

NOTICE OF ANNUAL GENERAL MEETING AND FORM OF PROXY (VIRTUAL)

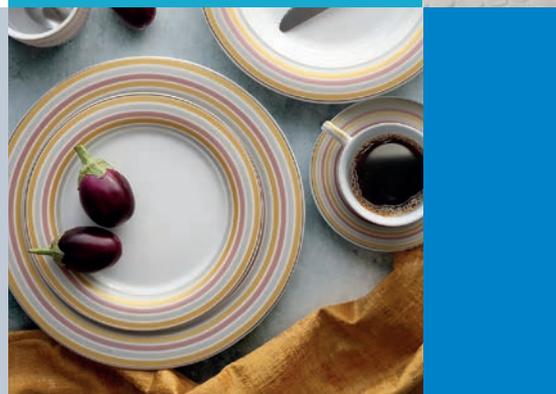
FOR THE YEAR ENDED 31 MARCH 2021

2021



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LETTER TO SHAREHOLDERS

21 September 2021

Dear Shareholder

NOTICE OF ANNUAL GENERAL MEETING AND FORM OF PROXY

We are pleased to enclose herewith a detailed notice of Lewis Group Limited's ("Lewis" or "the Company") 17th Annual General Meeting ("AGM") to be held at 09:00 on Friday, 22 October 2021. The meeting will be held virtually through electronic participation. The Company has determined that it is appropriate to make the meeting accessible only through electronic participation, as provided for by the JSE Limited and in terms of the provisions of the Companies Act, 71 of 2008, as amended ("Companies Act"), and the Company's Memorandum of Incorporation ("MOI"). This is due to the continued impact of the COVID-19 pandemic and the uncertainty surrounding the restrictions placed on public gatherings and/or the COVID-19 level that may be applicable when the Company's AGM takes place.

Shareholders or their duly appointed proxy(ies) that wish to participate in the AGM via electronic communication ("Participant(s)") must either:

1. register online by no later than 12:00 on Wednesday, 20 October 2021, using the online registration portal at <https://www.smartagm.co.za>. A unique meeting ID (ID number 102-005-500), a username and password will be sent via email or SMS to each shareholder who has pre-registered and is entitled to participate at the meeting. A shareholders' guide to assist and provide meeting participation guidelines is available on the Company's website at <https://www.lewisgroup.co.za/investors/shareholder-communication> as well as at <https://www.smartagm.co.za>; or
2. apply to Computershare, by delivering the duly completed electronic participation form to: First Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196, or posting it to Private Bag X9000, Saxonwold, 2132 (at the risk of the Participant), or sending it by email to proxy@computershare.co.za so as to be received by Computershare by no later than 12:00 on Wednesday, 20 October 2021. The electronic participation form can be found as an insert in this notice of AGM. Computershare will first validate such requests and confirm the identity of the shareholder in terms of section 63(1) of the Companies Act, and, if the request is validated, further details on using the electronic communication facility will be provided.

The Company will inform Participants who notified Computershare of their intended participation in accordance with paragraph 1 under Electronic Participation, on page 41 of this notice of AGM, by no later than 12:00 on Thursday, 21 October 2021 by email of the relevant details through which Participants can participate electronically.

The notice of AGM contains a form of proxy. The form of proxy includes comprehensive instructions on how to complete the form itself. However, should you have questions, do not hesitate to contact our offices. Shareholders wishing to participate in this virtual AGM should complete the registration form attached as Annexure 5 to this notice of AGM.

In an effort to support environmental initiatives, printed copies of Lewis' full Integrated Annual Report and the full financial statements will only be mailed to shareholders on request. The remuneration policy and implementation report are contained in the Integrated Annual Report. The full Integrated Annual Report, the Corporate Governance Report and the Audited Financial Statements are available for download on our website at www.lewisgroup.co.za.

Therefore, should you require a printed copy of the Integrated Annual Report and full Financial Statements, please contact Ntokozo Makomba at stakeholders@lewisgroup.co.za to request a copy.

Yours sincerely



Ntokozo Makomba
Company Secretary

NOTICE OF ANNUAL GENERAL MEETING

FOR THE YEAR ENDED 31 MARCH 2021

Notice is hereby given that the 17th Annual General Meeting of shareholders (“AGM”) of Lewis Group Limited (“Lewis Group” or “the Company”) for the year ended 31 March 2021 will be held virtually through electronic participation only, at 09:00 on Friday 22 October 2021.

The board of directors of the Company determined that the record date for the purpose of determining which shareholders of the Company are entitled to participate in, and vote at, the AGM is 15 October 2021. The board has determined that the record date by when persons must be recorded as shareholders in the securities register of the Company in order to be entitled to receive the notice of AGM is 10 September 2021.

The purpose of the AGM is for the following business to be transacted, and to consider and, if approved, to pass with or without modification, the following ordinary and special resolutions, in the manner required by the Company’s memorandum of incorporation (“MOI”), the Companies Act No. 71 of 2008, as amended (“the Companies Act”), as read with the Listings Requirements of the exchange operated by the JSE Limited (“the JSE”) (“the JSE Listings Requirements”):

1. Presentation of the Audited Annual Financial Statements of the Company, including the reports of the directors, external auditors and the Audit committee, for the year ended 31 March 2021

In terms of the Companies Act, the Audited Financial Statements (“AFS”) of the Company (including the reports of the directors, external auditors and the Audit committee) for the year ended 31 March 2021 as approved by the board will be presented to shareholders. A summary of the AFS is set out in Annexure 3 of this notice of AGM. This summary is not exhaustive and the complete AFS of the Company and its subsidiaries should be read in their entirety for a full appreciation of their contents. The complete AFS of the Company and its subsidiaries are available for inspection at the Company’s registered office, and an electronic copy is available on the Company’s website (www.lewisgroup.co.za). Alternatively, shareholders can request that a complete copy of the AFS of the Company and its subsidiaries be posted or e-mailed to them by contacting Ntokozo Makomba on stakeholders@lewisgroup.co.za.

2. Presentation of Social, Ethics and Transformation Committee Report

In accordance with Regulation 43 of the Companies Regulations, 2011, the Social, Ethics and Transformation Committee Report for the financial year ended 31 March 2021, prepared and approved by the Company’s Social, ethics and transformation committee and set out in Annexure 4 of this notice, will be presented to shareholders.

3. Ordinary resolution number 1

Re-election of directors

Explanatory note

In terms of the Company’s MOI, at each AGM, one third of the non-executive directors who have been in office the longest since their last election must retire. In addition, any non-executive directors who have held office for three years since their last election must retire at the AGM.

The non-executive directors who are due to retire by rotation at this AGM are Ms Adheera Bodasing and Mr Tapiwa Njikizana and (being eligible) they offer themselves to be re-elected by shareholders as directors of the Company at the AGM.

In addition, Mr Johan Enslin an executive director retires by rotation in the interest of good governance and (being eligible) offers himself to be re-elected.

The Nominations committee has considered the proposed re-election of Ms Adheera Bodasing, Mr Tapiwa Njikizana and Mr Johan Enslin and recommends that they be re-elected as directors of the Company.

Brief CVs of the abovementioned directors appear in Annexure 2 on pages 18 and 19 of this notice of AGM.

The purpose of these ordinary resolutions is to propose the re-election of Ms Adheera Bodasing, Mr Tapiwa Njikizana who have retired as directors in terms of the Company’s MOI and Mr Johan Enslin who has retired in the interest of good governance.

These elections will be conducted by a series of separate votes in respect of each candidate.

3.1 Ordinary resolution 1.1

“Resolved as an ordinary resolution, that Ms Adheera Bodasing, who retires by rotation in accordance with the Company’s MOI, be and is hereby re-elected as a director of the Company.”

3.2 Ordinary resolution 1.2

“Resolved that Mr Tapiwa Njikizana, who retires by rotation in accordance with the Company’s MOI, be and is hereby re-elected as a director of the Company.”

3.3 Ordinary resolution 1.3

“Resolved that Mr Johan Enslin, who retires by rotation be and is hereby re-elected as a director of the Company.”

NOTICE OF ANNUAL GENERAL MEETING

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FOR THE YEAR ENDED 31 MARCH 2021

4. Ordinary resolution number 2

Election of members of the Audit committee

Explanatory note

In terms of the Companies Act, at each AGM an Audit committee comprising of at least three members must be elected. It is proposed that the following independent non-executive directors be elected as members of the Audit committee for the ensuing year. The election of each member of the Audit committee will be voted on separately. In terms of the Companies Act, each member of an Audit committee must also be a director of the Company.

Accordingly, the election of each of the persons nominated to be members of the Audit committee is subject to the election of such persons as directors of the Company.

Brief CVs of the members up for election are on Annexure 2 on pages 18 and 19 of this notice of AGM.

4.1 Ordinary resolution 2.1

"Resolved that Ms Daphne Motsepe be and is hereby elected as a member of the Audit committee."

4.2 Ordinary resolution 2.2

"Resolved that Mr Tapiwa Njikizana be and is hereby elected as a member of the Audit committee."

4.3 Ordinary resolution 2.3

"Resolved that Prof. Fatima Abrahams be and is hereby elected as a member of the Audit committee."

5. Ordinary resolution number 3

Approval of reappointment of auditors

Explanatory note

In terms of the Companies Act, the Company must each year at its AGM appoint an external auditor. The Company's current external auditor is PricewaterhouseCoopers Inc., which has indicated that Mr Thinus Hamman who is a director of the firm, a registered auditor and accredited with the JSE in accordance with the JSE Listings Requirements will undertake the audit. The Company's Audit committee has recommended that the firm, PricewaterhouseCoopers Inc, and the designated auditor, Mr Thinus Hamman, be appointed for the ensuing period.

"Resolved that the firm PricewaterhouseCoopers Inc. and Mr Thinus Hamman as the designated auditor be appointed as auditor for the Company for the ensuing year."

6. Non-binding advisory votes

Approval of the Company's remuneration policy and implementation report

Explanatory note

In terms of part 5.4, principle 14 (recommended practice 37) of the King Report on Corporate Governance in South Africa, 2016 ("King IV") the Company's remuneration policy and implementation report should be tabled to shareholders for separate non-binding advisory votes at the AGM. This vote enables shareholders to express their views on the remuneration policies adopted and on their implementation. Furthermore, King IV recommends the remuneration policy should record the measures that the board commits to in the event that either the remuneration policy or the implementation report, or both have been voted against by 25% (twenty-five percent) or more of the voting rights exercised by the shareholders. The shareholders are requested to separately endorse the Company's Remuneration Policy on pages 80 to 84 and the Implementation Report on pages 85 to 91 in the Integrated Annual Report under the Remuneration Report, by way of separate non-binding advisory votes.

6.1 Non-binding advisory vote 1

"Resolved, through a non-binding advisory vote, that the Company's Remuneration Policy, set out in the Integrated Annual Report, be accepted and endorsed."

6.2 Non-binding advisory vote 2

"Resolved, through a non-binding advisory vote, that the Company's Implementation Report, set out in the Integrated Annual Report, is accepted and endorsed."

7. Special resolution number 1

Approval of non-executive directors' fees

Explanatory note

In terms of section 66(8) of the Companies Act, the Company may pay remuneration to its directors for their service as directors. Section 66(9) requires the remuneration to be paid in accordance with a special resolution approved by shareholders within the previous two years.

The effect of the adoption of this special resolution number 1 will be that the non-executive directors will be entitled to be paid the fees listed below (which amounts are exclusive of VAT, if applicable) in respect of the period from 1 July 2021 until 30 June 2022, such fees to be paid in instalments at the end of each quarter. The proposed fees have been increased by approximately 5.5% over the corresponding fees that were approved in respect of the period from 1 July 2020 to 30 June 2021.

“Resolved that the fees of the non-executive directors as reflected below be approved for the period from 1 July 2021 until 30 June 2022:

Board/committee position	Proposed fees for 2022 R
Chairperson	680 000
Non-executive director	325 000
If a member of the Audit Committee, the following additional amount:	
Chairperson	335 000
Member	143 000
If a member of the Risk committee, the following additional amount:	
Chairperson	160 000
Member	100 000
If a member of the Remuneration committee, the following additional amount:	
Chairperson	160 000
Member	79 000
If a member of the Nomination committee, the following additional amount:	
Chairperson	110 000
Member	47 000
If a member of the Social, ethics and transformation committee, the following additional amount:	
Chairperson	160 000
Member	79 000

Invitation fee

All non-executive directors who attend the committee meetings by invitation at the request of the board shall be eligible to receive the same fee as if they were a member of the committee. All amounts listed above are exclusive of VAT. The Company is authorised to pay such VAT, if applicable.”

8. Special resolution number 2

Shareholders’ authorisation of the continued issuance of Notes under the Company’s Domestic Medium-Term Notes Programme

Explanatory note

By special resolution passed on 16 August 2013, shareholders of the Company authorised the establishment of the Company’s domestic medium-term notes programme (“DMTN Programme”) and authorised the board to issue tranches of notes (“Notes”) thereunder from time to time provided that the maximum nominal amount of Notes outstanding from time to time is ZAR2 billion. The reason for this special resolution number 2 is to confirm the authorisation for the board to continue to issue further Notes under the DMTN Programme from time to time in accordance with and subject to the terms and conditions of the DMTN Programme (as amended from time to time).

