

# NOTICE OF ANNUAL GENERAL MEETING AND FORM OF PROXY

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22

FOR THE YEAR ENDED 31 MARCH 2022



**Lewis**  
Group Ltd

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# LETTER TO SHAREHOLDERS

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**27 September 2022**

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 Group" or "the Company") 18<sup>th</sup> Annual General Meeting ("AGM") to be held at 09:00 on Friday, 28 October 2022. 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. **In the circumstances, any reference in this notice to "Attendance" will refer to electronic attendance.**

Shareholders or their duly appointed proxy(ies) that wish to participate in the virtual AGM ("Participants"), must register online using the online registration portal at <https://meetnow.global/za> (an electronic platform provided by Computershare), by no later than 09:00 on Wednesday, 26 October 2022, as set out in more detail in the 'Electronic Participation Guide' attached hereto as Annexure 5, and available on the Company's website at: <https://www.lewisgroup.co.za/investors/shareholder-communication> as well as at <https://meetnow.global/za>.

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 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 register for participation as set out in the Electronic Participation Guide attached 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 is 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](http://www.lewisgroup.co.za).

Therefore, should you require a printed copy of the integrated annual report and full financial statements, please contact Marisha Gibbons at [stakeholders@lewisgroup.co.za](mailto:stakeholders@lewisgroup.co.za) to request a copy.

Yours sincerely



**Marisha Gibbons**  
*Company Secretary*



# NOTICE OF ANNUAL GENERAL MEETING

for the year ended 31 March 2022

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Notice is hereby given that the 18<sup>th</sup> annual general meeting of shareholders ("AGM") of Lewis Group Limited ("Lewis Group" or "the Company") for the year ended 31 March 2022 will be held virtually through electronic participation only at 09:00 on 28 October 2022.

The board of directors of the Company ("the board") 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 Friday, 21 October 2022. 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 Friday, 16 September 2022.

The purpose of the virtual 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 2022**

In terms of the Companies Act, the audited financial statements of the Company (including the reports of the directors, external auditors and the audit committee) for the year ended 31 March 2022 as approved by the board of directors will be presented to shareholders. The audited summary consolidated financial statements are set out in Annexure 3 of this notice of AGM. This summary is not exhaustive and the complete annual financial statements of the Company and its subsidiaries should be read in its entirety for a full appreciation of the contents thereof. The complete audited annual financial statements 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](http://www.lewisgroup.co.za)). Alternatively, shareholders can request that a complete copy of the audited annual financial statements of the Company and its subsidiaries be posted or emailed to them by contacting Marisha Gibbons on [stakeholders@lewisgroup.co.za](mailto: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 2022, prepared and approved by the Company's social and ethics 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 longest-serving non-executive directors of the Company must retire. In addition, any non-executive director who has held office for three years since his/her last election must retire at the AGM either as one of the directors in pursuance of the foregoing, or in addition thereto.

The non-executive directors who are due to retire by rotation at this AGM are Prof Fatima Abrahams, who held office as a non-executive director for three years since her last election, and Ms Daphne Motsepe (being eligible), who offer themselves to be re-elected by shareholders as directors of the Company at the AGM.

In addition, Mr Jacques Bestbier an executive director retires by rotation in the interest of good governance and (being eligible) offers himself to be re-elected. Furthermore, the board appointed Mr Brendan Deegan as an independent non-executive director of the board with effect from 15 August 2022. Directors appointed by the board are, in terms of the MOI, required to have their appointment ratified at the following shareholders meeting.

It is proposed that each of Prof Fatima Abrahams, Ms Daphne Motsepe, Mr Jacques Bestbier and Mr Brendan Deegan be formally elected or re-elected, as the case may be, by shareholders as directors of the Company at the AGM.

The Nominations Committee has considered the proposed re-election of Prof Fatima Abrahams and Ms Daphne Motsepe, Mr Jacques Bestbier and Mr Brendan Deegan and recommends that they be elected or re-elected as directors of the Company.

Brief CVs of the abovementioned directors appear in Annexure 2 on pages 22 to 23 of this notice of AGM.

The purpose of these ordinary resolutions is to propose the re-election of Prof Fatima Abrahams, Ms Daphne Motsepe who retired as directors in terms of the Company's MOI, Mr Jacques Bestbier who retires in the interest of good governance and the election of Mr Brendan Deegan.

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

# NOTICE OF ANNUAL GENERAL MEETING

## CONTINUED

for the year ended 31 March 2022

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### 3. ORDINARY RESOLUTION NUMBER 1 CONTINUED

#### 3.1 Ordinary resolution 1.1

"Resolved as an ordinary resolution, that Prof Fatima Abrahams, who retires by rotation in accordance with the Company's memorandum of incorporation, be and is hereby re-elected as a director of the Company."

#### 3.2 Ordinary resolution 1.2

"Resolved as an ordinary resolution, that Ms Daphne Motsepe, who retires by rotation in accordance with the Company's memorandum of incorporation, be and is hereby re-elected as a director of the Company."

#### 3.3 Ordinary resolution 1.3

"Resolved that Mr Jacques Bestbier, who retires by rotation be and is hereby re-elected as a director of the Company."

#### 3.4 Ordinary resolution 1.4

"Resolved that Mr Brendan Deegan, be and is hereby elected as a director of the Company."

### 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 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 22 to 23 of this notice of AGM.

#### 4.1 Ordinary resolution 2.1

"Resolved that Ms Daphne Motsepe, being eligible and availing herself for re-appointment, be and is hereby elected as a member of the audit committee, subject to the passing of ordinary resolution number 1.2."

#### 4.2 Ordinary resolution 2.2

"Resolved that Mr Tapiwa Njikizana, being eligible and availing himself for re-appointment, be and is hereby elected as a member of the audit committee."

#### 4.3 Ordinary resolution 2.3

"Resolved that Prof Fatima Abrahams, being eligible and availing herself for re-appointment, be and is hereby elected as a member of the audit committee, subject to the passing of ordinary resolution number 1.1."

#### 4.4 Ordinary resolution 2.4

"Resolved that Mr Brendan Deegan, being eligible and availing himself for appointment, be and is hereby elected as a member of the audit committee, subject to the passing of ordinary resolution number 1.4."

## 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 Rashaad Fortune who is a director of the firm and a registered auditor 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 Rashaad Fortune, be appointed for the financial year ending 31 March 2023.

As a consequence of mandatory rotation of auditors rule issued by the Independent Regulatory Board for Auditors, the audit committee after completion of a tender process has recommended Ernest & Young Inc. as the auditor of the Company for the financial year ending 31 March 2024. An ordinary resolution will be proposed to shareholders of the Company in this regard at the annual general meeting to be convened during or about October 2023.

"Resolved that the firm PricewaterhouseCoopers Inc and Mr Rashaad Fortune as the designated auditor be appointed as auditor of the Company for the financial year ending 31 March 2023."

## 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™ for South Africa, 2016 ("King IV") and paragraph 3.84(j) of the JSE Listings Requirements, 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 the implementation thereof. 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 98 to 103 and the implementation report on pages 104 to 111 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 2022 until 30 June 2023, such fees to be paid in instalments at the end of each quarter. The proposed fees have been increased by approximately 6.5% over the corresponding fees that were approved in respect of the period from 1 July 2021 to 30 June 2022, with the exception of the chairman who received an increase of 15.3% to align his fees in line with market trends, as set out in more detail in the Remuneration Report on page 103 of the integrated annual report.

# NOTICE OF ANNUAL GENERAL MEETING

## CONTINUED

for the year ended 31 March 2022

### 7. SPECIAL RESOLUTION NUMBER 1 CONTINUED

"Resolved that the fees of the non-executive directors as reflected below be approved for the period from 1 July 2022 until 30 June 2023:

Board/committee position	Proposed fees for 2023 R'000
Chairman	784
Non-executive director	345
If a member of the Audit Committee, the following additional amount: Chairman	355
Member	152
If a member of the Risk Committee, the following additional amount: Chairman	170
Member	106
If a member of the Remuneration Committee, the following additional amount: Chairman	170
Member	84
If a member of the Nomination Committee, the following additional amount: Chairman	117
Member	50
If a member of the social, ethics and transformation committee, the following additional amount: Chairman	170
Member	84

#### 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 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)(a)(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 or persons or entities that is or becomes related or interrelated to the Company, 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, corporations and entities, 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, corporations, persons and entities 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 on 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, corporations, persons and entities to allow such companies or corporations to have access to financing and/or financial backing from the Company.

"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, corporation or other person or entity 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.

# NOTICE OF ANNUAL GENERAL MEETING

## CONTINUED

for the year ended 31 March 2022

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### 10. SPECIAL RESOLUTION NUMBER 4 CONTINUED

“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. The Company must instruct only one 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. The repurchase programme must be submitted to the JSE in writing prior to the commencement of the prohibited period and must include the details as specified in paragraph 5.72(h) of the JSE Listings Requirements;
- the repurchase shall only be effected if the board of directors 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 directors 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 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 2022).

## 10. SPECIAL RESOLUTION NUMBER 4 CONTINUED

- 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 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 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 114 to 115 of the integrated annual report and page 95 of the annual financial statements; and
- Share capital of the Company – page 63 and 92 of the annual financial statements.

### DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names appear on pages 44 to 45 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 2022 EXECUTIVE RETENTION 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 provided formal approval of the proposed Lewis 2022 Executive Retention Scheme, subject to the approval of the Company's shareholders in terms of this special resolution.

