting dates being: the third anniversary of the grant (6 July 2025), the fourth anniversary (6 July 2026) and the fifth anniversary (6 July 2027). One-third of the award shall vest at each vesting date, subject to the performance targets below.

The performance targets are based on weightings of the following:

- Return on average shareholders' equity (ROE), weighted at 50%
- Headline earnings per share (HEPS), weighted at 30%; and
- Gearing ratio, weighted at 20%.

The performance targets at each vesting date are as follows:

Measure	Third anniversary	Fourth anniversary	Fifth anniversary
ROE	13.6%	14.2%	15.0%
HEPS (cents)	1 240	1 425	1 654
Gearing ratio	50%	50%	50%

As the first vesting date is 6 July 2025, the actual performance against target is as follows:

Measure	2025 Target	2025 Actual	2025 First Vesting Date
ROE	13.6%	15.4%	Achieved
HEPS (cents)	1 240	1 482.5	Achieved
Gearing ratio	50%	36.6%	Achieved

The committee has also approved the new long-term awards under these schemes to be granted in June 2025. An appropriate SENS announcement will be made at the time.

2023 LEPS

Awards made under the 2023 LEPS offer executives the right to acquire shares for no consideration, subject to the achievement of performance targets determined by the committee. This scheme's rules have been detailed in the Remuneration policy. The outstanding awards under this scheme are as follows:

Lewis 2023 LEPS	2024 Share Award	Total Share Awards
Share price at award date	R50.78	
	Number of shares	
Three-year awards	305 632	**305 632**
Forfeitures: staff leaving		
Forfeitures: non-performance		
Shares vested		
Shares awards 31 March 2025	**305 632**	**305 632**

2021 LEPS

Awards made under the 2021 LEPS offer executives the right to acquire shares for no consideration, subject to the achievement of performance targets determined by the committee. This scheme's rules have been detailed in the Remuneration policy. The outstanding awards under this scheme are as follows:

Lewis 2021 LEPS	2022 Share Award	2023 Share Award	2024 Share Award	Total Share Awards
Share price at award date	R48.77	R39.43	R50.78	
	Number of shares	Number of shares	Number of shares	
Three-year awards	226 518	425 709	266 247	**918 474**
Forfeitures: staff leaving				
Forfeitures: non-performance	(9 061)	(17 028)	–	**(26 089)**
Shares vested				
Total three-year awards	217 457	408 681	266 247	**892 385**
Five-year awards	464 461			**464 461**
Total forfeitures staff leaving	(53 783)			**(53 783)**
Forfeitures non-performance				
Shares vested				
Total five-year awards	410 678			**410 678**
Shares awards 31 March 2025	**628 135**	**408 681**	**266 247**	**1 303 063**

2019 LEPS

Awards made under the 2019 LEPS offer executives the right to acquire shares for no consideration, subject to the achievement of performance targets determined by the committee. The outstanding awards under this scheme are as follows:

Lewis 2019 LEPS	2021 Share Award	2022 Share Award	2023 Share Award	Total Share Awards
Share price at award date	R33.47	R48.77	R39.43	
	Number of shares	Number of shares	Number of shares	
Three-year awards	549 496	257 722	150 670	**957 888**
Forfeitures: staff leaving	(47 451)	(53 783)		**(101 234)**
Forfeitures: non-performance	(19 133)	(8 158)	(6 027)	**(33 318)**
Shares vested	(482 912)			**(482 912)**
Shares awards 31 March 2025	**–**	**195 781**	**144 643**	**340 424**

CSLSPP

As noted above, this plan operates on the same basis as the 2019 LEPS, except for the following:

- It will be a cash-settled scheme. This means that no shares are delivered, but the value of shares at date of vesting will be paid in cash
- Vesting is at 100% only, i.e. vesting only occurs when the performance targets are met. In other words, there is no vesting at all if the performance target is not met; and
- There is no clawback clause in the CSLSPP plan as there is in the 2019 LEPS scheme.

There are no outstanding awards under this scheme as set out below:

Lewis CSLSPP	2021 Notional Share Award	Total Notional Share Awards
Share price at award date	R33.47	
	Number of shares	Number of shares
Three-year awards	529 439	**529 439**
Forfeitures: staff leaving		
Forfeitures: non-performance	(24 539)	**(24 539)**
Shares vested	(504 900)	**(504 900)**
Shares remaining 31 March 2025	**–**	**–**

Remuneration report continued

Below is a table setting out the movements for 2025 and 2024 financial years (i.e. from 1 April to 31 March):

Lewis CSLSPP – Notional Shares	2025	2024
Beginning of the year	**529 439**	1 530 517
Granted		
Forfeited	**(24 539)**	
Vested	**(504 900)**	(1 001 078)
End of the year	**–**	**529 439**

2022 CSPP

As noted above, this scheme operates on the same basis as the 2023 LEPS, 2021 LEPS and 2019 LEPS described above, except that it is a cash-settled scheme, which means that no shares are delivered, but the value of shares at date of vesting will be paid in cash.