“Resolved that the board is hereby authorised to continue to issue Notes under the Company’s DMTN Programme from time to time in accordance with and subject to the terms and conditions of the DMTN Programme (as amended from time to time).”

9. Special resolution number 3

Shareholders’ general authorisation of financial assistance

Explanatory note

The reason for this special resolution number 3 is to provide general authority, in terms of sections 44(3)(ii) and 45(3)(a)(ii) of the Companies Act, for the Company to provide financial assistance to its subsidiaries and other related and inter-related companies and corporations including pursuant to the Company’s DMTN Programme.

Sections 44 and 45 of the Companies Act provide, *inter alia*, that any financial assistance to related or inter-related companies and corporations, including, *inter alia*, to subsidiaries of the Company, must be provided only pursuant to a special resolution of the shareholders, adopted within the previous two years, which approved such assistance either for the specific recipient, or generally for a category of potential recipients, and the specific recipient falls within that category, and the board must be satisfied that:

- immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test, as defined in section 4 of the Companies Act;
- the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company; and
- any conditions or restrictions in respect of the granting of financial assistance set out in the Company’s MOI have been satisfied.

When the need arises, the Company provides loans to and/or guarantees loans or other obligations of its subsidiaries. The Company requires the ability to continue providing financial assistance, when necessary, to its current and future subsidiaries and/or any other company or corporation that is or becomes related to or inter-related with the Company, in accordance with sections 44 and 45 of the Companies Act.

In the circumstances and in order to, *inter alia*, ensure that the Company’s subsidiaries and other related and inter-related companies and corporations have access to financing and/or financial backing from the Company, it is necessary to obtain the approval of shareholders, as set out in special resolution number 3.

The passing of this special resolution will have the effect of allowing the directors of the Company to authorise the Company to provide direct or indirect financial assistance to the Company’s subsidiaries and other related and inter-related companies and corporations to allow such companies or corporations to have access to financing and/or financial backing from the Company.

NOTICE OF ANNUAL GENERAL MEETING

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FOR THE YEAR ENDED 31 MARCH 2021

“Resolved that, to the extent required by sections 44 and 45 of the Companies Act, the board may, subject to compliance with the requirements of the Company’s MOI and the Companies Act, each as presently constituted and as amended from time to time, authorise the Company to provide direct or indirect financial assistance by way of a loan, guarantee, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related to or inter-related with the Company for any purpose or in connection with any matter.

The financial assistance may be provided at any time during the period commencing on the date of the adoption of this special resolution 3 and ending 2 (two) years after such date.”

10. Special resolution number 4

General authority to repurchase shares

Explanatory note

The reason for special resolution number 4 is to grant the directors of the Company and/or subsidiaries of the Company a general authority in terms of the Companies Act and the JSE Listings Requirements to acquire no more than 10% (ten percent) of the Company’s ordinary shares in aggregate, subject to the terms and conditions set out in the special resolution. The directors require that such general authority should be implemented in order to facilitate the repurchase of the Company’s ordinary shares in circumstances where the directors consider this to be appropriate and in the best interests of the Company and its shareholders.

“Resolved that the Company hereby approves, as a general approval contemplated in sections 46 and 48 of the Companies Act (including but not limited to section 48(8)(a) of the Companies Act) and paragraph 5.72 of section 5 of the JSE Listings Requirements, the acquisition by the Company or any of its subsidiaries from time to time of the issued ordinary shares of the Company, upon such terms and conditions and in such amounts as the directors of the Company may from time to time determine, but subject to the MOI, the provisions of the Companies Act and the JSE Listings Requirements as presently constituted and which may be amended from time to time, and provided further that:

- acquisitions by the Company and its subsidiaries of shares in the capital of the Company in terms of this general authority to repurchase shares may not, in the aggregate, exceed in any one financial year 10% (ten percent) of the Company’s issued ordinary share capital of the class of the repurchased shares from the date of the grant of this general authority;
- any such repurchase shall be implemented through the order book operated by the JSE trading system, without any prior understanding or arrangement between the Company and the counterparty;
- authorisation thereto being given by the MOI;
- this general authority shall only be valid until the Company’s next AGM or 15 (fifteen) months from the date of passing of this special resolution, whichever period is shorter;

- an announcement will be published as soon as the Company and/or its subsidiaries has/have acquired ordinary shares in terms of this authority constituting, on a cumulative basis, 3% (three percent) of the initial number of ordinary shares in issue at the time that this authority is granted by the shareholders, and for each 3% (three percent) in aggregate of the initial number of shares repurchased thereafter, containing full details of such repurchases as required in terms of the JSE Listings Requirements;
- in determining the price at which the Company’s shares are acquired by the Company or its subsidiaries in terms of this general authority, the maximum premium at which such shares may be acquired will be 10% (ten percent) of the weighted average of the market price at which such shares are traded on the JSE for the 5 (five) business days immediately preceding the date the repurchase transaction is effected;
- the Company and/or its subsidiaries do not repurchase securities during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed and such programme has been submitted to the JSE in writing. The Company must instruct an independent third party, which makes its investment decisions in relation to the Company’s securities independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
- the repurchase shall only be effected if the board has at the time of the repurchase passed a resolution authorising the repurchase in terms of sections 48 and 46 of the Companies Act and it reasonably appears that the Company and its subsidiaries have satisfied the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Company and its subsidiaries; and
- the Company only appoints one agent at any point in time to effect repurchases on its behalf.”

Directors’ statement

The intention of the board is to utilise the general authority to repurchase shares in the Company if at some future date the cash resources of the Company are in excess of the requirements of the Company and the opportunity presents itself to do so during the year, which the board deems to be in the best interests of the Company and its shareholders, taking prevailing market conditions and other factors into account.

Pursuant to and in terms of the JSE Listings Requirements, the board of the Company hereby confirms that, after considering the effect of a repurchase of ordinary shares in terms of the foregoing general authority (being 10% (ten percent) of the Company’s issued ordinary share capital of the class of the repurchased shares in any financial year from the date of the grant of this general authority), the directors are of the opinion that the following conditions have been and will be met:

- the Company and the group will be able in the ordinary course of business to pay their debts for a period of 12 (twelve) months after the date of this notice of the AGM;
- the assets of the Company and group are to be in excess of the liabilities of the Company and group for a period of 12 (twelve) months after the date of this notice of AGM (for this purpose the assets and liabilities are recognised and measured in accordance with the accounting policies used in the audited financial statements for the year ended 31 March 2021);
- the share capital and reserves of the Company and group will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of the notice of the AGM;
- the working capital of the Company and the group are adequate for ordinary business purposes for a period of 12 (twelve) months after the date of this notice of the AGM; and
- a resolution being passed by the board that it authorised the repurchase of shares, that the Company and its subsidiaries have passed the solvency and liquidity test and that since the test was performed there have been no material changes to the financial position of the group.

The authority granted in terms of this special resolution number 4 is limited to paragraph 5.72(a), (c), (d) and paragraph 5.68 of the JSE Listings Requirements.

The following additional information, some of which may appear elsewhere in the Integrated Annual Report, is provided in terms of the JSE Listings Requirements for purposes of this general authority:

- Major beneficial shareholders – pages 94 to 95 of the Integrated Annual Report and page 97 of the AFS; and
- Share capital of the Company – page 61 and 94 of the AFS.

Directors' responsibility statement

The directors, whose names appear on pages 32 to 34 of the Integrated Annual Report, collectively and individually accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution, read with the Integrated Annual Report contains all information required by the JSE Listings Requirements.

Material changes

Other than the facts and developments reported on in the Integrated Annual Report, there have been no material changes in the affairs or financial position of the group since the date of signature of the Audit Report and up to the date of this notice.

11. Special resolution number 5

Adoption of the Lewis 2021 Executive Performance Scheme

Explanatory note

In terms of the JSE Listings Requirements, read with clause 19.6.6 of the Company's MOI, the approval of 75% of the votes cast in favour of this resolution by all equity securities holders present or represented by proxy at the AGM is required to approve this special resolution.

The JSE has provided formal approval of the proposed Lewis 2021 Executive Performance Scheme, subject to the approval of the Company's shareholders in terms of this special resolution.

Although the salient terms of the Lewis 2021 Executive Performance Scheme, summarised on pages 10-17 of Annexure 1 of this notice contain what the board believes to be a summary of the most material terms of the Lewis 2021 Executive Performance Scheme ("LEPS"), the notice does not summarise every proposed term of the LEPS in detail. Shareholders are hereby referred to the LEPS scheme rules ("LEPS Document") containing all of the terms applicable to the proposed LEPS, which will be available for inspection by shareholders at the Company's registered address during normal business hours from the date of notice of AGM until the date of the AGM. Shareholders can also request a copy of the LEPS Document to be posted or e-mailed to them by contacting Ntokozo Makomba at stakeholders@lewisgroup.co.za.

"Resolved that the rules of the Lewis 2021 Executive Performance Scheme be and are hereby approved and adopted, in the form tabled at the AGM and initialled by the chairperson of the meeting for purpose of identification.

The board be and is hereby authorised to issue ordinary shares in the issued share capital of the Company from time to time to a trust and/or company administering the LEPS and/or participants of the LEPS to satisfy and/or settle awards granted under the LEPS Document, subject to the terms of the LEPS and the aggregate limit imposed in the LEPS, being 1 750 000 ordinary shares."

12. Ordinary resolution number 4

Directors' authority to implement Company resolutions

"Resolved that each and every director of the Company be and is hereby authorised to do all such things and sign all such documents as may be necessary for or incidental to the implementation of the resolutions passed at this meeting."

NOTICE OF ANNUAL GENERAL MEETING

CONTINUED

FOR THE YEAR ENDED 31 MARCH 2021

13. To transact such other business that may be transacted at an Annual General Meeting

General instructions and information

1. Unless otherwise specifically provided in this notice of AGM, for any of the ordinary resolutions to be adopted, 50% of the voting rights plus 1 vote exercised on each such ordinary resolution must be exercised in favour thereof. For any special resolutions to be adopted, at least 75% of the voting rights exercised on each special resolution must be exercised in favour thereof.
2. In accordance with section 63(1) of the Companies Act, Participants will be required to provide proof of identification to the reasonable satisfaction of the chairperson of the AGM and must accordingly provide a copy of their identity document, passport or drivers' licence to the transfer secretaries at proxy@computershare.co.za, by no later than 12:00 on Wednesday, 20 October 2021. If in any doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.
3. All shareholders are encouraged to attend, speak and vote at the virtual AGM and are entitled to appoint a proxy to attend, speak and vote at the meeting in place of the shareholder. The proxy duly appointed to act on behalf of a shareholder, need not also be a shareholder of the Company.
4. If you hold certificated shares (i.e. have not dematerialised your shares in the Company) or are registered as an own name dematerialised shareholder (i.e. have specifically instructed your Central Security Depository Participant ("CSDP") to hold your shares in your own name in the Company sub-register) then:
 - 4.1 you may participate in the virtual AGM, alternatively;
 - 4.2 you may appoint a proxy to represent you at the virtual AGM by completing the attached form of proxy and, for administrative reasons, returning it to the Company's transfer secretary (Computershare Investor Services Proprietary Limited, Rosebank Tower, 15 Biermann Avenue, Rosebank, 2196, Private Bag X9000, Saxonwold, 2132) by no later than 12:00 on Wednesday, 20 October 2021, provided that any form of proxy not delivered to the transfer secretaries by this time may be submitted to the transfer secretaries via email at proxy@computershare.co.za, at any time before the appointed proxy exercises any shareholder rights at the virtual AGM.
5. Please note that if you are the owner of dematerialised shares (i.e. have replaced the paper share certificates representing the shares with electronic records of ownership under the JSE's electronic settlement system, Share Transactions Totally Electronic ("STRATE")) held through a CSDP or broker (or their nominee) and are not registered as an "own-name dematerialised shareholder" then you are not a registered shareholder of the Company, your CSDP or broker (or their nominee) would be. Accordingly, in these circumstances, subject to the mandate between yourself and your CSDP or broker as the case may be:
 - 5.1 if you wish to participate in the virtual AGM you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from it; alternatively
 - 5.2 if you are unable to attend the virtual AGM but wish to be represented at the meeting, you must contact your CSDP or broker, as the case may be, and furnish it with your voting instructions in respect of the AGM and/or request it to appoint a proxy. You must not complete the attached form of proxy. The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be, within the time period required by your CSDP or broker, as the case may be.
6. CSDPs, brokers or their nominees, as the case may be, recorded in the Company's sub-register as holders of dematerialised shares held on behalf of an investor/beneficial owner in terms of STRATE should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares in the Company, vote by either appointing a duly authorised representative to attend and vote at the virtual AGM or by completing the attached form of proxy in accordance with the instructions thereon and for administrative purposes, returning it to the Company's Transfer Secretary (Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196, Private Bag X9000, Saxonwold, 2132) by no later than 12:00 on Wednesday, 20 October 2021 or by sending it by email to proxy@computershare.co.za. In order to facilitate proceedings at the AGM, shareholders intending to appoint a proxy are requested to do so as soon as is reasonably practical.
7. Shareholders of the Company that are companies, that wish to participate in the virtual AGM, may authorise any person to act as their representative at the AGM.