Although the salient terms of the Lewis 2022 Executive Retention Scheme, summarised on Annexure 1 of this notice contains what the board believes to be a summary of the most material terms of the Lewis 2022 Executive Retention Scheme ("2022 LERS"), it does not summarise every proposed term of the 2022 LERS in detail. Shareholders are hereby referred to the 2022 LERS rules ("2022 LERS Document") containing all of the terms applicable to the proposed 2022 LERS, 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 2022 LERS Document to be posted or emailed to them by contacting Marisha Gibbons at: [stakeholders@lewisgroup.co.za](mailto:stakeholders@lewisgroup.co.za).

"Resolved that the rules of the Lewis 2022 Executive Retention 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."

## 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 2022

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### 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 before being entitled to attend or participate in the AGM. Forms of identification that will be accepted include original or certified copies of valid identity documents, drivers' licences and passports.
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 09:00 on Wednesday, 26 October 2022, 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](mailto: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 09:00 on Wednesday, 26 October 2022 or by sending it by email to [proxy@computershare.co.za](mailto: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 its representative at the AGM.

## ELECTRONIC PARTICIPATION

Shareholders or their duly appointed proxy(ies) that wish to participate in the virtual AGM (Participants), must register online using the online registration portal at <https://meetnow.global/za> (an electronic platform provided by Computershare), by no later than 09:00 on Wednesday, 26 October 2022, as set out in more detail in Annexure 5 “Electronic Participation Guide”. 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.

1. 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.
2. 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.
3. Lewis Group cannot guarantee that there will not be a break in electronic communication that is beyond the control of the Company.

By order of the Board



**Marisha Gibbons**  
*Company Secretary*



# SALIENT FEATURES OF THE LEWIS 2022 EXECUTIVE RETENTION SCHEME

## INTRODUCTION

The Company's remuneration committee believes that retention of employees is crucial to the continued success of the operations of the Company. No more awards are able to be granted in terms of the existing Lewis 2019 Executive Retention Scheme ("Lewis 2019 Executive Retention Scheme"), and accordingly the committee proposes to replace the existing Lewis 2019 Executive Retention Scheme with a new share incentive scheme, being the Lewis 2022 Executive Retention Scheme ("Scheme"). The new Scheme contains substantially the same terms as were contained in the Lewis 2019 Executive Retention Scheme, save for what is stated below.

The most significant difference between the Lewis 2019 Executive Retention Scheme and the new proposed Scheme is that Executives will now be required to hold qualification shares, being a beneficial interest in respect of a prescribed number of Company shares, before such Executive may be eligible to participate in the Scheme. The remuneration committee believes that the introduction of such a qualification requirement will ensure even greater alignment between the interest of the Executives and that of the Company's shareholders.

The salient features of the new Scheme are summarised below.

## 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 "2019 Award Shares" means the Shares subject to a matching share option granted under the Lewis 2019 Executive Retention Scheme;
- 1.2 "2019 Invested Shares" means the Shares acquired by the Trustees in a nominee capacity on behalf of a Recommended Participant in terms of the Lewis 2019 Executive Retention Scheme;
- 1.3 "Act" means the Companies Act, No. 71 of 2008;
- 1.4 "Auditors" mean the external auditors of the Company from time to time;
- 1.5 "Award" means the grant of a Matching Share Option in terms of clause 5 of the Scheme;
- 1.6 "Award Shares" means the Shares subject to a Matching Share Option;
- 1.7 "Board" means the board of directors for the time being of the Company;
- 1.8 "Bonus Scheme" means any bonus scheme conducted by the Group from time to time in which Executives may participate from time to time, excluding any scheme established in terms of schedule 14 to the JSE Listings Requirements;
- 1.9 "Business Day" means any day other than a Saturday, Sunday or public holiday officially recognised as such in the Republic of South Africa;
- 1.10 "Clawback Condition" means any instance in respect of which an Executive or former Executive:
  - 1.10.1 commits misconduct involving fraud, misrepresentation and/or dishonesty, as the case may be, during any period of employment with an Employer Company, whereafter an Employer Company institutes disciplinary proceedings against the Executive pursuant to which:
    - 1.10.1.1 the Executive is dismissed; or
    - 1.10.1.2 where the Executive is accused of serious misconduct, which would usually warrant dismissal, but the Executive resigns from his/her employment prior to the outcome of such disciplinary proceedings; and/or

## 1. DEFINITIONS AND INTERPRETATIONS CONTINUED

- 1.10.2 fails to perform in his/her duties as an Executive during his/her period of employment as an Executive, which may include, but not limited to:
- 1.10.2.1 being in breach of any material obligation and/or fiduciary duty the Executive or former-Executive owed to the Company;
  - 1.10.2.2 performing any act or omission which is injurious to the Company and/or its reputation; or
  - 1.10.2.3 gross misconduct under the Company's rules, policies and/or guidelines,
- whereafter an Employer Company institutes disciplinary proceedings against the Executive (other than in accordance with paragraph 1.10.1) pursuant to which:
- 1.10.2.4 the Executive is dismissed; or
  - 1.10.2.5 where the Executive is accused of serious misconduct, which would usually warrant dismissal, but the Executive resigns from his/her employment prior to the outcome of such disciplinary proceedings; and/or
- 1.10.3 would otherwise not have received his/her Award Shares in terms of this Scheme inasmuch as such Award Shares would not have vested given the conduct of the Executive during any period of the Executive's or former-Executive's employment with an Employer Company;
- 1.11 **"Clawback Shares"** means all Award Shares which vested in the affected Executive or former-Executive and in respect of which:
- 1.11.1 the Executive or former-Executive satisfied a Clawback Condition; or
  - 1.11.2 the Executive or former Executive performed the act or omission which ultimately resulted in the Clawback Condition being satisfied,
- at any time during the period from the Grant Date until the date on which the Executive or former-Executive exercised the Matching Share Option in terms of clause 7.5 of the Scheme;
- 1.12 **"Committee"** means the remuneration committee of the Board, or its successor in title;
- 1.13 **"Company"** means Lewis Group Limited (Registration number. 2004/009817/06), which shares of which are listed on the JSE;
- 1.14 **"Compliance Officer"** means the compliance officer of the Scheme, as appointed by the Company from time to time in accordance with section 97 of the Act;
- 1.15 **"Deferred Period"** means the period of three years commencing on the Grant Date;
- 1.16 **"Election Notice"** means the notice to be issued to a Recommended Participant in terms of clause 4 of the Scheme;
- 1.17 **"Employer Company"** means the company in the Group that employs Executives and has adopted the Scheme in accordance with clause 22 of the Scheme;
- 1.18 **"Executive"** means any executive director of the Company, as well as any senior member of management of the Group, selected by the Committee, but excluding any such executive who is within 2 (two) years of normal retirement age in accordance with the rules of the pension/provident/retirement fund or policy of the Company or the Employer Company, as the case may be;
- 1.19 **"Financial Year"** means the financial year of the Company determined in terms of section 27 of the Act;
- 1.20 **"Final Exercise Date"** means the fifth anniversary of the Grant Date or such other date as determined by the Trustees in their discretion;
- 1.21 **"Grant Date"** means the date on which a Matching Share Option is granted in terms of clause 5 of the Scheme;
- 1.22 **"Group"** means the Company and its subsidiaries from time to time;
- 1.23 **"Gross Bonus"** means the relevant amount of bonus awarded to a Recommended Participant under the Bonus Scheme;

# SALIENT FEATURES OF THE LEWIS 2022 EXECUTIVE RETENTION SCHEME

CONTINUED

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## 1. DEFINITIONS AND INTERPRETATIONS CONTINUED

- 1.24 **"Invested Amount"** means the relevant percentage of the Net Bonus which a Recommended Participant directs to be paid to the Trustees under clause 4 of the Scheme, which for the avoidance of any doubt may not exceed the percentage of the Net Bonus which the Committee has determined, in its sole discretion, may be invested by the Recommended Participant and communicated to the Recommended Participant in terms of clause 4.6.3 of the Scheme;
- 1.25 **"Invested Shares"** means the Shares acquired by the Trustees in a nominee capacity on behalf of a Recommended Participant in terms of clause 5.1.1 of the Scheme;
- 1.26 **"JSE"** means the JSE Limited (Registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act, 19 of 2012;
- 1.27 **"JSE Listings Requirements"** means the listings requirements published by the JSE;
- 1.28 **"Lewis 2019 Executive Retention Scheme"** means the Lewis 2019 Executive Retention Scheme, which was adopted with the necessary shareholder approval at the annual general meeting of shareholders of the Company held on 25 October 2019;
- 1.29 **"Matching Share Option"** means a right to acquire Shares granted by the Trustees to a Recommended Participant under clause 5.1.2 of the Scheme;
- 1.30 **"Net Bonus"** means the Gross Bonus less applicable tax and employee's social security contributions (in any jurisdiction) deductible therefrom;
- 1.31 **"Option Notice"** means a notice delivered in accordance with clause 5.7 of the Scheme;
- 1.32 **"Participant"** means an executive who has received an Award under the Scheme;
- 1.33 **"Potential Participant"** means a Recommended Participant who has been selected by the Trustees;
- 1.34 **"Prohibited Period"** means a prohibited period as defined in the JSE Listings Requirements;
- 1.35 **"Scheme"** means the Lewis 2022 Executive Retention Scheme, established in terms of this document;
- 1.36 **"Recommended Participant"** means an Executive recommended by the Committee to the Trustees for the grant of an Award;
- 1.37 **"Shares"** means ordinary shares in the capital of the Company;
- 1.38 **"Termination of Employment"** means the date on which an Executive's contract of employment terminates and, for the avoidance of doubt:
- 1.38.1 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
- 1.38.2 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 Scheme, if the Executive ceases to be employed by one Employer Company but remains within the continuous employment of the Group by being employed by another Employer Company;
- 1.39 **"the Trust"** means the Lewis Employee Incentive Scheme Trust constituted in terms of a trust deed dated 20 September 2004, as amended; and
- 1.40 **"the Trustees"** means the Trustees for the time being of the Trust, including any alternate Trustees.