The committee has approved new short-term awards under this plan to be granted in June 2025.

The outstanding awards under this scheme are as follows:

Lewis 2022 Cash Settled Executive Performance Plan	2022 Notional Share Award	2023 Notional Share Award	2024 Notional Share Award	Total Notional Share Awards
Share price at award date	R48.77	R39.43	R50.78	
	Number of shares	Number of shares	Number of shares	Number of shares
Three-year awards	437 713	605 516	510 500	**1 553 729**
Total Forfeitures Staff leaving				
Total Forfeitures – non-performance	(19 918)	(26 278)		**(46 196)**
Shares vested				
Shares Remaining – 31 March 2025	417 795	579 238	510 500	**1 507 533**

Below is a table setting out the movements for 2025 and 2024 financial years (i.e. from 1 April to 31 March):

Lewis Cash-Settled 2022 Executive Performance Plan – Notional Shares	2025	2024
Beginning of the year	**1 043 229**	437 713
Granted	**510 500**	605 516
Forfeited	**(46 196)**	–
Vested	**–**	–
End of the year	**1 507 533**	**1 043 229**

SUMMARY OF ALL EQUITY-SETTLED AWARDS AS AT 31 MARCH 2025

2025	Lewis 2023 Executive Performance Scheme	Lewis 2021 Executive Performance Scheme	Lewis 2019 Executive Performance Scheme
Beginning of the year		**1 062 905**	**832 929**
Granted	**305 632**	**266 247**	
Forfeited	**–**	**(26 089)**	**(33 318)**
Vested		**–**	**(459 187)**
End of the year	**305 632**	**1 303 063**	**340 424**
Maximum awards available over the life of the scheme	**1 750 000**	**1 750 000**	**2 250 000**
Utilised for the scheme to date	**305 632**	**1 303 063**	**1 921 867**

2025	Lewis 2022 Executive Retention Scheme	Lewis 2019 Executive Retention Scheme
Beginning of the year		**964 653**
Granted	**595 041**	
Forfeited		
Vested		**(420 759)**
End of the year	**595 041**	**543 894**
Maximum awards available over the life of the scheme	**1 500 000**	**1 500 000**
Utilised for the scheme to date	**595 041**	**1 273 759**
Invested shares	**327 273**	**299 142**

2024	Lewis 2019 Executive Retention Scheme	Lewis 2021 Executive Performance Scheme	Lewis 2019 Executive Performance Scheme
Beginning of the year	1 213 734	637 196	1 681 104
Granted	–	425 709	150 670
Forfeited	–	–	–
Vested	(249 081)	–	(998 845)
End of the year	964 653	1 062 905	832 929
Maximum awards available over the life of the scheme	1 500 000	1 750 000	2 250 000
Utilised for the scheme to date	1 273 759	1 062 905	1 955 185
Invested shares	530 599		

SHAREHOLDER DILUTION

As at 31 March 2025, the maximum potential dilution is 3 088 054 shares, i.e. 6% of issued share capital. The dilution as calculated in terms of IAS 33 to determine the diluted weighted average shares in issue is 1 987 701 shares, taking into consideration the number of shares that could be acquired at fair value less the number of shares that would be issued on the vesting of the awards.

Remuneration report continued

EXECUTIVE DIRECTORS' REMUNERATION DISCLOSURE FOR 2025 FINANCIAL YEAR

Executive director's remuneration	Number of shares	Share price	J Enslin (Chief executive officer) 2025 R000's	J Enslin (Chief executive officer) 2024 R000's	Number of shares	J Bestbier (Chief financial officer) 2025 R000's	J Bestbier (Chief financial officer) 2024 R000's
Cash remuneration							
Total guaranteed pay			**7 760**	7 120		**4 300**	4 000
Cash performance bonus			**10 100**	–		**5 172**	–
Total GP and CPB			**17 860**	7 120		**9 472**	4 000
Share awards							
LERS – matching award			**6 428**	3 731		**3 965**	2 325
– Face value of award	126 533	33.44	**4 231**	1 754	78 047	**2 610**	1 093
– Share price performance	126 533	17.36	**2 197**	1 977	78 047	**1 355**	1 232
LSPS – three-year award			**10 280**	17 296		**6 280**	10 668
– Face value of award	202 362	33.44	**6 767**	6 541	123 618	**4 134**	4 034
– Performance criteria							
– Share price performance	202 362	17.36	**3 513**	10 755	123 618	**2 146**	6 634
Total share awards			**16 708**	21 027		**10 245**	12 993
Total earned remuneration			**34 568**	28 147		**19 717**	16 993