Electronic participation

1. Shareholders or their proxies who wish to participate in the virtual AGM (“Participants”) must either:
 - a. register online using the online registration portal by no later than 12:00 on Wednesday, 20 October 2021, using the online registration portal at <https://www.smartagm.co.za>. A unique meeting ID (ID number 102-005-500), a username and password will be sent via email or SMS to each shareholder who has pre-registered and is entitled to participate at the meeting. A shareholders’ guide to assist and provide meeting participation guidelines is available on the Company’s website at <https://www.lewisgroup.co.za/investors/shareholder-communication> as well as at <https://www.smartagm.co.za>;
 - b. or apply to Computershare, by delivering the duly completed electronic participation form in Annexure 5 on page 41 to: First Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196, or posting it to Private Bag X9000, Saxonwold, 2132 (at the risk of the Participant), or sending it by email to proxy@computershare.co.za so as to be received by Computershare by no later than 12:00 on Wednesday, 20 October 2021. The electronic participation form is attached to this notice of AGM as Annexure 5. Computershare will first validate such request and confirm the identity of the shareholder in terms of section 63(1) of the Companies Act, and, if the request is validated, further details on using the electronic communication facility will be provided.
2. The Company will inform Participants who notified Computershare in accordance with paragraph 1 above by no later than 12:00 on Thursday, 21 October 2021 by email of the relevant details through which Participants can participate electronically.
3. The cost of electronic participation in the AGM is for the expense of the Participant and will be billed separately by the Participant’s own service provider.
4. The Participant acknowledges that the electronic communication services are provided by third parties and indemnifies Lewis Group against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against Lewis Group, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in it or from total or partial failure of the electronic services and connections linking the Participant via the electronic services to the AGM.
5. Lewis Group cannot guarantee there will not be a break in electronic communication that is beyond the control of the Company.

By order of the board



Ntokoza Makomba

SALIENT FEATURES OF THE LEWIS 2021 EXECUTIVE PERFORMANCE SCHEME

1. DEFINITIONS AND INTERPRETATIONS

In this salient features summary and the annexures hereto, unless the context indicates otherwise:

- the words in the first column have the meanings stated opposite them in the second column, words in the singular include the plural and *vice versa*, words importing the masculine include the feminine, words incorporating persons include juristic persons and associations of persons, and a cognate word or expression shall have the corresponding meaning; and
- all times and dates referred to are South African times and dates unless otherwise stated.

- 1.1 **“Alternative Awards”** means Awards in respect of which the Award Shares shall vest on such vesting date(s) as the Committee may determine and which are not Three-Year Awards, Four-Year Awards or Five-Year Awards;
- 1.2 **“Auditors”** means the external auditors of the Company from time to time;
- 1.3 **“Award”** means the option to acquire Shares under the Scheme, free of charge;
- 1.4 **“Award Shares”** means the Shares which are the subject of an Award;
- 1.5 **“Board”** means the Board of Directors for the time-being, of Lewis;
- 1.6 **“Business Day”** means any day other than a Saturday, Sunday or public holiday officially recognised as such in the Republic of South Africa;
- 1.7 **“Committee”** means the remuneration committee of the Board, or its successor in title;
- 1.8 **“Companies Act”** or **“Act”** means the Companies Act, No. 71 of 2008, as amended;
- 1.9 **“Employer Company”** means the Company in the Lewis Group that employs Executives and has adopted the Lewis 2021 Executive Performance Scheme;
- 1.10 **“Executive”** means any executive director of the Company, any senior member of management of the Lewis Group or any other key employee of the Lewis Group, selected by the Committee;
- 1.11 **“Financial Markets Act”** means the Financial Markets Act, No. 19 of 2021, as amended;
- 1.12 **“Financial Year”** means the financial year of the Company as determined in terms of section 27 of the Act, commencing on 1 April and ending on 31 March;
- 1.13 **“Five-Year Awards”** means Awards in respect of which one- third of the Award Shares shall vest on each of the third, fourth and fifth anniversaries of the Grant Date;
- 1.14 **“Four-Year Awards”** means Awards in respect of which 50% of the Award Shares shall vest on the third anniversary of the Grant Date and the remaining 50% will vest on the fourth anniversary of the Grant Date;
- 1.15 **“Grant Date”** means the date on which an Award is granted under a Scheme;
- 1.16 **“JSE”** means the JSE Limited, a company incorporated with limited liability under the laws of South Africa under registration number 2005/022939/06, and licensed as an exchange under the Financial Markets Act;
- 1.17 **“JSE Listings Requirements”** means the Listings Requirements published by the JSE, as amended;
- 1.18 **“Lewis”** or **“the Company”** means Lewis Group Limited, a company incorporated with limited liability under the laws of South Africa with registration number 2004/009817/06;
- 1.19 **“Lewis Group”** means Lewis and each of its subsidiaries;
- 1.20 **“Long-Term Awards”** means Four-Year Awards, Five-Year Awards and any Alternative Awards of which any portion of the Award vests after the third anniversary of the Grant Date;
- 1.21 **“Long-Term Performance Criteria”** means the performance criteria listed in Part A of the Performance Criteria Schedule attached hereto as Annexure A, which the Committee shall apply in determining the Performance Targets in respect of Long-Term Awards;
- 1.22 **“LEPS”** or **“Lewis 2021 Executive Performance Scheme”** or **“Scheme”** means the Lewis 2021 Executive Performance Scheme, established in terms of the LEPS Document;
- 1.23 **“LEPS Document”** or **“Scheme Document”** means the document governing the LEPS, being the agreement entered into between Lewis and the Trust;
- 1.24 **“Market Price”** means 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;
- 1.25 **“Participant”** means a person who has received and accepted an Award under a Scheme;
- 1.26 **“Performance Criteria Schedule”** means the schedule listing the Long-Term Performance Criteria and Short-Term Performance Criteria commencing on page 17 of this Annexure;
- 1.27 **“Performance Period”** the financial years of the Company commencing on 1 April preceding the Grant Date and ending on 31 March immediately preceding the final Vesting Date;
- 1.28 **“Prohibited Period”** means a prohibited period as such term is defined in the JSE Listings Requirements;
- 1.29 **“Shares”** means ordinary shares in the share capital of Lewis;
- 1.30 **“Short-Term Awards”** means Three-Year Awards and any Alternative Awards in respect of which all Award Shares vest on or before the third anniversary of the Grant Date;
- 1.31 **“Short-Term Performance Criteria”** means the performance criteria listed in Part B of the Performance Criteria Schedule attached hereto as Annexure A, which the Committee shall apply in determining the performance targets in respect of Short-Term Awards;

- 1.32 **“South Africa”** means the Republic of South Africa;
- 1.33 **“Termination of Employment”** means the date on which an Executive’s contract of employment terminates and, for the avoidance of doubt:
- 1.33.1 if notice of termination was given by either the Executive or the Company or the Employer Company, as the case may be, such termination shall only occur upon the expiry of the notice period; or
- 1.33.2 if no notice of termination was given by either the Executive or the Company or the Employer Company, as the case may be but a payment in lieu of notice was made, termination shall occur on the date of such payment,
- provided that there shall be deemed to be no Termination of Employment for purposes of the Schemes, if the Executive ceases to be employed by one Employer Company but remains within the continuous employment of the Lewis Group by being employed by another Employer Company;
- 1.34 **“Three-Year Awards”** means Awards in respect of which the Award Shares shall vest on the date that is three years after the Grant Date;
- 1.35 **“Trust”** means the Lewis Employee Incentive Scheme Trust constituted in terms of a trust deed dated 20 September 2004;
- 1.36 **“Trustees”** means the Trustees for the time being of the Trust, including any alternate Trustees;
- 1.37 **“Vesting Date”** means the date on which an Award under the LEPS (or a relevant portion thereof) vests in accordance with the terms of the LEPS Document; and
- 1.38 **“ZAR”** means rand, the official currency of South Africa.

2. SALIENT FEATURES OF THE LEWIS 2021 EXECUTIVE PERFORMANCE SCHEME

2.1 Purpose

The Lewis 2021 Executive Performance Scheme is aimed at incentivising continuing contributions by the Executives to the growth of the Lewis Group and attracting and retaining suitably skilled and competent personnel by granting Awards to such Executives which provide them with the opportunity to acquire Shares, thereby aligning the interests of such Executives with the interests of the Lewis Group.

2.2 Participants

Executive directors of Lewis and senior members of management of the Lewis Group or any other key employee of the Lewis Group, selected by the Committee, will be eligible to participate in the LEPS. The Committee will direct the Trustees to grant Awards to Executives from time to time.

2.3 Types of Awards and vesting

- 2.3.1 The Trustees may, from time to time during a Grant Period and upon directions of the Committee, as the case may be, by written notice (**“the Award Notice”**) grant Awards to Executives.
- 2.3.2 Awards granted under the LEPS shall comprise Three-Year Awards, Four-Year Awards, Five-Year Awards and Alternative Awards, which Awards shall vest, subject, in each instance, to fulfilment of the relevant conditions referred to in paragraph 2.3.5 below and such other Performance Targets as may be determined by the Committee for each financial year during a Performance Period.
- 2.3.3 Three-Year Awards and those Alternative Awards that vest on the third anniversary of the Grant Date constitute Short-Term Awards under the LEPS.
- 2.3.4 Four-Year Awards, Five-Year Awards and those Alternative Awards of which any portion vests after the third anniversary of the Grant Date constitute Long-Term Awards under the LEPS.
- 2.3.5 The conditions, which are determined in the sole discretion of the Committee, upon which an Award (or portion thereof) will vest shall include at least:
- 2.3.5.1 the Participant’s continued employment with an Employer Company at the relevant Vesting Date and no termination of such employment being intimated or notice of termination served on or by such Award Holder, other than in circumstances set out in paragraphs 2.10.1 or 2.10.2; and
- 2.3.5.2 the achievement of Performance Targets during a particular Performance Period.
- 2.3.6 Subject to the conditions contemplated in paragraphs 2.3.2 and 2.3.5 above, the Awards will vest as follows:
- 2.3.6.1 Three-Year Awards will vest on the date that is three years after the Grant Date;
- 2.3.6.2 in respect of Four-Year Awards, 50% (fifty percent) will vest on the third anniversary of the Grant Date and the remaining 50% (fifty percent) will vest on the fourth anniversary of the Grant Date;
- 2.3.6.3 in respect of Five-Year Awards, one third of the Awards shall vest on each of the third, fourth and fifth anniversaries of the Grant Date; and
- 2.3.6.4 the Vesting Date(s) in respect of an Alternate Award will be determined by the Committee and communicated to the Executive in the Award Notice.

SALIENT FEATURES OF THE LEWIS 2021 EXECUTIVE PERFORMANCE SCHEME

CONTINUED

2.3.7 The Committee will have the discretion to accelerate the vesting of Awards in exceptional circumstances.

2.4 Basis of Awards and Performance Targets

Long-Term Awards

2.4.1 The Committee shall always utilise the Long-Term Performance Criteria in paragraph 1 of **Part A** of the Performance Criteria Schedule (i.e. Headline earnings per share), and at least one of the following Long-Term Performance Criteria:

- 2.4.1.1 Return on average shareholders' equity;
- 2.4.1.2 After tax return on average capital employed;
- 2.4.1.3 Before tax return on average assets managed;
- 2.4.1.4 Gearing ratio, to determine the Performance Target(s) applicable to a Long-Term Award.

2.4.2 Performance Targets in respect of Long-Term Awards shall be determined by the Committee as at the Grant Date in respect of the entire Performance Period.

Short-Term Awards

2.4.3 The Committee shall select any or all of the following Short-Term Performance Criteria for determining the Performance Targets in respect of Short-Term Awards:

- 2.4.3.1 Headline earnings per share.
- 2.4.3.2 Quality of debtors book.
- 2.4.3.3 Gross margin.

2.4.4 The Performance Target(s) in respect of Short-Term Awards shall be determined in respect of:

- 2.4.4.1 each financial year during the Performance Period, 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); and/or
- 2.4.4.2 the entire Performance Period, determined by the Committee as at the Grant Date.

2.4.5 When determining the Performance Targets in respect of an Award, the Committee may determine what proportion of an Award relates to which Performance Targets. In these circumstances, if only some of the Performance Targets are met, only the specified portion of the Award will vest on the relevant Vesting Date and the remainder of the Award in respect of which the Performance Targets were not met shall lapse, subject to paragraph 2.4.7.

2.4.6 In making such determinations, the Committee is entitled to allocate a greater proportion of the Award to those Performance Targets which the particular Participant has the ability to influence, having regard to his or her daily employment responsibilities.

2.4.7 When determining to what extent Performance Targets have been met in respect of any Short-Term Performance Criteria and/or Long-Term Performance Criteria, as the case may be, the Committee shall apply the following:

2.4.7.1 in the event the Committee determines that 100% (one hundred percent) of any Performance Target has been achieved, then the entire Award allocated to such Performance Target shall vest on the relevant Vesting Date;

2.4.7.2 in the event the Committee determines that less than 100% (one hundred percent) but equal to or more than 97.5% (ninety-seven point five percent) of a relevant Performance Target has been met, then 25% (twenty-five percent) of the proportion of the Award allocated to such Performance Target shall vest on the relevant Vesting Date;

2.4.7.3 in the event the Committee determines that less than 97.5% (ninety-seven point five percent) but equal to or more than 95% (ninety-five percent) of any Performance Target has been met, then 10% (ten percent) of the proportion of the Award allocated to such Performance Target shall vest on the relevant Vesting Date; and

2.4.7.4 in the event the Committee determines that less than 95% (ninety-five percent) of any Performance Target has been met, then the proportion of the Award allocated to such Performance Target shall lapse, subject to the remainder of this paragraph 2.4.