## 2. SALIENT FEATURES OF THE LEWIS 2022 EXECUTIVE RETENTION SCHEME

### 2.1 Purpose

The Lewis 2022 Executive Retention Scheme is aimed at incentivising continuing contributions by the Executives to the growth of the 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 Group.

### 2.2 Participants

2.2.1 Subject to paragraph 2.3 below, in order to be selected as a Recommended Participant, the Executive is required to:

2.2.1.1 during the prior Financial Year (or such other period reasonably determined by the Committee) have achieved the requisite performance targets and/or standards as the Committee may determine in its sole discretion (which performance targets and/or standards shall be disclosed annually in the Company's annual report);

2.2.1.2 have earned a Gross Bonus in terms of the Bonus Scheme conducted by the Group; and

2.2.1.3 hold the beneficial interest in the requisite number of Shares in the Company (determined in terms of clause 4.3 of the Scheme) as at the Grant Date (or such other date as may be determined by the Committee) including any irrevocable undertaking as at the Grant Date (or such other date as may be determined by the Committee), in terms of clause 4.4 of the Scheme, to the Company to ensure that he/she will hold such number of Shares (collectively, the "Qualifying Shares")

### 2.3 Qualification share criteria

2.3.1 Subject to the other provisions of the Scheme document, in order to qualify as a Recommended Participant, the Executive shall be required to hold the beneficial interest in and to (and/or provide the undertaking contemplated in clause 4.2.3 of the Scheme) such number of Qualifying Shares as determined in terms of the following formula:

$$A = [(B \times 12) \times C] / D$$

where

A = the minimum number of Qualifying Shares.

B = the base monthly cash salary of the Executive (which, for the avoidance of doubt, will exclude any bonuses, short-term or long-term incentives and any other benefits) determined during the calendar month immediately before the month during which the Grant Date occurs.

C = in respect of the Chief Executive Officer, C shall be equal to 2;

in respect of any executive director of the Company other than the Chief Executive Officer, C shall be equal to 1.5; and

in respect of any other Executive, C shall be equal to 1.

D = the market value of the Shares, which shall be the average closing price of the Shares over the last three Business Days during which Shares were traded on the JSE prior to the relevant date determined by the Committee.

2.3.2 For the purposes of paragraph 2.3.1 above, the Qualifying Shares shall:

2.3.2.1 exclude any Invested Shares purchased on the Participant's behalf in accordance with clause 5.1 of the Scheme and any 2019 Invested Shares, only to the extent that the relevant Award Shares or 2019 Award Shares linked to such Invested Shares or 2019 Invested Shares (as applicable) have not yet vested and been delivered to the Participant at the time, provided that if such Award Shares or 2019 Award Shares will be capable of being delivered upon exercise of the associated Matching Share Option by no later than the date that is 6 (six) months after the beginning of the Financial Year during which the Recommended Participant receives his Gross Bonus subject to the relevant Award, and the Participant provides an irrevocable undertaking to exercise such Matching Share Option and retain the associated Invested Shares or 2019 Invested Shares to be delivered to such Participant, then the associated Invested Shares or 2019 Invested Shares will be included in such calculation of Qualifying Shares;

# SALIENT FEATURES OF THE LEWIS 2022 EXECUTIVE RETENTION SCHEME

CONTINUED

## 2. SALIENT FEATURES OF THE LEWIS 2022 EXECUTIVE RETENTION SCHEME CONTINUED

- 2.3.2.2 include Award Shares and 2019 Award Shares for which the Participant has provided an irrevocable undertaking to exercise the relevant Matching Share Option and retain the resulting Shares to be delivered to the Participant by no later than the date that is 6 (six) months after the beginning of the Financial Year during which the Recommended Participant receives his Gross Bonus subject to the relevant Award. The Shares included in the calculation of Qualifying Shares shall exclude any Shares which are to be sold and/or withheld to settle tax amounts payable in respect of the vesting of such Shares in due course.

### 2.4 Awards and the exercise of Matching Share Options

- 2.4.1 As soon as reasonably practicable after the bonuses for a Financial Year have been determined and the Recommended Participants selected by the committee for consideration by the Trustees, the Trustees shall send a written invitation, together with an Election Notice, to each Potential Participant who has earned a bonus. The content of the invitation will comply with clause 4.6 of the Scheme.
- 2.4.2 The Potential Participant shall, subject to the provisions of the Scheme document, be required to deliver the completed Election Notice to qualify for the Matching Share Option.
- 2.4.3 The Trustees shall, as soon as reasonably practicable after receipt of the completed Election Notice:
- 2.4.3.1 procure the purchase on behalf of the Participant a whole number of Shares on the JSE with the contributed Invested Amount (less any dealing costs), such Shares constituting the Invested Shares; and
- 2.4.3.2 grant the Participant by deed a Matching Share Option.
- 2.4.4 Subject to the other provisions of the Scheme document, the number of Award Shares subject to a Matching Share Option shall be determined in accordance with the following formula:
- $$A = (B \times C) / D$$
- where
- A = number of Award Shares
- B = the Participant's Invested Amount
- C = the matching percentage stated in the invitation determined in terms of clause 5.3 of the Scheme
- D = the price at which the Trustees are able to acquire or subscribe for a Share at the relevant time (after taking into account dealings costs).
- 2.4.5 The Trustees shall then issue a notice ("Option Notice") to the Participant.
- 2.4.6 During the Deferred Period, all Invested Shares shall be held by the Trustees as nominee on behalf of the Participant who shall be the beneficial owner of the Invested Shares. Save as provided in clauses 12 and 13 of the Scheme (concerning, *inter alia*, a change in control of the Company and the Termination of Employment of any Participant), the Matching Share Option may not be exercised before the expiry of the Deferred Period.
- 2.4.7 Upon the expiry of the Deferred Period:
- 2.4.7.1 the Trustees shall, subject to clause 21.1 of the Scheme, transfer registered ownership of the Invested Shares (or such Shares remaining) within 20 (twenty) Business Days into the name of the Participant; and
- 2.4.7.2 the Participant shall be entitled to exercise the Matching Share Option (or such part of the Matching Share Option subsisting) until the Final Exercise Date (unless an earlier lapse occurs pursuant to the Scheme).



## 2. SALIENT FEATURES OF THE LEWIS 2022 EXECUTIVE RETENTION SCHEME CONTINUED

2.4.8 The Shares in respect of which a Matching Share Option has been validly exercised shall at the time of delivery thereof:

2.4.8.1 be issued, fully paid Shares;

2.4.8.2 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.

### 2.5 Dividends, Scrip Dividends, Distributions *in specie* and voting rights during the Deferred Period

2.5.1 If, during the Deferred Period, cash dividends, scrip dividends or distributions *in specie* are declared in respect of the Invested Shares:

2.5.1.1 in the case of a cash dividend as soon as practicable following its receipt, the Trustees shall pay and account for such dividend to the Participant;

2.5.1.2 in the case of distributions *in specie*, as soon as practicable following its receipt, the Trustees shall transfer the distribution received to the Participant; and

2.5.1.3 in the case of a scrip dividend, the Trustees shall hold the Shares as part of the holding of Invested Shares to which they relate and subject to the same rules as the Invested Shares.

2.5.2 Each Participant shall be entitled to instruct the Trustees on:

2.5.2.1 how to vote in relation to the Invested Shares; and

2.5.2.2 whether to accept or reject any offer in relation to the Invested Shares.

### 2.6 Lapsing of Matching Share Option

A Matching Share Option shall lapse on the occurrence of the earliest of the following:

2.6.1 if all the Invested Shares corresponding to the relevant Award are sold or otherwise disposed of before the date on which the Deferred Period ends, unless:

2.6.1.1 the Matching Share Option is exercisable pursuant to clauses 12 and 13 of the Scheme; or

2.6.1.2 the Committee in its sole discretion otherwise determines;

2.6.2 if the Participant's beneficial interest in Shares including the Shares for which such Participant has provided an irrevocable undertaking in terms of paragraph 2.2.1.3 above falls below the requisite number of Qualifying Shares as determined on the Grant Date of such Matching Share Option;

2.6.3 the Final Exercise Date;

2.6.4 the applicable date for purposes of clauses 12 or 13 of the Scheme;

2.6.5 the date on which a resolution is passed, or an order is made by a court for the compulsory winding up of the Company; or

2.6.6 the date on which the Participant becomes insolvent or does or omits to do anything as a result of which he is deprived of the legal or beneficial ownership of the Matching Share Option.

### 2.7 Limit and adjustments

2.7.1 Company limit

2.7.1.1 The maximum aggregate number of newly issued or treasury Shares that may be utilised for the Scheme in respect of Matching Share Options shall not exceed 1 500 000 (one million five hundred thousand) Shares.

2.7.1.2 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 Scheme. Shares which have been "utilised for the Scheme" do however, include:

2.7.1.2.1 Shares which are subject to a Matching Share Option which has not yet been exercised;

2.7.1.2.2 Shares which are subject to a Matching Share Option which has been exercised, but in respect of which Award Shares have not yet been delivered.

# SALIENT FEATURES OF THE LEWIS 2022 EXECUTIVE RETENTION SCHEME

CONTINUED

## 2. SALIENT FEATURES OF THE LEWIS 2022 EXECUTIVE RETENTION SCHEME CONTINUED

### 2.7.2 Individual limit

The maximum aggregate number of Shares which any one Executive may acquire in terms of the Scheme pursuant to the exercise of Matching Share Options shall not exceed 600 000 (six hundred thousand) Shares.