OUTSTANDING SHARES FOR EXECUTIVE DIRECTORS AS AT 31 MARCH 2025

	2025 J Bestbier	2025 J Enslin	2024 J Bestbier	2024 J Enslin
Lewis 2019 Executive Performance Scheme				
9 June 2021 – Short-term award			128 769	210 794
6 July 2022 – Short-term award	**94 942**		98 898	
5 June 2023 – Short-term award		**144 643**		150 670
Lewis 2021 Executive Performance Scheme				
6 July 2022 – Short-term award		**217 457**		226 518
6 July 2022 – Long-term award	**79 119**	**226 518**	79 119	226 518
5 June 2023 – Short-term award	**125 933**	**144 642**	131 180	150 669
12 June 2024 – Short-term award	**127 019**			
Lewis 2023 Executive Performance Scheme				
12 June 2024 – Short-term award		**305 632**		
Lewis 2019 Executive Retention Scheme				
9 June 2021			78 047	126 533
6 July 2022	**88 469**	**144 536**	88 469	144 536
Lewis 2022 Executive Retention Scheme				
18 July 2024	**92 502**	**180 616**		
Total	**607 984**	**1 364 044**	**604 482**	**1 236 238**

In terms of the following schemes, the trust holds the following invested shares on behalf of the above directors by virtue of the investment of their bonuses into the scheme:

Invested shares	2025	2024
Lewis 2019 Executive Retention Scheme	**128 153**	240 672
Lewis 2022 Executive Retention Scheme	**150 215**	
Total	**278 368**	**240 672**

Remuneration report continued

NON-EXECUTIVE DIRECTORS' FEES (R'000)

2025	Directors' fees	Audit committee member	Risk committee member	Remuneration committee member	Nomination committee member	SET committee member	Monarch directors' fees	Monarch Audit and risk committee member	Total non-executive directors' fees
H Saven	**892***	**171**	**124**	**94**	**132***	**95**	**372***	**49**	**1 929**
F Abrahams	**400**	**171**	**124**	**191***	**57**	**190***	**225**	**195***	**1 553**
A Bodasing	**400**	**171**	**124**	**94**	**57**				**846**
B Deegan	**400**	**171**	**124**	**94**	**57**		**225**	**97**	**1 168**
D Motsepe	**400**	**397***	**199***	**94**	**57**	**95**			**1 242**
T Njikizana	**400**	**171**	**124**	**94**	**57**				**846**
Total	**2 892**	**1 252**	**819**	**661**	**417**	**380**	**822**	**341**	**7 584**
2024									
H Saven	825*	160	112	89	124*	88	305*	91	1 794
F Abrahams	364	160	112	179*	53	179*	213	184*	1 444
A Bodasing	364	160	112	89	53				778
B Deegan	364	160	112	89	53		213	91	1 082
D Motsepe	364	374*	179*	89	53	88			1 147
T Njikizana	364	160	112	89	53				778
Total	**2 645**	**1 174**	**739**	**624**	**389**	**355**	**731**	**366**	**7 023**

* *Chairperson*

PROPOSED NON-EXECUTIVE DIRECTORS' FEES FOR 2026

Board/committee position (R'000)	% Increase	Proposed fees for 2026	Fees earned for 2025
Non-executive chairperson	**6.0%**	**965**	**910**
Non-executive director	**5.9%**	**434**	**410**
Audit committee chairperson	**5.5%**	**425**	**403**
Audit committee member/invitee	**5.8%**	**183**	**173**
Risk committee chairperson	**20.1%**	**245**	**204**
Risk committee member	**12.5%**	**144**	**128**
Remuneration committee chairperson	**5.7%**	**204**	**193**
Remuneration committee member	**5.2%**	**101**	**96**
Nomination committee chairperson	**6.0%**	**142**	**134**
Nomination committee member	**5.2%**	**61**	**58**
Social, ethics and transformation committee chairperson	**5.7%**	**204**	**193**
Social, ethics and transformation committee member	**5.2%**	**101**	**96**

DIRECTORS' INTEREST

At 31 March 2025, the directors' beneficial direct and indirect interest in the Company's issued shares were as follows:

	2025		2024	
	Direct	Indirect	Direct	Indirect
H Saven		**6 440**		6 440
J Bestbier	**257 982**	**99 534**	236 034	91 584
J Enslin	**706 689**	**178 834**	697 258	149 088
Total	**964 671**	**284 808**	933 292	247 112