2.4.8 When determining whether Performance Targets have been met, the Committee may furthermore consider adjusting such Performance Targets if material changes (both positive or negative) have been made to accounting policies resulting from IFRS becoming effective after the Grant Date.

2.4.9 After determining Performance Targets for a particular Performance Period, the Committee shall be entitled, in exceptional circumstances (both positive or negative), to amend such Performance Targets. In making such determination, the Committee shall have regard to all applicable circumstances affecting such Performance Targets, including but not limited to, changes to national or international political, financial, economic, monetary or market conditions, the performance of the Lewis Group relative to the industry in which the Lewis Group conducts its business and any corporate actions undertaken by the Lewis Group during the relevant Performance Period.

2.5 Timing of grant of Awards

- 2.5.1 Awards may be granted under the LEPS during any 6 (six) week period (each such 6 (six) week period being a “Grant Period”) commencing upon:
- 2.5.1.1 the adoption of the LEPS or any amendment thereto; or
 - 2.5.1.2 the announcement by the Company of its results for any year, half-year or other period or the issue by the Company of any prospectus, revised listing particulars, pre-listing statement or other documents containing equivalent information relating to the Shares; or
 - 2.5.1.3 a determination by the Committee that exceptional circumstances have arisen which justify the making of offers in terms of the LEPS outside the usual Grant Periods.

2.6 Rights of Participants

- 2.6.1 Award Shares will be delivered to a Participant within 20 (twenty) Business Days after the relevant Vesting Date, at no consideration, whereafter all risk and benefit of such Shares shall pass to the Participant, including all dividend and voting rights in respect thereof.
- 2.6.2 The Award Shares shall at the time of delivery thereof:
- 2.6.2.1 be issued, as fully paid Shares; and
 - 2.6.2.2 rank *pari passu* with existing issued Shares,

and shall be listed on the JSE as soon as reasonably possible if not already listed in the relevant circumstances.

- 2.6.3 Awards not accepted in terms of the Award Notice will lapse, provided that the Trustees may direct that an Award be deemed not to have lapsed if, in the Trustees' sole discretion, there are reasonable grounds for extending the acceptance period.

2.6.4 Where Shares in respect of which an Award has been allocated to an Executive are not subsequently issued and/or delivered to such Executive (for example, as a result of the Award lapsing due to a Termination of Employment), such Shares will revert back to the LEPS and may form the subject of further Awards to be granted to Executives under the LEPS.

2.7 Lapsing of Award

- 2.7.1 Should a Participant fail to accept an Award in accordance with the terms of an Award Notice, then such Award shall lapse, provided that the Trustees may direct that such Award shall be deemed not to have lapsed if, in their sole discretion, there are reasonable grounds for extending the period for acceptance of the Award.
- 2.7.2 An Award (or a relevant portion thereof), to the extent that it has not yet vested, shall also lapse on the occurrence of the earliest of the following:
- 2.7.2.1 failure to fulfil the Performance Targets or to remain employed, save where vesting will occur pursuant to the provisions of paragraph 2.10;
 - 2.7.2.2 the date on which the Participant ceases (whether lawfully or unlawfully) to be an Executive, save where vesting will occur pursuant to the provisions of paragraphs 2.8.3 or 2.11;
 - 2.7.2.3 the date on which a resolution is passed, or an order is made by the court, for the compulsory winding up of the Company;
 - 2.7.2.4 the date on which a Participant becomes insolvent.

2.8 Limit and adjustments

2.8.1 Company limit

2.8.1.1 The maximum aggregate number of newly issued or treasury Shares that may be utilised for the LEPS shall not exceed 1,750,000 (one million seven hundred and fifty thousand) Shares.

2.8.1.2 In accordance with Schedule 14 to the JSE Listings Requirements, Shares purchased through the market will not be taken into account when calculating the number of Shares utilised by the LEPS.

2.8.2 Individual limit

The aggregate number of Shares which any one Executive may acquire in terms of the LEPS shall not exceed 700,000 (seven hundred thousand) Shares.

SALIENT FEATURES OF THE LEWIS 2021 EXECUTIVE PERFORMANCE SCHEME

CONTINUED

2.8.3 Adjustments

2.8.3.1 The individual and Company limits referred to in paragraphs 2.8.1 and 2.8.2 above and the number of Award Shares will be adjusted upon:

2.8.3.1.1 the Shares of the Company are consolidated or sub-divided or in any other way reorganised;

2.8.3.1.2 the Company is involved in a solvent restructuring affecting the Share capital or an amalgamation or merger in terms of which the Company is the surviving company and is thus an “amalgamated or merged company” continuing in existence after the implementation of the amalgamation or merger agreement;

2.8.3.1.3 the Company is party to a scheme of arrangement affecting the structure of its Share capital (excluding as a result of a repurchase of the Company’s Shares requiring compliance by the Company with section 114 of the Companies Act solely by virtue of section 48(8)(b) of the Act), but paragraph 2.11 does not apply;

2.8.3.1.4 the Company allots additional Shares (including bonus or capitalisation shares issued simultaneously with an election to shareholders to decline such Shares and to accept a cash dividend) by the capitalisation of the Company’s profits and/or reserves and/or share premium;

2.8.3.1.5 additional Shares are issued by the Company pursuant to a rights issue; or

2.8.3.1.6 the Company makes payment of a special dividend, including a distribution *in specie*, to shareholders in terms of the Act (other than a cash dividend paid in the ordinary course of business).

2.8.3.2 Upon the occurrence of the events referred to in paragraph 2.8.3.1, adjustments will be made to the number of Shares which may be utilised for the Scheme (as per paragraph 2.8.1), the aggregate number of Shares which any one Executive may acquire in terms of the Scheme pursuant to the exercise of Matching Share Options (as per paragraph 2.8.2), and the number of Award Shares which are the subject of any Award in such manner as the Auditors determine to be appropriate and, in making such determination, the Auditors will seek to ensure that Executives will remain entitled to the same proportion of the equity capital of the Company as that to which such Executive would have been entitled but for such event, and will seek to ensure that Executives are not prejudiced nor given benefits beyond those provided for in the LEPS.

2.8.3.3 In terms of Schedule 14 to the JSE Listings Requirements, the Auditors or other independent advisers acceptable to the JSE must confirm to the JSE in writing that any adjustments are in accordance with the provisions of the LEPS, and the Company must report any such adjustments in its financial statements for the year in which the adjustments are made.

2.8.3.4 There shall be no adjustment to the number of Shares which may be utilised for the Scheme, the aggregate number of Shares which any one Participant may acquire in terms of the Scheme, the number of Shares which are the subject of any Award in respect thereof if there is:

2.8.3.4.1 an issue of Shares by the Company as consideration for an acquisition; or

2.8.3.4.2 a specific issue of Shares for cash; or

2.8.3.4.3 a vendor consideration placement.

2.9 Types of Shares

2.9.1 Award Shares granted under the LEPS will be satisfied by newly issued or treasury Shares or Shares acquired in the market.

2.9.2 In order to meet its obligation to deliver Award Shares to Executives, the Trust may purchase shares through the market from time to time, and may sell any such shares purchased should those shares or options be surplus to the requirements of the LEPS.

2.9.3 Shares may only be issued or purchased for purposes of the LEPS once an Executive or group of Executives to whom they will be allocated, has been formally identified. Shares held in trust may only be sold:

2.9.3.1 once the employment of a Participant has been terminated or a Participant is deceased; and

2.9.3.2 on behalf of a Participant, once the rights of ownership in the shares have vested in such Participant.

2.9.4 No shares may be purchased by the Company during a Prohibited Period unless the Company has in place a purchase programme where the dates and quantities of shares to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE in writing prior to the commencement of the Prohibited Period. The Company shall instruct an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by, the Company, prior to the commencement of the Prohibited Period to execute the purchase programme submitted to the JSE.

2.10 Termination of Employment

2.10.1 The rights of a Participant under the LEPS will be affected by the Termination of Employment of that Participant. If a Participant's Termination of Employment is due to:

2.10.1.1 the Participant's death;

2.10.1.2 ill health or injury preventing the Participant from performing his or her normal employment duties for a consecutive period of 12 (twelve) months;

2.10.1.3 the Participant's normal or late retirement or early retirement with the approval of the Committee; or

2.10.1.4 any other circumstances approved by a resolution of the Committee,

then a portion of any unvested Award calculated with reference to a predetermined formula (set out in the LEPS Document) will vest in the Participant on the date of such Termination of Employment.

2.10.2 If a Participant's Termination of Employment is in accordance with the relevant Participant's employment contract (for example retrenchment by the relevant Employer Company based on operation requirements), then the relevant tranche(s) of the Award Shares that:

2.10.2.1 vest during the applicable notice period or would have vested during the applicable notice period if the relevant Employer Company pays the Participant in lieu of notice; and

2.10.2.2 would have vested first after the end of the relevant notice period,

had the Participant remained in the employment of the Employer Company, will also vest on the respective Vesting Dates as they occur while the remainder of the Participant's Award shall lapse.

2.10.3 If the employment of any Participant terminates for any reason other than those stipulated above, the Participant's Award, to the extent that it has not yet vested, shall lapse on the Participant's Termination of Employment.

2.11 Change in control

The rights of Participants will be affected by certain change of control events. If:

2.11.1 the Company or any of its subsidiaries dispose of more than half of the shares held by it in an Employer Company which employs a Participant in circumstances where such Employer Company ceases to be a subsidiary of the Company and the Participant becomes employed by the acquirer thereof or remains employed by that Employer Company after it ceases to be a member of the Lewis Group;

2.11.2 any Employer Company disposes of its business or part thereof or the majority of its assets in circumstances where the Participant who is employed by such Employer Company becomes employed by the acquirer thereof which itself is not an Employer Company;

2.11.3 the Company becomes an immediate subsidiary of another company due to a take-over, scheme of arrangement, reconstruction or an amalgamation or merger; or

2.11.4 the Company proposes a resolution for its voluntary winding-up, then, within 30 (thirty) days of becoming aware of the occurrence of the event;

2.11.5 Awards under the LEPS which have not yet vested will vest; and

2.11.6 Participants will be entitled to require delivery of any undelivered Award Shares acquired pursuant to the vesting of an Award, by sending written notice to the Trustees,

provided that the Board may in relation to the rights of the Award holders and/or Participants make such alternative arrangements as may be regarded to be in the best interest of the Participants, subject to such approval by the Company in general meeting or any regulatory authority as may be required, if any.

SALIENT FEATURES OF THE LEWIS 2021 EXECUTIVE PERFORMANCE SCHEME

CONTINUED

2.12 Clawback

In the event an Executive or former-Executive satisfies any clawback condition (as defined in the Scheme and/or stipulated in the Award Notice, whether prior to his/her Termination of Employment or thereafter), the Employer Company and/or the Company shall be entitled, but not obliged to, *inter alia*, purchase shares subject to the clawback from the Executive; and/or cancel such shares; and/or deliver a written demand to the Executive demanding that the Executive pay to the Employer Company the Rand amount equal to the value of the clawback shares.

2.13 Amendment of the LEPS

2.13.1 It shall be competent for the Board and Trustees to amend any of the provisions of this LEPS, subject to the approval of the JSE, provided that:

2.13.1.1 no such amendment adversely affecting the rights of any of the Participants shall be competent unless agreed upon between the Committee and the relevant Participants; and

2.13.1.2 where required in terms of the JSE Listings Requirements, including in terms of Schedule 14 thereto, the approval of the shareholders of the Company in a general meeting is obtained.

2.13.2 Notwithstanding the provisions of paragraph 2.13.1, if it should become necessary or desirable by reason of the enactment of any new legislation at any time after the signing of the LEPS Document, to amend the provisions of the LEPS so as to preserve the substance of the provisions contained in the LEPS Document but amend the form so as to achieve the objectives embodied in the LEPS Document in the best manner having regard to such new legislation and without prejudice to the Participants concerned, then the Board and Trustees may amend this document accordingly, provided that the approval of the JSE has been obtained.

3. DOCUMENTS AVAILABLE FOR INSPECTION

The salient terms of the Scheme are summarised above. Although the summary of the salient terms of the Scheme contains what the Board believes to be a summary of the most material terms of the Lewis 2021 Executive Performance Scheme, it does not summarise every proposed term of the Scheme in detail. Shareholders are hereby referred to the LEPS Document containing all of the terms applicable to the proposed Scheme, which will be available for inspection by shareholders at the Company's registered address during normal business hours. Shareholders can also request a copy of either Scheme Document to be posted or e-mailed to them by contacting Ntokozi Makomba at stakeholders@lewisgroup.co.za.

Annexure A

PERFORMANCE CRITERIA

Part A – Long-Term Performance Criteria

1. **Headline Earnings per Share**

Headline Earnings is defined and calculated in terms of the Headline Earnings Circular issued by the South African Institute of Chartered Accountants from time from time. Headline Earnings per Share is calculated as Headline Earnings divided by the weighted average number of shares in issue.

2. **Return on average shareholders' equity ("ROE")**

Profit attributable to ordinary shareholders (as reflected in the income statement (profit and loss) and excludes other comprehensive income as defined in IFRS) as a percentage of average shareholders' equity.