### 2.7.3 Adjustments

2.7.3.1 The individual and Company limits referred to in paragraphs 2.7.1 and 2.7.2 above and the number of Award Shares will be adjusted in the event that the Shares of the Company are consolidated or sub-divided or in any other way reorganised.

2.7.3.2 The individual limits referred to in paragraph 2.7.2 above and the number of Award Shares will be adjusted upon the occurrence of any of the following:

2.7.3.2.1 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;

2.7.3.2.2 the Company proposes a scheme of arrangement affecting the structure of its Share capital (excluding as a result of the 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), other than in terms of clause 12 of the Scheme;

2.7.3.2.3 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;

2.7.3.2.4 additional shares are issued by the Company pursuant to a rights issue; or

2.7.3.2.5 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).

2.7.3.3 Upon the occurrence of:

2.7.3.3.1 the events referred to in paragraph 2.7.3.1, adjustments will be made to the number of Shares which may be utilised for the Scheme pursuant to the exercise of Matching Share Options (as per paragraph 2.7.1), 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 2.7.2), and the number of Shares which are the subject of any Matching Share Option;

2.7.3.3.2 the events referred to in paragraph 2.7.3.2, adjustments will be made to 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 2.7.2), and the number of Shares which are the subject of any Matching Share Option,

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 Scheme.

2.7.3.4 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 calculated on a reasonable basis and in accordance with the provisions of the Scheme, and the Company must report any such adjustments in its financial statements for the year in which the adjustments are made.

2.7.3.5 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 or the number of Shares which are the subject of any Matching Share Option in respect thereof if there is:

## 2. SALIENT FEATURES OF THE LEWIS 2022 EXECUTIVE RETENTION SCHEME CONTINUED

- 2.7.3.5.1 an issue of Shares by the Company as consideration for an acquisition; or
- 2.7.3.5.2 a specific issue of Shares for cash; or
- 2.7.3.5.3 a vendor consideration placement.

### 2.8 Types of Shares

- 2.8.1 Award Shares granted under the Scheme will be satisfied by newly issued or treasury Shares or Shares acquired in the market.
- 2.8.2 In order to meet its obligation to deliver Award Shares to Executives pursuant to the exercise of Matching Share Options, 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 Scheme.
- 2.8.3 Shares may only be issued or purchased for purposes of the Scheme to settle Matching Share Options 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:
  - 2.8.3.1 once the employment of a Participant has been terminated or a Participant is deceased;
  - 2.8.3.2 on behalf of a Participant, once the rights of ownership in the shares have vested in such Participant.
- 2.8.4 No shares may be purchased by the Company and/or the Trust 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.

### 2.9 Termination of Employment

- 2.9.1 The rights of a Participant under the Scheme will be affected by the Termination of Employment of that Participant. If a Participant's Termination of Employment is due to:
  - 2.9.1.1 the Participant's death;
  - 2.9.1.2 illhealth or injury preventing the Participant from performing his or her normal employment duties for a consecutive period of 12 (twelve) months;
  - 2.9.1.3 the Participant's normal or late retirement or early retirement with the approval of the Committee;
  - 2.9.1.4 retrenchment (that being termination by the Company or the Employer Company based on its operational requirements); or
  - 2.9.1.5 any other circumstances approved by a resolution of the Committee,then the Trustees shall, no later than 20 (twenty) Business Days after the date on which the Trustees are notified of the Termination of Employment (or such later date as is feasible if there are other regulatory or statutory requirements to be met in order for the Trustees to be able to transfer such Invested Shares), transfer the Invested Shares into the name of the Participant and the Matching Share Option shall immediately become exercisable and remain exercisable for a period of 12 (twelve) months in the case of paragraph 2.9.1.1 and 6 (six) months in the case of paragraphs 2.9.1.2 to 2.9.1.5 after which it shall lapse if unexercised; provided that, subject to the provisions of clause 13.1 of the Scheme, should the Termination of Employment occur prior to the expiry of the Deferred Period then the Trustees shall, in their discretion and after taking into account any recommendation of the Committee, be entitled to notify the Participant as to whether the Participant may exercise the Matching Share Option and, if so, the number of Shares which may be acquired on such exercise.
- 2.9.2 If the employment of any Participant terminates for any reason other than those stipulated above, then the Trustees shall, no later than 20 (twenty) Business Days after the date on which the Trustees are notified of the Termination of Employment, transfer the Invested Shares into the name of the Participant and the Participant's Matching Share Option, to the extent that it has not yet been exercised, shall lapse on the Termination of Employment of such Participant, unless the Board, in its discretion, determines otherwise.

# SALIENT FEATURES OF THE LEWIS 2022 EXECUTIVE RETENTION SCHEME

CONTINUED

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## 2. SALIENT FEATURES OF THE LEWIS 2022 EXECUTIVE RETENTION SCHEME CONTINUED

### 2.10 Change in control

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

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

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

2.10.1.3 the Participant shall be entitled to require registration of transfer of any Invested Shares into their name by written notice to the Trust, in which event such transfer shall take place within 7 (seven) days after such notice is received by the Trust; and

2.10.1.4 the Participant shall be entitled to exercise their Matching Share Options by written notice to the Trust to such effect and, in such event, the relevant Shares shall be delivered within 7 (seven) days after receipt by the Trust of such notice,

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

2.10.2 Notwithstanding anything to the contrary within the Scheme, if at any time:

2.10.2.1 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 Group; or

2.10.2.2 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;

then:

2.10.2.3 the Trustees shall notify the Participants affected by such disposal in writing;

2.10.2.4 each Participant concerned who is employed by such Employer Company shall be entitled to exercise the Matching Share Options then held by such Participant by notice in writing to the Trust, which notice must be given by no later than 10 (ten) Business Days after receipt of the notice in paragraph 2.10.2.3 above;

2.10.2.5 the Deferred Period shall end on the date of the notice given in terms of paragraph 2.10.2.3 above;

2.10.2.6 the date that is 10 (ten) Business Days after the date that the Trustees notified the Participant in terms of paragraph 2.10.2.3 above shall constitute the Final Exercise Date; and

2.10.2.7 if the written notice contemplated in paragraph 2.10.2.4 above is not given by the Participant by the date referred to in paragraph 2.10.2.6 above, the Matching Share Options shall lapse in their entirety.

## 2. SALIENT FEATURES OF THE LEWIS 2022 EXECUTIVE RETENTION SCHEME CONTINUED

### 2.11 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.

### 2.12 Amendment of the Scheme

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

2.12.1.1 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

2.12.1.2 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.

2.12.2 Notwithstanding the provisions of paragraph 2.12.1, if it should become necessary or desirable by reason of the enactment of any new legislation at any time after the signing of the Scheme document, to amend the provisions of the Scheme so as to preserve the substance of the provisions contained in the Scheme document but amend the form so as to achieve the objectives embodied in the Scheme 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 the Scheme 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 2022 Executive Retention Scheme, it does not summarise every proposed term of the Scheme in detail. Shareholders are hereby referred to the Scheme 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 from 27 September 2022 to 28 October 2022. Shareholders can also request a copy of the Scheme document to be posted or emailed to them by contacting Marisha Gibbons at [stakeholders@lewisgroup.co.za](mailto:stakeholders@lewisgroup.co.za).



## ANNEXURE 2

# DIRECTORS' CVs

### Fatima Abrahams (59)



#### INDEPENDENT NON-EXECUTIVE DIRECTOR AND LEAD INDEPENDENT DIRECTOR

BEcon (Hons), MCom, DCom

Appointed September 2005  
Appointed as lead independent  
director in 2021

#### Directorships:

The Foschini Group Limited and  
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 an emeritus professor 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 large listed companies, with particular involvement in the retail sector.

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.

### Jacques Bestbier (49)



#### EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER

CA(SA)

Appointed April 2018

#### Directorship:

Lewis Stores (Pty) Limited

**Expertise and experience:** Jacques joined the Group in 2012 and served as general manager: administration prior to his appointment as CFO. Jacques is an experienced chartered accountant with a background in short-term insurance, banking and retail.

**Specific contribution to the board:** Jacques is the chief financial officer and executive director of the Group.



## Daphne Motsepe (65)

AC CP RC CP REM NOM SET

### INDEPENDENT NON-EXECUTIVE DIRECTOR

BCompt, MBA

Appointed June 2017

#### Directorships:

Kapela Holdings (Pty) Limited,  
NEC XON Holdings (Pty) Limited,  
Toyota Tsusho Africa, CFAO Motors  
South Africa (Pty) Limited

**Experience and expertise:** Daphne is an experienced banking executive and company director. She was formerly the chief executive of Absa card and unsecured lending at Absa Bank and also served as managing director of Postbank. She previously served as a non-executive director 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 (46)

AC RC REM NOM

### INDEPENDENT NON-EXECUTIVE DIRECTOR (ZIMBABWEAN)

CA(SA), JSE Registered  
IFRS Advisor

Appointed August 2019

#### Directorship:

W.consulting SA (Pty) Limited,  
Sasfin Holdings Limited and  
Sasfin Bank Limited

**Expertise and experience:** 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 being 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 nominations committees of the company.

## Brendan Michael Deegan (60)

AC RC REM NOM

### INDEPENDENT NON-EXECUTIVE DIRECTOR

B.Comm, CA(SA), CA (Ireland)

Appointed 15 August 2022

#### Directorship:

None

**Expertise and experience:** Brendan is a qualified Chartered Accountant (Ireland and South Africa) and a former partner of PricewaterhouseCoopers ("PwC") in South Africa. His roles at PwC included, *inter alia*, Head of the South Africa and Africa Audit/Assurance practices, Chair of the Africa Governance Board and Head of the Global Internal Audit practice. He was involved with and advised many large multinational companies over a number of years.