3. **After tax return on average capital employed ("ROCE")**

After tax return for capital is the profit attributable to ordinary shareholders (as reflected in the income statement (profit and loss) and excludes other comprehensive income as defined in IFRS) plus finance costs paid to providers of capital less the attributable tax on finance costs.

Capital employed is shareholders' interest and interest-bearing debt.

The after tax return on average capital employed is the after tax return for capital as a percentage of the capital employed for the year.

4. **Before tax return on average assets managed ("ROA")**

The before tax return on average assets managed is the profit before interest and tax as a percentage of the average total assets.

5. **Gearing ratio**

Interest-bearing debt, reduced by cash and cash equivalents, divided by shareholders' equity.

Part B – Short-Term Performance Criteria

1. **Headline Earnings per Share**

Headline Earnings is defined and calculated in terms of the Headline Earnings Circular issued by the South African Institute of Chartered Accountants from time from time. Headline Earnings per Share is calculated as Headline Earnings divided by the weighted average number of shares in issue.

2. **Quality of Debtors Book**

This describes a category of performance measures which encapsulates the quality of the debtor book. This includes but is not limited to:

- 2.1 Debtor costs as a percentage of net debtors (net instalment sale and loan receivables before impairment provision).
- 2.2 Level of satisfactory paid customers, being those customers who have paid 70% or more of amounts due over the contract period.

The above list does not preclude the Committee using such other similar performance measures as the above, if such measures are routinely utilised in the Group's business.

3. **Gross margin**

Gross profit as a percentage of merchandise sales.

DIRECTORS' CVS



Adheera Bodasing

Non-executive director (47)

BA, LLB

Member of the Risk, Remuneration and Nominations committees.

Appointed June 2017

Directorship:

Polarity Consulting (Pty) Limited.

Expertise and experience:

Legal and compliance.

Adheera practiced at two of South Africa's leading law firms, Spoor and Fisher and Edward Nathan Sonnenbergs. She specialised in intellectual property law, gambling law and financial sector law and policy. Prior to starting her own business, she headed the legal division of the National Treasury. She is currently the managing director of Polarity Consulting and provides legal guidance and advisory services to local and international businesses in highly regulated industries particularly the financial sector, gaming industry and energy sector.

Specific contribution to the board:

Adheera engages regularly with parliament and the various financial sector regulators which allows her to advise the board on future and existing regulations and policy impacting the business. Her broad understanding of the businesses legal and regulatory framework also enables her to contribute on matters relating to regulatory compliance as well as other legal aspects.



Johan Enslin

Chief executive officer (47)

Member of the Risk, and the Social, ethics and transformation committees and attends all other committee meetings by invitation.

Appointed to the board October 2009

Directorship:

Lewis Stores (Pty) Limited.

Expertise and experience:

Johan has more than 27 years credit furniture retail experience. He joined the Lewis Group as a salesman in 1993 and rose rapidly through the ranks, holding positions including branch manager, regional controller, divisional general manager, general manager operations and operations director of Lewis Stores (Pty) Limited. Prior to his appointment as the Chief executive officer he was Chief operating officer with responsibility for the retail operations of the Group.

Specific contribution to the board:

Johan is the Chief executive officer and executive director of the Group and brings to the table a wealth of retail experience gained through all stages of the economic cycle.



Fatima Abrahams

Independent non-executive director and lead independent director (LID) (58)

B Econ(hons), MCom, DCom

Chairperson of the Remuneration and Social, ethics and transformation committees; Member of the Risk, Remuneration and Nomination committees. Appointed as LID in 2021.

Appointed September 2005

Directorships:

The Foschini Group Limited and the Clicks Group Limited.

Expertise and experience:

Human resources and remuneration.

Prof. Abrahams is an academic, experienced company director and a registered industrial psychologist. She is currently a senior professor (part-time) at the University of the Western Cape, having also served as Dean of the Faculty of economic and management sciences.

Specific contribution to the board:

Fatima serves as a non-executive director on the board of two listed companies, with particular involvement in retail businesses. Her strong academic qualifications and experience have provided her with extensive expertise in these areas. She has performed similar roles for other listed and unlisted entities over a number of years, which is of benefit to the Group.



Daphne Motsepe

Independent non-executive director (64)

BCompt, MBA

Member of the Audit, Risk, Remuneration, Nominations, and Social, ethics and transformation committees.

Appointed June 2017

Directorships:

Kapela Holdings (Pty) Limited, NEC XON Holdings (Pty) Limited, Trustee of Alexander Forbes Community Trust.

Experience and expertise:

Daphne is an experienced banking executive and company director. She was formerly chief executive of Absa card and unsecured lending at Absa Bank and also served as managing director of Postbank. She has previously served as non-executive director on the boards of Investec Bank, Highveld Steel and Vanadium, Edcon, Mercantile Bank, Woolworths Financial Services, Rand Mutual Assurance and Thebe Investment Corporation. Her skills combine strategic, business and financial skills.

Specific contribution to the board:

Daphne's experience includes serving as Chairperson of Remuneration as well as Social, ethics and transformation committees of other boards and serving as a member of the Audit, Risk as well as Nominations/directors affairs committees.



Tapiwa Njikizana

Independent non-executive director (Zimbabwean), (45)

CA(SA) JSE Registered IFRS Advisor

Member of the Audit, Risk, Remuneration and Nominations committees.

Appointed August 2019

Directorship:

W.Consulting SA (Pty) Limited.

Experience and expertise:

Tapiwa is an executive director at W.Consulting SA (Pty) Limited. He has previously served as a non-executive director on the board of Iliad Africa Limited and Mercantile Bank Holdings Limited. He was recognised for his contribution to the consulting industry receiving the "Top Consulting Professional" at the Sanlam South African Professional Services Awards-2018.

Tapiwa has held roles in leading industry bodies and committees including as a member of the Accounting Practice Committee of SAICA, and as a member of the Financial Reporting Investigation Panel (formerly, GAAP Monitoring Panel) of the JSE.

Specific contribution to the board:

Tapiwa is an experienced non-executive director with expertise in the financial services sector including experience chairing Audit and Technology committees for other entities, as well as experience on the Remuneration and Nomination committees of the company.

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 Audited Rm	2020 Audited Rm
Revenue	4.1	6 725.9	6 453.3
Retail revenue	4.2	4 747.7	4 475.3
Merchandise sales		3 931.2	3 685.5
Ancillary services		816.5	789.8
Insurance revenue		707.2	666.1
Effective interest income		1 271.0	1 311.9
Cost of merchandise sales	7	(2 288.8)	(2 173.5)
Operating costs		(3 741.6)	(4 026.1)
Debtor costs	2.2	(813.0)	(1 010.1)
Bad debts net of recoveries		(923.3)	(799.2)
Movement in debtors' impairment provision		110.3	(210.9)
Employment costs		(1 259.1)	(1 214.4)
Administration and IT		(325.3)	(359.7)
Transport and travel		(241.9)	(273.2)
Marketing		(184.2)	(298.7)
Depreciation, amortisation and impairment	10	(343.0)	(375.5)
Other operating costs		(575.1)	(494.5)
Operating profit before investment income		695.5	253.7
Investment income	3.2	39.1	53.6
Profit before net finance costs		734.6	307.3
Net finance costs		(130.2)	(34.5)
Interest paid	5.3	(105.3)	(98.0)
Interest received	5.3	17.2	34.2
Forward exchange contracts	5.3	(42.1)	29.3
Profit before taxation		604.4	272.8
Taxation	9	(171.5)	(90.4)
Net profit attributable to ordinary shareholders		432.9	182.4
Earnings per share		576.4	232.1
Diluted earnings per share		565.3	225.4

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	2021 Audited Rm	2020 Audited Rm
Net profit for the year	432.9	182.4
Items that may be subsequently reclassified to income statement:		
Movement in other reserves	(2.8)	(3.4)
Fair value adjustments	19.1	(35.7)
Changes in the fair value of debt instruments at fair value through other comprehensive income - FVOCI debt investments	26.5	(49.5)
Tax effect	(7.4)	13.8
Disposal of FVOCI debt investments	(0.4)	1.0
Disposal	(0.5)	1.3
Tax effect	0.1	(0.3)
Foreign currency translation reserve	(21.5)	31.3
Items that may not be subsequently reclassified to income statement:		
Retirement benefit remeasurements	(8.6)	37.3
Remeasurements of the retirement asset and liabilities	(11.9)	51.1
Tax effect	3.3	(13.8)
Other comprehensive income	(11.4)	33.9
Total comprehensive income for the year attributable to equity shareholders	421.5	216.3

EARNINGS AND DIVIDENDS PER SHARE

FOR THE YEAR ENDED 31 MARCH 2021

		2021 Audited	2020 Audited
Weighted average number of shares			
Weighted average	('000)	75 109	78 615
Diluted weighted average	('000)	76 580	80 936
Headline earnings			
Attributable earnings	(Rm)	432.9	182.4
(Profit)/loss on disposal of fixed assets	(Rm)	(0.1)	2.3
Impairment of right-of-use assets	(Rm)	24.3	19.8
Goodwill write-off	(Rm)	5.9	-
Headline earnings	(Rm)	463.0	204.5
Earnings per share			
Earnings per share	(cents)	576.4	232.1
Diluted earnings per share	(cents)	565.3	225.4
Headline earnings per share			
Headline earnings per share	(cents)	616.5	260.2
Diluted headline earnings per share	(cents)	604.6	252.7
Dividends per share			
Dividends paid per share			
Final dividend 2020 (2019)	(cents)	65.0	129.0
Interim dividend 2021 (2020)	(cents)	133.0	120.0
	(cents)	198.0	249.0
Dividends declared per share			
Interim dividend 2021 (2020)	(cents)	133.0	120.0
Final dividend 2021 (2020)	(cents)	195.0	65.0
	(cents)	328.0	185.0

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 Audited Rm	2020 Audited Rm
Assets			
Non-current assets			
Property, plant and equipment		386.0	324.4
Right-of-use assets	11.2	635.0	693.7
Intangible assets		114.2	120.6
Goodwill		182.4	187.6
Deferred taxation		112.2	166.1
Retirement benefit asset		105.4	106.8
Financial assets - insurance investments	3.1	253.6	228.0
		1 788.8	1 827.2
Current assets			
Inventories		947.8	740.7
Trade, insurance and other receivables	2.1	3 367.3	3 326.1
Taxation		48.8	54.9
Financial assets - insurance investments	3.1	223.7	245.9
Cash-on-hand and deposits	5.1	447.0	1 193.4
		5 034.6	5 561.0
		6 823.4	7 388.2
Total assets			
Equity and liabilities			
Capital and reserves			
Share capital and premium		0.9	0.9
Treasury shares		(0.4)	(1.0)
Other reserves		33.6	52.3
Retained earnings		4 838.6	4 657.3
		4 872.7	4 709.5
Non-current liabilities			
Lease liabilities	11.1	556.0	611.1
Deferred taxation		20.6	23.3
Retirement benefit liability		79.1	70.7
		655.7	705.1
Current liabilities			
Trade and other payables		674.5	547.9
Payments in advance		162.8	150.1
Insurance liabilities		123.1	104.8
Short-term interest-bearing borrowings	5.1	-	922.1
Lease liabilities	11.1	249.8	226.8
Taxation		84.8	21.9
		1 295.0	1 973.6
		6 823.4	7 388.2
Total equity and liabilities			

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	2021 Audited Rm	2020 Audited Rm
Share capital and premium		
Opening balance	0.9	0.9
Cost of own shares acquired	(112.6)	(101.7)
Transfer of cost of cancelled shares	112.6	101.7
	0.9	0.9
Treasury shares		
Opening balance	(1.0)	(0.5)
Share awards to employees	23.6	20.5
Cost of own shares acquired	(23.0)	(21.0)
	(0.4)	(1.0)
Other reserves		
Opening balance	52.3	48.4
Other comprehensive income for the year:		
Changes in fair value of FVOCI debt investments	19.1	(35.7)
Disposal of FVOCI debt investments	(0.4)	1.0
Foreign currency translation reserve	(21.5)	31.3
Equity-settled share-based payments	24.3	29.0
Transfer of share-based payments reserve to retained earnings on vesting	(40.2)	(20.9)
Transfer of other reserve to retained earnings	–	(0.8)
	33.6	52.3
Retained earnings		
Opening balance as previously Reported	4 657.3	4 827.3
IFRS 16 Transitional adjustments	–	(92.8)
Opening balance	4 657.3	4 734.5
Net profit attributable to ordinary shareholders	432.9	182.4
Distribution to shareholders	(147.0)	(196.4)
Transfer of cost of cancelled shares	(112.6)	(101.7)
Transfer of share-based payments reserve to retained earnings on vesting	40.2	20.9
Retirement benefit remeasurements	(8.6)	37.3
Share awards to employees	(23.6)	(20.5)
Transfer of other reserve to retained earnings	–	0.8
	4 838.6	4 657.3
Balance as at 31 March	4 872.7	4 709.5

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 Audited Rm	2020 Audited Restated Rm
Cash flow from operating activities			
Cash flow from trading	8.1	1 053.3	879.0
Changes in working capital	8.2	(138.7)	(255.8)
Cash flow from operations		914.6	623.2
Interest received other than from trade receivables		55.8	86.5
Interest paid	8.3	(90.4)	(98.0)
(Losses)/gains on forward exchange contracts		(16.6)	13.1
Taxation (paid)/refunded		(55.3)	25.2
		808.1	650.0
Cash utilised in investing activities			
Purchases of insurance investments	3.1	(61.1)	(76.0)
Disposals of insurance investments		84.2	172.0
Acquisition of property, plant and equipment and intangible assets		(121.3)	(108.1)
Proceeds on disposal of property, plant and equipment		2.6	4.0
		(95.6)	(8.1)
Cash flow from financing activities			
Dividends paid		(147.0)	(196.4)
Payment of principal portion of lease liabilities	11.1	(254.2)	(256.2)
(Repayments)/advances of borrowings	5.1	(922.1)	922.1
Purchase of own shares		(135.6)	(122.7)
		(1 458.9)	346.8
Net (decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		1 193.4	204.7
Cash and cash equivalents at the end of the year		447.0	1 193.4

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1. Basis of Reporting

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited (“JSE”) Listings Requirements for abridged Reports and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements require abridged Reports to be prepared in accordance with the framework concepts; and the measurement and recognition requirements of International Financial Reporting Standards (“IFRS”) and SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

The Group has moved to a trading cycle of 1 April to 31 March aligned with its statutory year-end. In prior periods, the trading cycle ended on the fifth day after the month being Reported on, unless such day fell on a Sunday, in which case it ended on the fourth day. For the current financial year, the trading period was from 5 April 2020 to 31 March 2021. The impact of the change was insignificant due to the Covid-19 lockdown implemented on 27 March 2020 where stores were closed in accordance with Level 5 regulations.

These financial statements are a summary of the Group’s audited annual financial statements for the year-ended 31 March 2021. The audited annual financial statements were prepared by the Group’s Finance Department under the supervision of Mr J Bestbier CA(SA). A copy of the full set of the audited financial statements is available on the Group website, www.lewisgroup.co.za.

2. Trade, other receivables and debtor costs

2.1 Trade, insurance and other receivables

	2021 Audited Rm	2020 Audited Rm
Trade and insurance receivables	5 691.4	5 746.5
Trade receivables	5 551.5	5 599.5
Insurance receivables	139.9	147.0
Provision for impairment	(2 423.7)	(2 534.0)
Trade receivables	(2 338.5)	(2 469.0)
Insurance receivables	(85.2)	(65.0)
Trade and insurance receivables (net)	3 267.7	3 212.5
Due within 12 months	2 098.5	2 040.3
Due after 12 months	1 169.2	1 172.2
Other receivables	99.6	113.6
Total trade, insurance and other receivables	3 367.3	3 326.1
Debtors’ impairment provision as percentage of debtors at gross carrying value (%)	42.6	44.1

Amounts due from trade receivables after one year are reflected as current, as they form part of the normal operating cycle. The credit terms of trade receivables range from 6 to 36 months.

Other receivables consist of prepayments, VAT, foreign reinsurance receivables and investment in insurance cell captive.

Impairment provision

Payment ratings

The customer’s payment profile is managed by using payment ratings. Payment ratings are determined on an individual customer level and aggregated over all the customer’s sub-accounts. Payment ratings measure the customers actual payments received over the lifetime of the account relative to the instalments due in terms of the contract. These payment ratings are used to categorise and Report on customers at the store level to follow up the slow paying and non-performing customers.

Impairment modelling

In accordance with paragraph 5.5.15(a)(ii) of IFRS 9, the Group has elected to apply the simplified model and measures the impairment allowance at an amount equal to lifetime expected credit losses (“ECL”). This policy has been applied to all trade receivables. Lifetime ECL are assessed by determining cash flows on a probability-weighted basis and discounting these at the effective interest rate including initiation fees.

2. Trade, other receivables and debtor costs continued

2.1 Trade, insurance and other receivables continued

Impairment modelling continued

The probability-weighted cash flows are calculated using the following:

- Transition matrix and conditional probabilities.
- Payment performance for each payment state.

The transition matrix and conditional probabilities are calculated using the trade receivables population payment behaviour for each payment state and has been developed using the Group's customer payment history over the last five years. The transition matrices have been developed for each of the countries which predicts the population's payment behaviour and probability of the account being in a particular payment state and transitioning into future payment states. The key states in the transitional matrix are the following:

- Customers' lifetime payment rating which measures the customers actual payments received over the lifetime of the account relative to the contractual instalments due.
- Age of the account.
- Term of the contract.

For each term, lifetime payment rating and age, the transitional matrix maps the probability of an account transitioning into future lifetime payment ratings for the remaining months on book. Cash flows are forecasted until the account is settled or written off.

The payment performance for each payment state is calculated using the actual payment history for each payment rating over the last 12 months.

Forward-looking information

IFRS 9 requires that the ECL impairment provision considers potential future changes in the economic environment. To achieve this, an economic overlay model ("standard model") has been developed by performing a regression analysis between key economic variables with reference to the non-performing category. This analysis is done on an annual basis to identify the relevant economic variables and assess the degree of correlation with the non-performing category.

To allow for the potential impact of Covid-19, an expanded economic overlay model ("expanded model") was introduced as the primary model at 31 March 2020. This model applied a regression analysis between payment behaviour and expected GDP growth. The projected impact of the expanded model on the impairment provision was R294.5 million for the year-ended 31 March 2020. The expanded model was based on the expected future contraction of GDP on 31 March 2020 and has now become obsolete.

Due to the severely disrupted economic environment, a lower statistical correlation was observed when performing the standard model assessment and a distortion is expected in the historical relationship between the macroeconomic variables and the non-performing category in the short- to medium-term. Management therefore concluded that a statistical model based on macroeconomic variables is not appropriate at this time.

Covid-19 continues to pose a significant threat to the economy and management are of the view that trading conditions will become tougher. The impairment model uses the last 12 months' payment performance and is therefore calibrated to allow for a distressed macroeconomic environment in the new financial year, similar to the experience of the year-ended March 2021.

To incorporate the potential further impact of Covid-19 on the forward-looking information, the impact of event risk not accounted for was quantified by building stressed macroeconomic variables into the impairment model. These include further economic strain that could result from another hard lockdown, the discontinuation of Covid-19 social grants and the impact of government employees wage freeze on their ability to service debt. The combined impact on the Group's ECL for these variables is R114.1 million. Management's areas of judgement include the probabilities of these scenarios occurring, the severity of the scenarios and the potential impact it might have on payment performance.

A sensitivity analysis has been performed and the impact is deemed to be immaterial.

Combined impairment and contractual arrears table

The table reflects the following:

- A summary of the main groupings of payment ratings describing payment behaviour.
- For each of the main groupings of payment ratings, the following is disclosed:
 - Number of customers.
 - Gross carrying value.
 - Impairment provision allocated to each grouping.
 - Contractual arrears for each grouping have been categorised by number of instalments in arrears.

The table referred to above is set out on the following page.

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

2. Trade, other receivables and debtor costs continued

2.1 Trade, insurance and other receivables continued

Debtors analysis – 31 March 2021

Customer grouping	Number of customers Total	Gross carrying value R'000	Impairment provision R'000	Impairment provision %	Total arrears R'000	Instalments in arrears			
						1 R'000	2 R'000	3 R'000	>3 R'000
Satisfactory paid Customers who have paid 70% or more of amounts due over the contract period (%)	430 459 74.4	3 537 586 62.2	733 902 30.3	20.7	592 247	169 226	118 916	88 177	215 928
Slow payers Customers who have paid 55% to 70% of amounts due over the contract period (%)	78 608 13.6	915 822 16.1	618 421 25.5	67.5	568 282	64 802	62 430	59 197	381 853
Non-performing accounts Customers who have paid less than 55% of amounts due over the contract period (%)	69 751 12.0	1 238 029 21.7	1 071 346 44.2	86.5	895 977	61 765	60 953	60 193	713 066
Gross debtor analysis	578 818	5 691 437	2 423 669	42.6	2 056 506	295 793	242 299	207 567	1 310 847

Credit impaired debtors as at 31 March 2021

Credit impaired categories	Non-performing accounts R'000	In duplum		Debt counselling		No payment in three consecutive months		Total R'000
		Satisfactory R'000	Slow pay R'000	Satisfactory R'000	Slow pay R'000	Satisfactory R'000	Slow pay R'000	
Gross carrying value	1 238 029	2 047	1 974	32 973	56 203	53 074	80 068	1 464 368
Impairment provision	(1 071 346)	(939)	(1 364)	(10 496)	(35 820)	(18 325)	(53 172)	(1 191 462)
Amortised cost	166 683	1 108	610	22 477	20 383	34 749	26 896	272 906

2. Trade, other receivables and debtor costs continued

2.1 Trade, insurance and other receivables continued

Debtors analysis – 31 March 2020

Customer grouping	Number of customers Total	Gross carrying value R'000	Impairment provision R'000	Impairment provision %	Total arrears R'000	Instalments in arrears			
						1 R'000	2 R'000	3 R'000	>3 R'000
Satisfactory paid Customers who have paid 70% or more of amounts due over the contract period (%)	420 399 70.5	3 397 212 59.1	728 839 28.8	21.5	615 331	203 768	127 077	89 041	195 445
Slow payers Customers who have paid 55% to 70% of amounts due over the contract period (%)	98 250 16.5	1 088 690 19.0	726 424 28.6	66.7	599 632	78 344	72 297	65 847	383 144
Non-performing accounts Customers who have paid less than 55% of amounts due over the contract period (%)	77 270 13.0	1 260 584 21.9	1 078 695 42.6	85.6	896 869	66 078	62 916	60 529	707 346
Gross debtor analysis	595 919	5 746 486	2 533 958	44.1	2 111 832	348 190	262 290	215 417	1 285 935

Credit impaired debtors as at 31 March 2020

Credit impaired categories	Non-performing accounts R'000	In duplum		Debt counselling		No payment in three consecutive months		Total R'000
		Satisfactory R'000	Slow pay R'000	Satisfactory R'000	Slow pay R'000	Satisfactory R'000	Slow pay R'000	
Gross carrying value	1 260 584	1 031	1 115	52 320	106 652	107 739	153 451	1 682 892
Impairment provision	(1 078 695)	(345)	(805)	(13 327)	(72 681)	(29 367)	(107 514)	(1 302 734)
Amortised cost	181 889	686	310	38 993	33 971	78 372	45 937	380 158

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

2. Trade, other receivables and debtor costs continued

2.1 Trade, insurance and other receivables continued

Interest rate risk

Interest rates charged to customers are fixed at the date the contract is entered into. Consequently, there is no cash flow interest rate risk associated with these contracts during the term of the contract.

The average effective interest rate on instalment sale receivables is 21.2% (2020: 22.9%) and the average term of the sale is 32.4 months (2020: 32.8 months).

Fair value

In terms of paragraph 29(a) of IFRS 7, the carrying amounts Reported in the balance sheet approximates fair value.

2.2 Debtor costs

	2021 Audited Rm	2020 Audited Rm
Bad debts	982.2	877.5
Bad debts before adjustment for interest on credit impaired accounts	1 133.0	979.9
Adjustment for interest on credit impaired accounts	(150.8)	(102.4)
Bad debt recoveries	(58.9)	(78.3)
Movement in debtors' impairment provision	(110.3)	210.9
Closing balance	2 423.7	2 534.0
Opening balance	(2 534.0)	(2 323.1)
	813.0	1 010.1
Debtor costs as a percentage of debtors at gross carrying value (%)	14.3	17.6

"Bad debts before adjustment for interest on credit impaired accounts" is the gross carrying amounts of the trade receivables written off. Interest income is recognised by applying the effective interest rate to the amortised cost (gross carrying value less impairment provision), resulting in lower bad debts.

3. Insurance

3.1 Insurance investments

	2021 Audited Rm	2020 Audited Rm
Financial assets – insurance investments		
<i>Listed investments</i>		
Fixed income securities – FVOCI debt investments	253.6	228.0
<i>Unlisted Investments</i>		
Money market – FVOCI debt investments	223.7	245.9
	477.3	473.9
Analysed as follows:		
Non-current	253.6	228.0
Current	223.7	245.9
	477.3	473.9
Movement for the year		
Beginning of the year	473.9	616.8
Additions to investments	61.1	76.0
Disposals of investments	(119.8)	(219.5)
Interest	36.1	48.8
Fair value adjustment	26.0	(48.2)
End of the year	477.3	473.9

A register of listed investments is available for inspection at the company's registered office.

Fair value hierarchy

The following table presents the assets recognised and subsequently measured at fair value:

	Level 2 Rm	Total Rm
31 March 2021		
Insurance investments:		
Fixed income securities – FVOCI debt investments	253.6	253.6
Money market floating rate notes – FVOCI debt investments	223.7	223.7
	477.3	477.3
31 March 2020		
Insurance investments:		
Fixed income securities – FVOCI debt investments	228.0	228.0
Money market floating rate notes – FVOCI debt investments	245.9	245.9
	473.9	473.9

The categorisation of the valuation techniques used to value the assets at fair value are as set out in IFRS 13.