**Specific contribution to the board:** Brendan is an experienced accountant and former auditor with expertise in financial reporting, leadership and governance, and assurance and risk.



# INDEPENDENT AUDITOR'S REPORT

on the summary consolidated financial statements

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To the Shareholders of Lewis Group Limited

## OPINION

The summary consolidated financial statements of Lewis Group Limited, contained in the accompanying abridged report, which comprise the summary consolidated balance sheet as at 31 March 2022, the summary consolidated income statement, the summary consolidated statement of comprehensive income, the summary consolidated statement of changes in equity and summary consolidated cash flow statement for the year then ended, and related notes, are derived from the audited consolidated financial statements of Lewis Group Limited for the year ended 31 March 2022.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, as set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

## SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

## THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 26 May 2022. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

## DIRECTORS' RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

*PricewaterhouseCoopers Inc*

**PricewaterhouseCoopers Inc.**

**Director: MC Hamman**

Registered Auditor

Cape Town, South Africa

26 May 2022

# AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

## INCOME STATEMENT

	Notes	2022 Audited Rm	2021 Audited Rm
<b>Revenue</b>	4.1	<b>7 256.1</b>	6 725.9
Retail revenue	4.2	<b>5 200.5</b>	4 747.7
Merchandise sales		<b>4 382.5</b>	3 931.2
Ancillary services		<b>818.0</b>	816.5
Insurance revenue		<b>776.0</b>	707.2
Effective interest income		<b>1 279.6</b>	1 271.0
<b>Cost of merchandise sales</b>	5	<b>(2 607.6)</b>	(2 288.8)
<b>Operating costs</b>		<b>(3 881.7)</b>	(3 702.0)
Debtor costs	2.2	<b>(702.4)</b>	(813.0)
Bad debts net of recoveries		<b>(825.7)</b>	(923.3)
Movement in debtors' impairment provision		<b>123.3</b>	110.3
Employment costs		<b>(1 411.7)</b>	(1 259.1)
Administration and IT		<b>(345.1)</b>	(325.3)
Transport and travel		<b>(278.6)</b>	(241.9)
Marketing		<b>(279.9)</b>	(184.2)
Depreciation and amortisation	8.1	<b>(327.8)</b>	(303.3)
Other operating costs		<b>(536.2)</b>	(575.2)
<b>Operating profit before impairments and capital items</b>		<b>766.8</b>	735.1
Impairments and capital items	14	<b>(98.9)</b>	(39.6)
<b>Operating profit</b>		<b>667.9</b>	695.5
Investment income	3.2	<b>34.6</b>	39.1
Interest paid	9.3	<b>(48.9)</b>	(105.3)
Interest received	9.3	<b>25.4</b>	17.2
Foreign exchange losses	9.3	<b>(5.1)</b>	(42.1)
<b>Profit before taxation</b>		<b>673.9</b>	604.4
Taxation	10	<b>(190.8)</b>	(171.5)
<b>Net profit attributable to ordinary shareholders</b>		<b>483.1</b>	432.9
Earnings per share	(cents)	<b>730.7</b>	576.4
Diluted earnings per share	(cents)	<b>709.9</b>	565.3

## ANNEXURE 3

### AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

# STATEMENT OF COMPREHENSIVE INCOME

	2022 Audited Rm	2021 Audited Rm
Net profit for the year	483.1	432.9
Items that may be subsequently reclassified to income statement:		
Movement in other reserves	(3.9)	(2.8)
Fair value adjustments	9.0	19.1
Changes in the fair value of debt instruments at fair value through other comprehensive income – FVOCI debt investments	12.5	26.5
Tax effect	(3.5)	(7.4)
Disposal of FVOCI debt investments	–	(0.4)
Disposal	–	(0.5)
Tax effect	–	0.1
Foreign currency translation reserve	(12.9)	(21.5)
Items that may not be subsequently reclassified to income statement:		
Retirement benefit remeasurements	6.5	(8.6)
Remeasurements of the retirement asset and liabilities	9.1	(11.9)
Tax effect	(2.6)	3.3
Other comprehensive income	2.6	(11.4)
<b>Total comprehensive income for the year attributable to equity shareholders</b>	<b>485.7</b>	<b>421.5</b>



**AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

# EARNINGS AND DIVIDENDS PER SHARE

		<b>2022 Audited</b>	<b>2021 Audited</b>
<b>Weighted average number of shares</b>			
Weighted average	('000)	<b>66 112</b>	75 109
Diluted weighted average	('000)	<b>68 056</b>	76 580
<b>Headline earnings</b>			
Attributable earnings	(Rm)	<b>483.1</b>	432.9
Profit on disposal of fixed assets	(Rm)	<b>(14.0)</b>	(0.1)
Impairment of right-of-use assets	(Rm)	<b>70.6</b>	24.3
Goodwill impairment	(Rm)	<b>31.4</b>	–
Profit on scrapping of fixed assets due to civil unrest	(Rm)	<b>(10.0)</b>	–
Scrapping of assets	(Rm)	<b>7.1</b>	–
Compensation from insurers	(Rm)	<b>(17.1)</b>	–
Goodwill write-off	(Rm)	<b>–</b>	5.9
Headline earnings	(Rm)	<b>561.1</b>	463.0
<b>Earnings per share</b>			
Earnings per share	(cents)	<b>730.7</b>	576.4
Diluted earnings per share	(cents)	<b>709.9</b>	565.3
<b>Headline earnings per share</b>			
Headline earnings per share	(cents)	<b>848.7</b>	616.5
Diluted headline earnings per share	(cents)	<b>824.5</b>	604.6
<b>Dividends per share</b>			
Dividends paid per share			
Final dividend 2021 (2020)	(cents)	<b>195.0</b>	65.0
Interim dividend 2022 (2021)	(cents)	<b>195.0</b>	133.0
	(cents)	<b>390.0</b>	198.0
Dividends declared per share			
Interim dividend 2022 (2021)	(cents)	<b>195.0</b>	133.0
Final dividend 2022 (2021)	(cents)	<b>218.0</b>	195.0
	(cents)	<b>413.0</b>	328.0

## ANNEXURE 3

### AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

# BALANCE SHEET

	Notes	2022 Audited Rm	2021 Audited Rm
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		396.4	386.0
Right-of-use assets	7.2	747.1	635.0
Intangible assets		107.3	114.2
Goodwill		151.0	182.4
Deferred taxation		82.7	112.2
Retirement benefit asset		109.8	105.4
Financial assets – insurance investments	3.1	266.1	253.6
		<b>1 860.4</b>	<b>1 788.8</b>
<b>Current assets</b>			
Inventories		1 018.8	947.8
Trade, insurance and other receivables	2.1	3 535.0	3 367.3
Taxation		28.1	48.8
Financial assets – insurance investments	3.1	156.7	223.7
Cash-on-hand and deposits	9.1	308.1	447.0
		<b>5 046.7</b>	<b>5 034.6</b>
<b>Total assets</b>		<b>6 907.1</b>	<b>6 823.4</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital and premium		0.9	0.9
Treasury shares		(3.7)	(0.4)
Other reserves		11.4	33.6
Retained earnings		4 708.4	4 838.6
		<b>4 717.0</b>	<b>4 872.7</b>
<b>Non-current liabilities</b>			
Lease liabilities	7.1	700.1	556.0
Deferred taxation		27.4	20.6
Retirement benefit liability		77.3	79.1
		<b>804.8</b>	<b>655.7</b>
<b>Current liabilities</b>			
Trade and other payables		685.0	674.5
Payments in advance		181.1	162.8
Insurance liabilities		102.2	123.1
Short-term interest-bearing borrowings	9.1	80.8	–
Lease liabilities	7.1	250.2	249.8
Taxation		86.0	84.8
		<b>1 385.3</b>	<b>1 295.0</b>
<b>Total equity and liabilities</b>		<b>6 907.1</b>	<b>6 823.4</b>

**AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

# STATEMENT OF CHANGES IN EQUITY

	<b>2022 Audited Rm</b>	<b>2021 Audited Rm</b>
<b>Share capital and premium</b>		
Opening balance	0.9	0.9
Cost of own shares acquired	(353.2)	(112.6)
Transfer of cost of cancelled shares	353.2	112.6
	<b>0.9</b>	<b>0.9</b>
<b>Treasury shares</b>		
Opening balance	(0.4)	(1.0)
Share awards to employees	51.8	23.6
Cost of own shares acquired	(55.1)	(23.0)
	<b>(3.7)</b>	<b>(0.4)</b>
<b>Other reserves</b>		
Opening balance	33.6	52.3
Other comprehensive income for the year:		
Changes in fair value of FVOCI debt investments	9.0	19.1
Disposal of FVOCI debt investments	–	(0.4)
Foreign currency translation reserve	(12.9)	(21.5)
Equity-settled share-based payments	21.1	24.3
Transfer of share-based payments reserve to retained earnings on vesting	(39.4)	(40.2)
	<b>11.4</b>	<b>33.6</b>
<b>Retained earnings</b>		
Opening balance	4 838.6	4 657.3
Net profit attributable to ordinary shareholders	483.1	432.9
Distribution to shareholders	(254.2)	(147.0)
Transfer of cost of cancelled shares	(353.2)	(112.6)
Transfer of share-based payments reserve to retained earnings on vesting	39.4	40.2
Retirement benefit remeasurements	6.5	(8.6)
Share awards to employees	(51.8)	(23.6)
	<b>4 708.4</b>	<b>4 838.6</b>
<b>Balance as at 31 March</b>	<b>4 717.0</b>	<b>4 872.7</b>