3.2 Investment income

	2021 Audited Rm	2020 Audited Rm
Interest and other income – insurance business	38.6	52.3
Realised gain on disposal of insurance investments	0.5	1.3
	39.1	53.6

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

4. Revenue

4.1 Revenue

	2021 Audited Rm	2020 Audited Rm
Retail revenue - revenue from contracts with customers	4 747.7	4 475.3
Merchandise sales	3 931.2	3 685.5
Ancillary services	816.5	789.8
Insurance revenue	707.2	666.1
Effective interest income	1 271.0	1 311.9
Finance charges and initiation fees earned	1 421.8	1 414.3
Adjustment for interest on credit impaired accounts	(150.8)	(102.4)
	6 725.9	6 453.3

4.2 Retail revenue

	Traditional Rm	Cash Rm	Group Rm
31 March 2021			
Merchandise sales			
- Cash	1 434.4	566.5	2 000.9
- Credit	1 930.3	-	1 930.3
Ancillary services			
- At a point in time	153.5	10.4	163.9
- Over time	652.6	-	652.6
	4 170.8	576.9	4 747.7
31 March 2020			
Merchandise sales			
- Cash	1 058.6	530.1	1 588.7
- Credit	2 096.8	-	2 096.8
Ancillary services			
- At a point in time	167.8	10.3	178.1
- Over time	611.7	-	611.7
	3 934.9	540.4	4 475.3

5. Borrowings, cash and net finance costs

5.1 Borrowings, banking facilities and cash

	2021 Audited Rm	2020 Audited Rm
Interest-bearing borrowings		
Short-term banking facilities	–	(922.1)
Cash-on-hand and deposits	447.0	1 193.4
Net cash	447.0	271.3
Available facilities		
Banking facilities	1 150.0	1 150.0
Domestic Medium-Term Note programme	2 000.0	2 000.0
	3 150.0	3 150.0
Available funds	3 597.0	3 421.3
Interest rate profile		
Interest rate profile of borrowings is as follows:		
– Bank borrowings include revolving credit and overnight facilities. Revolving credit facilities are at interest rates linked to three-month JIBAR. The interest rates on the overnight facilities are based on rates as determined by each of the banks based on market conditions. The weighted average interest rate at the end of the Reporting period is 5.9% (2020: 7.6%).	–	922.1
	–	922.1
Cash and cash equivalents		
Cash-on-hand and deposits	447.0	1 193.4
	447.0	1 193.4
5.2 Capital management		
Net debt	358.8	566.6
Shareholders' equity	4 872.7	4 709.5
Gearing ratio (%)	7.4	12.0
5.3 Net finance costs		
Interest paid	(105.3)	(98.0)
Borrowings	(14.3)	(20.1)
Lease liabilities	(66.0)	(71.5)
Other	(25.0)	(6.4)
Interest received – bank	17.2	12.4
Interest received – other	–	21.8
Forward exchange contracts	(42.1)	29.3
Net finance costs	(130.2)	(34.5)

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

6. Reportable segments

Primary	Traditional Rm	Cash Rm	Group Rm
For the year ended 31 March 2021			
Revenue	6 149.0	576.9	6 725.9
Merchandise sales	3 364.7	566.5	3 931.2
Operating profit before investment income	602.7	92.8	695.5
Operating margin (%)	17.9	16.4	17.7
Segment assets	4 074.0	141.5	4 215.5
For the year ended 31 March 2020			
Revenue	5 912.9	540.4	6 453.3
Merchandise sales	3 155.4	530.1	3 685.5
Operating profit before investment income	209.9	43.8	253.7
Operating margin (%)	6.7	8.3	6.9
Segment assets	3 828.9	124.3	3 953.2

Geographical	South Africa Rm	Namibia Rm	BLE ⁽¹⁾ Rm	Group Rm
For the year ended 31 March 2021				
Revenue	5 724.8	498.7	502.4	6 725.9
For the year ended 31 March 2020				
Revenue	5 492.7	475.9	484.7	6 453.3

⁽¹⁾ Botswana, Lesotho and Eswatini

7. Gross profit

	2021 Audited Rm	2020 Audited Rm
Merchandise sales	3 931.2	3 685.5
Cost of merchandise sales	(2 288.8)	(2 173.5)
Merchandise gross profit	1 642.4	1 512.0
Gross profit percentage (%)	41.8	41.0

8. Cash flow from operations

	2021 Audited Rm	2020 Audited Restated Rm
8.1 Cash flow from trading:	1 053.3	879.0
Operating profit before investment income	695.5	253.7
<i>Adjusted for:</i>		
Share-based payments	43.6	33.3
Depreciation, amortisation and impairment	343.0	375.5
Movement in debtors' impairment provision	(110.3)	210.9
Movement in other provisions	43.7	13.8
Other non-cash flow movements	37.8	(8.2)

Included in cash flow from trading is interest received on trade receivables of R1 421.8 million (2020: R1 414.3 million).

	2021 Audited Rm	2020 Audited Rm
8.2 Changes in working capital:	(138.7)	(255.8)
Increase in inventories	(211.7)	(85.0)
Decrease/(increase) in trade and other receivables	30.3	(213.3)
Increase in trade and other payables	11.7	48.3
Increase/(decrease) in payments in advance	12.7	(7.9)
Increase in insurance liabilities	18.3	2.1
8.3 Interest paid per cash flow statement:		
Interest paid per the income statement	(105.3)	(98.0)
Non-cash flow movement	14.9	-
Interest paid per the cash flow statement	(90.4)	(98.0)

Restatement

The realised portion of gains and losses on forward exchange contracts in the prior year was restated from "cash flow from trading" to the face of the consolidated cash flow statement. This is reflected in a separate line item, "gains and losses on forward exchange contracts". See below for the effect of the restatement:

	Cash flow from trading Rm	Gains and losses on forward exchange contracts Rm
March 2020 - previously Reported	892.1	-
Restatement	(13.1)	13.1
March 2020 - restated	879.0	13.1

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

9. Taxation

	2021 Audited Rm	2020 Audited Rm
Taxation charge		
Normal taxation	124.3	34.7
Current year	123.6	66.4
Prior year	0.7	(31.7)
Deferred taxation	47.2	45.7
Current year	57.0	12.1
Prior year	(9.8)	33.6
Withholding tax	–	10.0
Taxation per income statement	171.5	90.4
Tax rate reconciliation		
Profit before taxation	604.4	272.8
Taxation calculated at a tax rate of 28% (2020: 28%)	169.2	76.4
Differing tax rates in foreign countries	4.3	2.6
Disallowances	37.1	14.0
Exemptions	(30.0)	(14.5)
Prior years	(9.1)	1.9
Withholding tax	–	10.0
Taxation per income statement	171.5	90.4
Effective tax rate	28.4	33.1

10. Depreciation, amortisation and impairment

	2021 Audited Rm	2020 Audited Rm
Depreciation		
Right-of-use assets	239.7	271.8
Property, plant and equipment	50.6	66.1
Amortisation		
Intangible assets	13.0	11.0
Impairment		
Right-of-use assets	33.8	26.6
Write-off		
Goodwill	5.9	–
	343.0	375.5

11. Leases

	2021 Audited Rm	2020 Audited Rm
11.1 Lease liabilities recognised		
Opening balance	837.9	–
Recognised on adoption of IFRS 16	–	856.1
Reallocated to restoration provision	–	(33.4)
Additions and renewed leases	239.3	269.3
Expired, renegotiated and modified leases	(3.8)	2.1
Rent concessions	(13.4)	–
Principal portion of lease liabilities	(254.2)	(256.2)
Interest on lease liabilities	66.0	71.5
Lease liability payments	(320.2)	(327.7)
Closing balance	805.8	837.9
Analysed as follows:	805.8	837.9
Non-current	556.0	611.1
Current	249.8	226.8
11.2 Right-of-use assets		
Retail premises		
Opening balance	693.7	–
Recognised on adoption of IFRS 16	–	726.2
Additions and renewed leases	239.3	269.3
Expired, renegotiated and modified leases	(3.2)	(3.4)
Remeasurement of restoration provision	(7.9)	–
Rent concessions	(13.4)	–
Depreciation	(239.7)	(271.8)
Net impairment	(33.8)	(26.6)
Closing balance	635.0	693.7

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

12. New standards and interpretations not yet effective

IFRS 17 Insurance Contracts

The IASB issued IFRS 17, Insurance Contracts, as a replacement to current standard, IFRS 4, which allows insurers to use their local GAAP. IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements.

Under IFRS 17, the general model requires entities to measure an insurance contract on initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each Reporting period. The unearned profit (contractual service margin) is recognised over the coverage period.

Aside from this general model, the standard provides the premium allocation approach. This simplified approach is applicable for certain types of contracts, including those with a coverage period of one year or less.

As part of the initial phase of the project, the Group is currently reviewing all insurance and reinsurance contracts held, to determine whether the general model or the premium allocation approach would apply.

The new standard will become effective for the 2024 financial year with full retrospective adoption, therefore requiring the restatement of comparatives from 1 April 2022.

Amendments to IFRS 16: Covid-19-related Rent Concessions

The amendments are mandatory for annual Reporting periods beginning on or after 1 June 2020, however, early adoption is permitted. The amendment provides an optional practical expedient for lessees from assessing whether a rent concession related to Covid-19 is a lease modification. The election of the expedient will result in the concession received being accounted for as a variable lease payment in the period in which the event or condition that triggers the reduced payment occurs, effectively bringing an immediate saving in the rent expense.

Consideration was given to the application of the above and the Group has elected not to apply the optional practical expedient to rent concessions received.

13. Covid-19 lockdown and its impact on the Group's trading

On 11 March 2020, the World Health Organization formally declared Covid-19 a pandemic. Government restrictions were imposed in South Africa on 27 March 2020, and shortly afterwards in other territories where the Group trades, in an attempt to curb infection rates and the inevitable spread of Covid-19. This included nationwide lockdowns that temporarily restricted trading across the Group.

Trading was significantly disrupted under the lockdown regulations with all stores being closed for April 2020. The slight easing of restrictions during the 2nd week of May 2020 saw some stores in the African territories being allowed to trade under strict regulation and on 18 May 2020, sales through electronic communication channels were allowed in South Africa. On 1 June 2020, all South African stores were allowed to trade with a full merchandise offering under strict compliance with Covid-19 safety protocols.

Management estimate that the Group lost approximately R360 million in merchandise sales and R250 million in customer account collections resulting from the lockdown.

While the Covid-19 lockdown had a material impact on the Group's trading performance in April and May, the resilience of the Group's business model was evident during this period. The Group's strong balance sheet ensured that the Group did not need to access any borrowings during the lockdown period, despite significant decline in cash flow when stores were closed or trading under restrictions. The Group repaid all borrowings during June 2020 and ended the year in an unborrowed position. The Board has reviewed the cash flow forecast for the next 12 months and is of the opinion that the Group has more than sufficient liquidity to adequately support its working capital requirements and consequently, is satisfied of the Group's ability to continue as a going concern for the foreseeable future.

14. Post balance sheet events

There were no significant post balance sheet events that occurred between the year-end and the date of approval of the financial statements by the directors.

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT

Lewis Group's Social, ethics and transformation committee (the committee) is a committee of the board operating in compliance with the Companies Act. The committee is governed by a formal charter and assists the board in monitoring the group's activities in relation to the following:

- Corporate citizenship;
- Ethics;
- Transformation and empowerment;
- Environmental sustainability; and
- Stakeholder engagement, including relationships with employees, customers, the communities in which the group trades, suppliers and shareholders.

The chairperson of the committee presents the following report to shareholders for the 2021 financial year, in accordance with the requirements of the Companies Act. This report should be read in conjunction with the Sustainability report on 22 to 27 of the Integrated Report as well as the full Corporate governance report available on www.lewisgroup.co.za.

Committee composition

The members of the committee are nominated and appointed by the board. In terms of the Companies Act and the recommendation of King IV, the committee consists of a majority of independent non-executive directors, including the chairperson of the committee. The committee comprised the following members for the reporting period:

Fatima Abrahams (chairperson)	Independent non-executive director
Daphne Motsepe	Independent non-executive director
Hilton Saven	Independent non-executive director
Johan Enslin	Executive director

Senior management in the human resources, merchandise, socio-economic development and sustainability, and risk departments attend meetings by invitation. The Company secretary is also the secretary to the committee.

Biographical details of the committee members appear on 32 to 34 of the Integrated report and the fees paid to the members of the committee are disclosed on page 91 of the Integrated report.

The effectiveness of the committee is assessed as part of the annual board and committee evaluation process.

Committee areas of responsibility

Social and ethics

- Social and economic development, including the principles of the United Nations Global Compact, the recommendations of the Organisation for Economic Co-operation and Development regarding corruption, the Employment Equity Act, No 55 of 1998 and the Broad-Based Black Economic Empowerment Act, No 53 of 2003.
- Good corporate citizenship, including the promotion of equality, prevention of unfair discrimination, elimination of corruption, contribution to the development of communities, and recording of sponsorships, donations and charitable giving.

- The environment, health and public safety, including the impact of the group's activities and of its products and services.
- Consumer relationships, including the group's advertising, public relations and compliance with consumer protection laws.
- Labour and employment, including the relevant recommendations of the International Labour Organisation Protocol, the group's employment relationships and its contribution towards the educational development of its employees.

Transformation

- Transformation strategy and programme.
- Approval of targets in terms of the Codes of Good Practice of the Department of Trade and Industry (DTI).
- B-BBEE verification and monitoring of the group's performance against the set targets.
- Legislative compliance.

Activities of the committee

Key focus areas in 2021

- Monitoring the impact of Covid-19 on the group's employees, customers and suppliers.
- Overseeing health and safety plans for Covid-19, including the delivery of personal protective equipment, reporting and tracing of Covid-19 cases in stores.
- Continued support to promote enterprise and supplier development, including supporting suppliers to ensure the sustainability of their businesses and securing current and new suppliers.
- Socio-economic development, assisting with community needs arising during the Covid-19 pandemic and continuing with learnership programmes.
 - B-BBEE strategy and implementation.
 - Skills development expenditure and plans.
 - Employment equity.
 - Employee health and safety.
 - Environmental management.
 - Stakeholder relationships.