## ANNEXURE 3

### AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

# CASH FLOW STATEMENT

	Notes	2022 Audited Rm	2021 Audited Rm
<b>Cash flow from operating activities</b>			
Cash flow from trading	11.1	1 019.5	1 053.3
Changes in working capital	11.2	(156.2)	(138.7)
Cash flow from operations		863.3	914.6
Interest received other than from trade receivables		25.4	55.8
Interest paid	11.3	(74.7)	(90.4)
Foreign exchange losses		(4.8)	(16.6)
Taxation paid		(104.2)	(55.3)
		705.0	808.1
<b>Cash utilised in investing activities</b>			
Purchases of insurance investments	3.1	(51.2)	(61.1)
Disposals of insurance investments		152.8	84.2
Acquisition of property, plant and equipment and intangible assets		(119.5)	(121.3)
Proceeds on disposal and scrapping of property, plant and equipment		52.3	2.6
		34.4	(95.6)
<b>Cash flow from financing activities</b>			
Dividends paid		(254.2)	(147.0)
Payment of principal portion of lease liabilities	7.1	(296.6)	(254.2)
Repayments of borrowings		–	(922.1)
Purchase of own shares		(408.3)	(135.6)
		(959.1)	(1 458.9)
<b>Net decrease in cash and cash equivalents</b>		(219.7)	(746.4)
Cash and cash equivalents at the beginning of the year		447.0	1 193.4
<b>Cash and cash equivalents at the end of the year</b>	9.1	227.3	447.0

# AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS

### 1. BASIS OF REPORTING

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited 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 the 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 a trading cycle of 1 April to 31 March aligned with its statutory year-end. The trading period of the previous financial year ran from 5 April 2020 to 31 March 2021. The impact of the shorter trading period in the previous financial year was insignificant due to the Covid-19 lockdown implemented from 27 March 2020 when 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 2022. 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](http://www.lewisgroup.co.za).

These summary consolidated financial statements for the year-ended 31 March 2022 have been audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the annual financial statements from which these summary consolidated financial statements were derived. The audited financial statements and the auditor's report thereon are available for inspection at the company's registered office and on the group website, [www.lewisgroup.co.za](http://www.lewisgroup.co.za).

### 2. TRADE, OTHER RECEIVABLES AND DEBTOR COSTS

#### 2.1 Trade, insurance and other receivables

	2022 Audited Rm	2021 Audited Rm
Trade and insurance receivables	5 696.7	5 691.4
Trade receivables	5 581.3	5 551.5
Insurance receivables	115.4	139.9
Provision for impairment	(2 300.4)	(2 423.7)
Trade receivables	(2 233.3)	(2 338.5)
Insurance receivables	(67.1)	(85.2)
Trade and insurance receivables (net)	3 396.3	3 267.7
Due within 12 months	2 162.4	2 098.5
Due after 12 months	1 233.9	1 169.2
Other receivables	138.7	99.6
<b>Total trade, insurance and other receivables</b>	<b>3 535.0</b>	<b>3 367.3</b>
Debtors' impairment provision as a percentage of debtors at gross carrying value (%)	40.4	42.6

## AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

# NOTES TO THE SUMMARY FINANCIAL STATEMENTS

## CONTINUED

### 2. TRADE, OTHER RECEIVABLES AND DEBTOR COSTS CONTINUED

#### 2.1 Trade, insurance and other receivables continued

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.

#### 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 customer's actual payments received over the lifetime of the account relative to the instalments due in terms of the contract.

There are 13 payment ratings with customers being allocated to one of these 13 payment ratings in accordance with their payment behaviour. For the purpose of managing the business, the 13 payment ratings are summarised into 3 main groupings, namely:

- **Satisfactory paid**

These represent customers with a payment rating of between 9 and 13, with the lowest rated customers having paid an average of approximately 70% over the contract period.

- **Slow payers**

These represent customers with a payment rating of 7 and 8, with the lowest rated customers having paid an average of approximately 55% of amounts due over the contract period.

- **Non-performing accounts**

These represent customers not classified as Satisfactory paid or Slow payers with a payment rating of 6 and lower.

These payment ratings are used to categorise and report on customers at the store level to re-sell to satisfactory paid customers and 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.

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 up to month 60 of the account.

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 has been developed by performing a regression analysis between key economic variables and the percentage of performing accounts rolling into non-performing states in the following 12 months. 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.

## 2. TRADE, OTHER RECEIVABLES AND DEBTOR COSTS CONTINUED

### 2.1 Trade, insurance and other receivables continued

#### Forward-looking information continued

The assessment for 2022 has identified the following economic variables as those with the highest degree of statistical significance:

- Real durable consumption, adjusted to account for GDP growth.
- Year-on-year change in debt/disposable income.

Base, upside and downside scenarios using the economic variables above is determined and a weighted average scenario prepared. This is compared to the base position and an appropriate adjustment is made to the whole trade receivables book. The three scenarios project the future impact of the economic variables on the impairment provision.

The economic environment has been severely disrupted in the recent past and management is of the view that trading conditions will become tougher. Covid-19 and the Russia/Ukraine war continues to pose a significant threat to the global economy, whilst recent unrests and floods placed further pressure on the local economy. Record high unemployment rates, rising inflation and higher interest rates are likely to result in additional strain on the South African consumer.

Taking the above aggravating circumstances into consideration, management has assigned a probability of 70% to the downside scenario, 25% to the base scenario and 5% to the upside scenario for the 12-month forecast. The resultant impact of R270.4 million was included in the group's ECL impairment provision.

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 illustrated below:

Probability-weighted impact of all three scenarios	2022	
	Rm	% change
	<b>270.4</b>	
100% downside scenario	<b>302.1</b>	<b>11.7</b>
100% base scenario	<b>211.6</b>	<b>(21.7)</b>
100% upside scenario	<b>120.3</b>	<b>(55.5)</b>

In the prior year, due to the severely disrupted economic environment as a result of Covid-19, a lower statistical correlation was observed when performing this assessment at 31 March 2021 resulting in the conclusion that a pure statistical correlation model based on a regression analysis was not appropriate. Covid-19 continued to pose a significant threat to the economy and management's view was that trading conditions would become tougher. The impairment model used the last 12 months' payment performance and was 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 included 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 was R114.1 million.

#### Combined impairment and contractual arrears table

The table reflects the following:

- 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.



AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

CONTINUED

2. TRADE, OTHER RECEIVABLES AND DEBTOR COSTS CONTINUED

2.1 Trade, insurance and other receivables continued

Debtor analysis – 31 March 2022

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	455 999 79.0	3 905 943 68.6	841 709 36.6	21.5	592 552	169 347	116 257	85 423	221 525
Slow payers	69 098 12.0	819 412 14.4	599 732 26.1	73.2	530 575	58 173	56 023	52 726	363 653
Non-performing accounts	51 796 9.0	971 311 17.0	858 977 37.3	88.4	759 918	47 276	46 618	45 898	620 126
<b>Total</b>	<b>576 893</b>	<b>5 696 666</b>	<b>2 300 418</b>	<b>40.4</b>	<b>1 883 045</b>	<b>274 796</b>	<b>218 898</b>	<b>184 047</b>	<b>1 205 304</b>

Credit impaired debtors as at 31 March 2022

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	971 311	1 708	1 878	44 838	60 200	43 703	58 981	1 182 619
Impairment provision	(858 977)	(817)	(1 474)	(13 135)	(41 628)	(13 300)	(41 175)	(970 506)
<b>Amortised cost</b>	<b>112 334</b>	<b>891</b>	<b>404</b>	<b>31 703</b>	<b>18 572</b>	<b>30 403</b>	<b>17 806</b>	<b>212 113</b>

Debtor 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	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	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	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
<b>Total</b>	<b>578 818</b>	<b>5 691 437</b>	<b>2 423 669</b>	<b>42.6</b>	<b>2 056 506</b>	<b>295 793</b>	<b>242 299</b>	<b>207 567</b>	<b>1 310 847</b>

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)
<b>Amortised cost</b>	<b>166 683</b>	<b>1 108</b>	<b>610</b>	<b>22 477</b>	<b>20 383</b>	<b>34 749</b>	<b>26 896</b>	<b>272 906</b>

## 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 19.6% (2021: 21.2%) and the average term of the sale is 32.7 months (2021: 32.4 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

	2022 Audited Rm	2021 Audited Rm
Bad debts	902.0	982.2
Bad debts before adjustment for interest on credit impaired accounts	1 021.3	1 133.0
Adjustment for interest on credit impaired accounts	(119.3)	(150.8)
Bad debt recoveries	(76.3)	(58.9)
Movement in debtors' impairment provision	(123.3)	(110.3)
Closing balance	2 300.4	2 423.7
Opening balance	(2 423.7)	(2 534.0)
Total debtor costs	702.4	813.0
Debtor costs as a percentage of debtors at gross carrying value (%)	12.3	14.3

"Bad debts before adjustment for interest on credit impaired accounts" is the gross carrying amounts of the trade receivables written off. For credit impaired accounts, 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

	2022 Audited Rm	2021 Audited Rm
<b>Financial assets – insurance investments</b>		
<i>Listed investments</i>		
Fixed income securities – FVOCI debt investments	266.1	253.6
<i>Unlisted investments</i>		
Money market – FVOCI debt investments	156.7	223.7
	422.8	477.3
Analysed as follows:		
Non-current	266.1	253.6
Current	156.7	223.7
	422.8	477.3
<b>Movement for the year</b>		
Beginning of the year	477.3	473.9
Additions to investments	51.2	61.1
Disposals of investments	(152.8)	(119.8)
Interest	34.6	36.1
Fair value adjustment	12.5	26.0
End of the year	422.8	477.3

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

## ANNEXURE 3

### AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS

### CONTINUED

#### 3. INSURANCE CONTINUED

##### 3.1 Insurance investments continued

###### Fair value hierarchy

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

	Level 2 Rm	Total Rm
<b>31 March 2022</b>		
Insurance investments:		
Fixed income securities – FVOCI debt investments	266.1	266.1
Money market floating rate notes – FVOCI debt investments	156.7	156.7
	<b>422.8</b>	<b>422.8</b>
<b>31 March 2021</b>		
Insurance investments:		
Fixed income securities – FVOCI debt investments	253.6	253.6
Money market floating rate notes – FVOCI debt investments	223.7	223.7
	<b>477.3</b>	<b>477.3</b>

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

	2022 Audited Rm	2021 Audited Rm
Interest and other income – insurance business	34.6	38.6
Realised gain on disposal of insurance investments	–	0.5
	<b>34.6</b>	<b>39.1</b>

#### 4. REVENUE

##### 4.1 Revenue

	2022 Audited Rm	2021 Audited Rm
Retail revenue – revenue from contracts with customers	5 200.5	4 747.7
Merchandise sales	4 382.5	3 931.2
Ancillary services	818.0	816.5
Insurance revenue	776.0	707.2
Effective interest income	1 279.6	1 271.0
Finance charges and initiation fees earned	1 398.9	1 421.8
Adjustment for interest on credit impaired accounts	(119.3)	(150.8)
	<b>7 256.1</b>	<b>6 725.9</b>

## 4. REVENUE CONTINUED

### 4.2 Retail revenue

	Traditional Rm	Cash Rm	Group Rm
<b>31 March 2022</b>			
<b>Merchandise sales</b>			
– Cash	1 560.3	569.1	2 129.4
– Credit	2 253.1	–	2 253.1
<b>Ancillary services</b>			
– At a point in time	166.4	9.0	175.4
– Over time	642.6	–	642.6
	<b>4 622.4</b>	<b>578.1</b>	<b>5 200.5</b>
<b>31 March 2021</b>			
<b>Merchandise sales</b>			
– Cash	1 434.4	566.5	2 000.9
– Credit	1 930.3	–	1 930.3
<b>Ancillary services</b>			
– At a point in time	153.5	10.4	163.9
– Over time	652.6	–	652.6
	<b>4 170.8</b>	<b>576.9</b>	<b>4 747.7</b>

## 5. GROSS PROFIT

	2022 Audited Rm	2021 Audited Rm
Merchandise sales	4 382.5	3 931.2
Cost of merchandise sales	(2 607.6)	(2 288.8)
Merchandise gross profit	1 774.9	1 642.4
Gross profit margin (%)	40.5	41.8

## 6. REPORTABLE SEGMENTS

Primary	Traditional Rm	Cash Rm	Group Rm
<b>For the year ended 31 March 2022</b>			
Revenue	6 678.0	578.1	7 256.1
Merchandise sales	3 813.4	569.1	4 382.5
Segment operating profit before impairments and capital items	728.2	38.6	766.8
Segment operating margin before impairments and capital items (%)	19.1	6.8	17.5
Segment operating profit/(loss)	704.2	(36.3)	667.9
Segment operating margin (%)	18.5	(6.4)	15.2
Segment assets <sup>(1)</sup>	4 211.4	203.7	4 415.1
<b>For the year ended 31 March 2021</b>			
Revenue	6 149.0	576.9	6 725.9
Merchandise sales	3 364.7	566.5	3 931.2
Segment operating profit before impairments and capital items	642.3	92.8	735.1
Segment operating margin before impairments and capital items (%)	19.1	16.4	18.7
Segment operating profit	602.7	92.8	695.5
Segment operating margin (%)	17.9	16.4	17.7
Segment assets <sup>(1)</sup>	4 074.0	141.5	4 215.5

<sup>(1)</sup> Segment assets include net trade and insurance receivables of R3 396.3 million (2021: R3 267.7 million) and inventory of R1 018.8 million (2021: R947.8 million).

Geographical	South Africa Rm	Namibia Rm	BLE <sup>(1)</sup> Rm	Group Rm
<b>For the year ended 31 March 2022</b>				
Revenue	6 165.6	545.3	545.2	7 256.1
<b>For the year ended 31 March 2021</b>				
Revenue	5 724.8	498.7	502.4	6 725.9

<sup>(1)</sup> Botswana, Lesotho and Eswatini

## ANNEXURE 3

### AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS

### CONTINUED

#### 7. LEASES

	2022 Audited Rm	2021 Audited Rm
<b>7.1 Lease liabilities</b>		
Opening balance	805.8	837.9
Additions and renewed leases	444.9	239.3
Expired, renegotiated and modified leases	(4.1)	(3.8)
Rent concessions	0.3	(13.4)
Principal portion of lease liabilities	(296.6)	(254.2)
Interest on lease liabilities	62.1	66.0
Lease liability payments	(358.7)	(320.2)
Closing balance	950.3	805.8
Analysed as follows:	950.3	805.8
Non-current	700.1	556.0
Current	250.2	249.8
<b>7.2 Right-of-use assets</b>		
<b>Retail premises</b>		
Opening balance	635.0	693.7
Additions and renewed leases	444.9	239.3
Expired, renegotiated and modified leases	(2.6)	(3.2)
Remeasurement of restoration provision	1.1	(7.9)
Rent concessions	0.3	(13.4)
Depreciation	(232.4)	(239.7)
Net impairment	(99.2)	(33.8)
Closing balance	747.1	635.0

#### 8. DEPRECIATION, AMORTISATION AND IMPAIRMENT

	2022 Audited Rm	2021 Audited Rm
<b>8.1 Depreciation and amortisation</b>		
Depreciation		
Right-of-use assets	232.4	239.7
Property, plant and equipment	81.1	50.6
Land and buildings	1.2	1.2
Vehicles	32.1	28.4
Furniture, fixtures and equipment	47.8	21.0
Amortisation		
Intangible assets	14.3	13.0
	327.8	303.3
<b>8.2 Impairment/write-off</b>		
Right-of-use assets	99.2	33.8
Goodwill	31.4	5.9
	130.6	39.7

## 9. BORROWINGS, CASH AND NET FINANCE COSTS

### 9.1 Borrowings, banking facilities and cash

	2022 Audited Rm	2021 Audited Rm
Short-term banking facilities	(80.8)	–
Cash-on-hand and deposits	308.1	447.0
<b>Cash and cash equivalents</b>	<b>227.3</b>	<b>447.0</b>
<b>Available facilities</b>		
Banking facilities	950.0	1 150.0
Domestic Medium-Term Note programme	2 000.0	2 000.0
	<b>2 950.0</b>	<b>3 150.0</b>
<b>Available funds</b>	<b>3 177.3</b>	<b>3 597.0</b>
<b>9.2 Capital management</b>		
Net debt	723.0	358.8
Shareholders' equity	4 717.0	4 872.7
Gearing ratio (%)	15.3	7.4
<b>9.3 Net finance costs</b>		
Interest paid	(48.9)	(105.3)
Borrowings	(12.6)	(14.3)
Lease liabilities	(62.1)	(66.0)
Other	25.8*	(25.0)
Interest received – bank	14.4	17.2
Interest received – other	11.0	–
Foreign exchange losses	(5.1)	(42.1)
<b>Net finance costs</b>	<b>(28.6)</b>	<b>(130.2)</b>

\* Included in this amount is a reversal of interest accrued in prior periods.

## ANNEXURE 3

### AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS

### CONTINUED

#### 10. TAXATION

	2022 Audited Rm	2021 Audited Rm
<b>Taxation charge</b>		
Normal taxation	160.6	124.3
Current year	150.9	123.6
Prior year	9.7	0.7
Deferred taxation	30.2	47.2
Current year	19.3	57.0
Tax rate change	2.2	–
Prior year	8.7	(9.8)
Taxation per income statement	190.8	171.5
<b>Tax rate reconciliation</b>		
Profit before taxation	673.9	604.4
Taxation calculated at a tax rate of 28%	188.7	169.2
Differing tax rates in foreign countries	4.1	4.3
Disallowances	36.0	37.1
Exemptions	(58.6)	(30.0)
Prior years	18.4	(9.1)
Tax rate change	2.2	–
Taxation per income statement	190.8	171.5
Effective tax rate (%)	28.3	28.4

#### 11. CASH FLOW FROM OPERATIONS

	Notes	2022 Audited Rm	2021 Audited Rm
<b>11.1 Cash flow from trading</b>		1 019.5	1 053.3
Operating profit		667.9	695.5
<i>Adjusted for:</i>			
Share-based payments		68.4	43.6
Depreciation and amortisation	8.1	327.8	303.3
Impairment/write-off	8.2	130.6	39.7
Profit on disposal of fixed assets		(17.7)	(0.1)
Profit on scrapping of fixed assets due to civil unrest	13	(14.0)	–
Movement in debtors' impairment provision	2.2	(123.3)	(110.3)
Movement in other provisions		(9.2)	43.7
Other non-cash flow movements		(11.0)	37.9
Included in cash flow from trading is interest earned on trade receivables of R1 398.9 million (2021: R1 421.8 million).			
<b>11.2 Changes in working capital</b>		(156.2)	(138.7)
Increase in inventories		(49.8)	(211.7)
(Increase)/decrease in trade and other receivables		(58.1)	30.3
(Decrease)/increase in trade and other payables		(45.7)	11.7
Increase in payments in advance		18.3	12.7
(Decrease)/increase in insurance liabilities		(20.9)	18.3



## 11. CASH FLOW FROM OPERATIONS CONTINUED

	Notes	2022 Audited Rm	2021 Audited Rm
11.3 Interest paid per cash flow statement		(74.7)	(90.4)
Interest paid per the income statement		(48.9)	(105.3)
Non-cash flow movement		(25.8)	14.9

## 12. SHARE REPURCHASES

Shares were repurchased in terms of section 48 of the Companies Act as follows:

	Number of shares repurchased 000's	Average price R	Total value repurchased Rm
Share repurchases made during the 2022 financial year	8 756	40.34	353.2
Share repurchases made during the 2021 financial year	5 363	21.00	112.6

The shares repurchased above have reverted to authorised but unissued equity securities of the issuer in accordance with section 35(5) of the Companies Act.