Key focus areas for the year ahead

All the focus areas for 2021 will remain focus areas in the year ahead. In addition, the committee will consider the implementation of the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD).

Committee functioning

The committee met twice during the financial year. The members of the committee are satisfied that the committee has functioned in accordance with its terms of reference and believe that the group is substantively addressing the issues required to be monitored by the committee in terms of the Companies Act.



Prof Fatima Abrahams

Chairperson

Social, ethics and transformation committee

REGISTRATION FORM TO PARTICIPATE IN THE VIRTUAL ANNUAL GENERAL MEETING



LEWIS GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2004/009817/06)

JSE share code: LEW

ISIN: ZAE000058236

Bond code: LEWI

("Lewis Group" or "the Company")

APPLICATION FORM FOR ELECTRONIC PARTICIPATION AT THE ANNUAL GENERAL MEETING MEETING ID: 102-005-500

All terms defined in the Circular, to which this Electronic Participation Application Form is attached, shall bear the same meanings when used in this Electronic Participation Application Form.

Annual General Meeting Instructions

Shareholders or their proxies, have the right, as provided for in Lewis Group's MOI and the Companies Act, to participate in the Annual General Meeting by way of electronic communication.

Shareholders or their duly appointed proxy(ies) that wish to participate in the virtual Annual General Meeting (Participants), must either 1. register on line using the on line registration portal at <https://www.smartagm.co.za>; or 2. apply to Computershare, by delivering this duly completed Form to: Rosebank Towers, First Floor, 15 Biermann Avenue, Rosebank 2196, or posting it to Private Bag X9000, Saxonwold, 2132 (at the risk of the Participant), or by email to proxy@computershare.co.za so as to be received by Computershare by no later than 12:00 on Wednesday, 20 October 2021. Computershare will first validate such requests and confirm the identity of the shareholder in terms of section 63(1) of the Companies Act, and, if the request is validated, further details on using the electronic communication facility will be provided.

Please note

The Company shall, by no later than 12:00 on Wednesday, 20 October 2021, notify Participants that have delivered valid notices in the form of this Form, by email of the relevant details through which Participants can participate electronically.

Participants will be liable for their own network charges in relation to electronic participation in and/or voting at the Annual General Meeting. Neither Lewis Group nor the Transfer Secretaries will be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such participant from participating electronically in and/or voting at the Annual General Meeting.

By signing this Electronic Participation Application Form, the participant acknowledges that the electronic communication services are provided by third parties and indemnifies and holds Lewis Group harmless against any loss, injury, damage, penalty or claim arising in any way from the use of the telecommunication lines to participate in the Annual General Meeting or any interruption in the ability of the participant to participate in the Annual General Meeting via electronic communication, whether or not the problem is caused by any act or omission on the part of the participant or anyone else, including without limitation Lewis Group and its employees.

Information required for participation by electronic communication at the Annual General Meeting

Full name of Shareholder:

Identity or registration number of Shareholder:

Full name of authorised representative (if applicable):

Identity number of authorised representative:

Email address:

* *Note: this email address will be used by Lewis Group to share the virtual meeting invitation required to access the Annual General Meeting electronically.*

Cellphone number:

Telephone number, including dialling codes:

Name of CSDP or broker (if shares are held in dematerialised format):

Contact number of CSDP/broker :

Contact person of CSDP/broker:

Number of share certificate (if applicable):

By signing this application form, I consent to the processing of my personal information above for the purpose of participating in Lewis Group's Annual General Meeting.

Signed at

on

2021

Signed:

Please read documents required to be attached to this application form overleaf

Documents required to be attached to this application form

In order to exercise their voting rights at the Annual General Meeting, Shareholders who choose to participate electronically may appoint a proxy, which proxy may participate electronically in the Annual General Meeting, provided that a duly completed Form of Proxy has been submitted in accordance with the instructions on that form, and as envisaged in the Notice of the Annual General Meeting. A copy of the Form of Proxy is attached. Documentary evidence establishing the authority of the Shareholder or duly appointed proxy, including any person acting in a representative capacity, who is to participate electronically in the Annual General Meeting, must be attached to this application. This includes the shareholder's full title to the shares issued by Lewis Group, in the form of share certificates (in the case of certified shares) and (in the case of dematerialised shares) written confirmation from the Shareholders CSDP confirming the Shareholders title to the dematerialised shares. A certified copy of the valid identity document/passport of the person attending the Annual General Meeting by electronic participation, including any person acting in a representative capacity, must be attached to this application. Applications to participate by electronic communication will only be considered if this application form is completed in full, signed by the Shareholder, its proxy or representative, and delivered as detailed above. Lewis Group may in its sole discretion accept any incomplete application forms.

FORM OF PROXY

Lewis Group Limited

Incorporated in the Republic of South Africa
Registration number: 2004/009817/06
JSE share code: LEW
ISIN: ZAE000058236
Bond Code: LEWI
("Lewis Group" or "the Company")



For use at the Annual General Meeting of the Company to be held virtually on 22 October 2021 at 09:00 am ("the Annual General Meeting"). Not to be used by beneficial holders of shares who have dematerialised their shares ("dematerialised shares") through a Central Securities Depository Participant ("CSDP") or broker, as the case may be, unless you are recorded on the sub-register as an "own name" dematerialised shareholder ("own-name dematerialised shareholder"). Generally, you will not be an own-name dematerialised shareholder unless you have specifically requested the CSDP to record you as the holder of the shares in your own name in the Company's sub-register. Only for use by certificated, own-name dematerialised shareholders and CSDPs or brokers (or their nominees) registered in the Company's sub-register as the holder of dematerialised ordinary shares.

I/We _____ (block letters),

of _____ (address)

Telephone: (Work) _____ Telephone (Home) _____

Being the holder/s of ordinary shares in the Company, hereby appoint (see instruction overleaf)

1. _____ or failing him/her

2. _____ or failing him/her

3. The chairperson of the Annual General Meeting,

as my/our proxy to attend, speak and vote (or abstain from voting) and act for me/us and on my/our behalf at the Annual General Meeting to be held at 09:00 am on 22 October 2021 for the purpose of considering and if deemed fit passing, with or without modification, the resolutions to be proposed thereat and at any adjournment or postponement thereof and to vote for or against such resolutions or to abstain from voting in respect of the shares in the issued capital of the Company registered in my/our name/s in accordance with the following instructions (see instruction overleaf).

		Insert an "X" in the relevant column		
		In favour	Against	Abstain
Ordinary resolution 1.1	Re-election of Ms Adheera Bodasing as a director			
Ordinary resolution 1.2	Re-election of Mr Tapiwa Njikizana as a director			
Ordinary resolution 1.3	Re-election of Mr Johan Enslin as a director			
Ordinary resolution 2.1	Election of Ms Daphne Motsepe as a member of the Audit committee			
Ordinary resolution 2.2	Election of Mr Tapiwa Njikizana as a member of the Audit committee			
Ordinary resolution 2.3	Election of Prof. Fatima Abrahams as a member of the Audit committee			
Ordinary resolution 3	Approval of reappointment of auditors			
Non-binding advisory vote 1	Endorsement of the Company's remuneration policy			
Non-binding advisory vote 2	Endorsement of the Company's implementation report			
Special resolution 1	Approval of non-executive directors' fees			
Special resolution 2	Shareholders' authorisation of continued issuance of Notes under the Company's Domestic Medium Term Notes Programme			
Special resolution 3	Shareholder's general authorisation of financial assistance			
Special resolution 4	General authority to repurchase shares			
Special resolution 5	Adoption of the Lewis 2021 Executive Performance Scheme			
Ordinary resolution 4	Directors' authority to implement Company resolutions			

Insert an "X" in the relevant spaces above according to how you wish your votes to be cast. If you wish to cast your votes in respect of a lesser number of shares than you own in the Company, insert the number of shares held in respect of which you desire to vote (instruction overleaf).

Signed at _____ on _____ 2021

Signature/s _____ (Authority of signatory to be attached of applicable-see instruction overleaf)

Assisted by _____ (where applicable)

Telephone number: _____

Please read the notes on reverse side.

NOTES TO THE FORM OF PROXY

Instructions on signing and lodging the form of proxy

- 1) A certificated or own-name dematerialised shareholder or CSDP or broker registered in the Company's sub-register may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided, with or without deleting "the chairman of the Annual General Meeting", but any such deletion must be initialled by the shareholder. The person whose name stands first on the form of proxy and who is present at the Annual General Meeting will be entitled to act as a proxy to the exclusion of those whose names follow thereafter. If no proxy is inserted in the spaces provided, then the chairperson shall be deemed to be appointed as the proxy to vote or abstain as the chairperson deems fit.
- 2) A shareholder's voting instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate box provided. If there is no clear indication as to the voting instructions to the proxy, the proxy will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he/she deems fit in respect of all of the shareholder's votes exercisable thereat. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.
- 3) A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
- 4) Forms of proxy should be lodged with the Company's transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 (Private Bag X9000, Saxonwold, 2132) to be received by no later than 09:00 on 20 October 2021 for administrative purposes, provided that any form of proxy not delivered to the transfer secretaries by this time may be submitted to the transfer secretaries via email at proxy@computershare.co.za, at any time before the appointed proxy exercises any shareholder rights at the AGM.
- 5) Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the chairman of the Annual General Meeting. CSDPs or brokers registered in the Company's sub-register voting on instructions from owners of shares registered in the Company's sub-sub-register, are requested that they identify the owner in the sub-sub-register on whose behalf they are voting and return a copy of the instruction from such owner to the company's secretary together with this form of proxy.
- 6) In the case of joint holder, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders, for which purpose seniority will be determined by the order in which the names appear on the register of shareholders in respect of the joint holding.
- 7) The completion and lodging of this form of proxy shall not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof, should such member wish to do so.
- 8) The completion of any blank spaces overleaf need to be initialled. Any alterations or corrections to this form of proxy must be initialled by the signatory/ies.
- 9) The chairperson of the Annual General Meeting may in his absolute discretion reject or accept any form of proxy which is completed other than in accordance with these notes.
- 10) If required, additional forms of proxy are available from the secretary of the Company.
- 11) Shareholders which are a company or body corporate may by resolution of their directors, or other properly authorised body, authorise any person to act as their representative. The representative will be counted in the quorum and will be entitled to vote on a show of hands or on a poll.
- 12) The shareholder's proxy may delegate his/her authority to act on the shareholder's behalf to another person, subject to any restriction set out in the form of proxy.
- 13) The appointment of the proxy or proxies will be suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any of the shareholder's rights as a shareholder at the Annual General Meeting.
- 14) The appointment of a proxy is revocable unless the shareholder expressly states otherwise in the form of proxy.
- 15) As the appointment of the shareholder's proxy is revocable, the shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy, and to the Company. Please note the revocation of a proxy appointment constitutes a complete and final cancellation of your proxy's authority to act on the shareholder's behalf as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered to the Company and the proxy as aforesaid.
- 16) If the form of proxy has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act to be delivered by the Company to the shareholder will be delivered by the Company to the shareholder or the shareholder's proxy or proxies, if the shareholder has directed the Company to do so, in writing and paid any reasonable fee charged by the Company for doing so.
- 17) The shareholder's proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder at the Annual General Meeting, but only as directed by the shareholder on the form of proxy.
- 18) The appointment of the shareholder's proxy remains valid only until the end of the Annual General Meeting or any adjournment or postponement thereof or for a period of one year, whichever is shortest, unless it is revoked by the shareholder before then on the basis set out above.

CORPORATE INFORMATION

Lewis Group Limited

Registration number: 2004/009817/06
Place of incorporation: Republic of South Africa
Date of incorporation: 19 April 2004

DIRECTORS

Executive J Enslin (Chief Executive Officer)
J Bestbier (Chief Financial Officer)

Non-Executive Hilton Saven (Chairman)*
Prof. Fatima Abrahams*
Adheera Bodasing
Daphne Motsepe*
Tapiwa Njikizana*
* *Independent*

COMPANY SECRETARY Ms Ntokozo Makomba

Transfer secretaries Computershare Investor Services (Pty) Ltd
7 Rosebank Towers, 15 Biermann Avenue
Rosebank, Johannesburg, 2196
(Private Bag X9000, Saxonwold, 2132, South Africa)

Auditors PricewaterhouseCoopers Inc.
5 Silo Square, V&A Waterfront
Cape Town, 8002

Sponsor UBS South Africa Proprietary Limited
Registration number: 1995/011140/07
64 Wierda Road East, Wierda Valley
Sandton, 2196
South Africa
(PO Box 652863, Benmore, 2010)

Debt Sponsor Absa Bank Limited, acting through its Corporate and Investment Banking Division

Registered office Lewis Group Limited
53A Victoria Road
Woodstock, 7925
South Africa
(PO Box 43, Woodstock, 7915)

Legal adviser Edward Nathan Sonnenbergs Inc.
35 Lower Long Street
Cape Town, 8001
(PO Box 2293, Cape Town, 8000)

Share Code: LEW

ISIN: ZAE 000058236

Bond Code: LEWI

www.lewisgroup.co.za