## 13. IMPACT OF CIVIL UNREST IN SOUTH AFRICA

The widespread violence and looting experienced in KwaZulu-Natal and parts of Gauteng during July 2021 had a significant impact on the group's store operations during the current reporting period.

A total of 57 stores were looted and damaged, including 53 stores in the 'Traditional' segment across the Lewis, Beares and Best Home & Electric brands and 4 UFO stores. At the height of the unrest, over 260 stores across the group were closed as a precautionary measure to ensure the safety of employees and customers, and to minimise losses.

By 31 March 2022, 52 stores (49 Traditional and 3 UFO) had been reopened following their restoration. The remaining 5 stores (4 Traditional and 1 UFO) are trading from temporary premises whilst damages are being repaired.

The group has adequate South African Special Risks Insurance Association (SASRIA) cover for material damage losses arising from the riot action. The year-end results includes inventory write-offs, losses relating to scrapping of assets and the related insurance recoveries.

The group's material damage insurance claim amounted to approximately R78.8 million (excluding VAT), including stock losses of R48.1 million and R30.7 million for damaged assets. A total of R71.9 million of the claim has been received and recognised as insurance recoveries in the results for the reporting period.

The group has separate cover for business interruption losses and has submitted a claim for the losses incurred, however, this is still being finalised.

The table below shows the impact on the financial statements of the above mentioned items:

	2022 Audited Rm
<b>Impact on the Income Statement</b>	
<b>Cost of merchandise sales</b>	–
Inventory write-off	48.1
Inventory insurance recoveries	(48.1)
<b>Impairments and capital items</b>	(14.0)
Losses due to scrapping of assets	9.8
Insurance recoveries due to damaged assets	(23.8)

## ANNEXURE 3

### AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS

### CONTINUED

#### 14. IMPAIRMENTS AND CAPITAL ITEMS

	Notes	2022 Audited Rm	2021* Audited Rm
Impairment of right-of-use assets	8.2	99.2	33.8
Impairment/write-off of goodwill	8.2	31.4	5.9
Profit on disposal of fixed assets		(17.7)	(0.1)
Profit on scrapping of fixed assets due to civil unrest	13	(14.0)	–
Losses due to scrapping of assets		9.8	–
Insurance recoveries due to damaged assets		(23.8)	–
		98.9	39.6

\* In the prior year, these costs were included under operating costs.

This includes the before tax effect of all re-measurements and capital items excluded from headline earnings per share in accordance with the guidance contained in SAICA Circular 1/2021: Headline Earnings.

#### 15. 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.

Following comprehensive testing and assessments performed by the group, together with the assistance of an IFRS 17 implementation partner, the conclusion was reached that both the South African direct insurance business as well as the inwards reinsurance business in Botswana, Lesotho and Eswatini, are likely to be eligible to utilise the premium allocation approach.

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.

#### 16. COVID-19 LOCKDOWN AND ITS IMPACT ON THE GROUP'S TRADING

The government-imposed lockdown restrictions in April and May 2020 had a material impact on the group's trading performance in the comparative period. It was estimated by management that the group lost approximately R360 million in merchandise sales and R250 million in customer account collections.

The lockdown restrictions has had an ongoing impact on the business as a whole in the current reporting period, however the continued resilience of the business model as well as the group's strong balance sheet adequately supports the group's ability to continue as a going concern for the foreseeable future.

#### 17. POST BALANCE SHEET EVENTS

During April 2022, the KwaZulu-Natal province experienced widespread flooding as a result of heavy rainfall. As at the date of reporting, management's assessment is that there has been no direct material impact to the group's operations.

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.

# AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

## KEY RATIOS

		2022 Unaudited	2021 Unaudited
<b>Operating efficiency ratios</b>			
Gross profit margin	(%)	40.5	41.8
Operating margin before impairments and capital items	(%)	17.5	18.7
Operating margin	(%)	15.2	17.7
Number of stores		819	807
Number of permanent employees	(average)	8 952	8 847
Trading space	(sqm)	250 643	249 758
Inventory turn	(times)	2.6	2.4
Current ratio		3.6	3.9
<b>Credit ratios</b>			
Credit sales	(%)	51.4	49.1
Debtor costs as a % of debtors at gross carrying value	(%)	12.3	14.3
Debtors' impairment provision as a % of debtors at gross carrying value	(%)	40.4	42.6
Arrear instalments on satisfactory paid accounts as a % of total debtors at gross carrying value	(%)	10.4	10.4
Arrear instalments on slow paying and non-performing accounts as a % of total debtors at gross carrying value	(%)	22.7	25.7
Credit applications decline rate	(%)	36.1	38.1
<b>Shareholder ratios</b>			
Net asset value per share	(cents)	7 527	6 814
Gearing ratio	(%)	15.3	7.4
Dividend payout ratio	(%)	55.0	55.0
Return on average shareholders' funds (after-tax)	(%)	10.1	9.0
Return on average capital employed (after-tax)	(%)	8.8	8.7
Return on average assets managed (pre-tax)	(%)	10.4	10.5

**Notes:**

1. All ratios are based on figures at the end of the period unless otherwise disclosed.
2. The net asset value has been calculated using 62 671 464 shares in issue (2021: 71 508 904).
3. Total assets exclude the deferred tax asset.

## ANNEXURE 4

# 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, No 71 of 2008 (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 2022 financial year, in accordance with the requirements of the Companies Act. This report should be read in conjunction with the Sustainability report on pages 22 to 35 of the integrated annual report, as well as the full Corporate governance report available on [www.lewisgroup.co.za](http://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 recommendations 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:

Name	Status
Prof. 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 finance departments attend meetings by invitation. The company secretary is also the secretary to the committee.

Biographical details of the committee members appear on pages 44 and 45 of the integrated annual report and the fees paid to the members of the committee are disclosed on page 111 of the integrated annual 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, climate change, health and public safety, including the impact of the Group's activities and of its products and services, particularly in relation to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- 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, Industry and Competition
- B-BBEE verification and monitoring of the Group's performance against the set targets
- Legislative compliance

## ACTIVITIES OF THE COMMITTEE

### Key focus areas in 2022

- Increasing focus on environmental, social and governance (ESG) reporting, including supporting the board and management in the implementation of the recommendations of the TCFD
- Obtaining accreditation for the Retail Supervisory Programme, the first of its kind in South Africa
- Resuming employee training and leadership programmes through virtual platforms
- Improving retention rates of branch managers and regional controllers
- Ongoing monitoring of the impact of Covid-19 on the Group's employees, customers and suppliers
- Promoting enterprise and supplier development, including assisting suppliers to ensure the sustainability of their businesses and securing current and new suppliers
- Increasing focus on transformation and diversity
- Continuing support for socio-economic development programmes

These key focus areas will remain priorities for the committee in the 2023 financial year.

## COMMITTEE FUNCTIONING

The committee met twice during the 2022 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

# ELECTRONIC PARTICIPATION GUIDE FOR ATTENDANCE AT THE ANNUAL GENERAL MEETING

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## 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")

**All terms defined in the notice of AGM, to which this Electronic Participation Guide is attached, shall bear the same meanings when used in this Electronic Participation Application Guide.**

## AGM INSTRUCTIONS

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

Shareholders or their duly appointed proxy(ies) who wish to participate in the virtual AGM (Participants), must register online using the online registration portal at <https://meetnow.global/za> (an electronic platform provided by Computershare), by no later than 09:00 on Wednesday, 26 October 2022, as set out in more detail below. 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.

Shareholders wishing to participate in and/or vote electronically at this virtual AGM should:

1. Register online at <https://meetnow.global/za>, by no later than 09:00 on Wednesday, 26 October 2022. Shareholders may still register online after this date and time, provided that for them to participate and/or vote electronically at the AGM, they must be verified and registered before the commencement of the meeting.
2. During this online registration process, upload proof of:
  - a. identification (i.e. South African identity document, South African driver's licence or passport); and
  - b. authority (where acting in a representative capacity) and, if a dematerialised shareholder without own name registration, also the letter of representation referred to on page 10, as well as provide their name, email address and contact number.

Further instructions for documents required are set out below.

3. Following successful registration, shareholders will receive from Computershare, a meeting link and invitation code in order to connect electronically to the meeting.

### Please note

Participants will be liable for their own network charges in relation to electronic participation in and/or voting at the AGM. Neither Lewis Group nor Computershare 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 AGM.

By participating electronically, 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 AGM or any interruption in the ability of the Participant to participate in the AGM *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.

### **Documents required to attend and participate in the AGM**

In order to exercise their voting rights at the AGM, Shareholders who choose to participate in and/or vote electronically may appoint a proxy, which proxy may participate electronically in the AGM, 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 AGM. 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 AGM, must be attached during the registration process. 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. In terms of section 63(1) of the Companies Act, any shareholder or proxy who intends to attend or participate at the AGM must present reasonably satisfactory identification at the meeting for such shareholder or proxy to attend and participate. A certified copy of the valid identity document/passport of the person attending the AGM by electronic participation, including any person acting in a representative capacity, will be required when registering for participation in the AGM.



# ELECTRONIC PARTICIPATION GUIDE FOR ATTENDANCE AT THE ANNUAL GENERAL MEETING

## CONTINUED



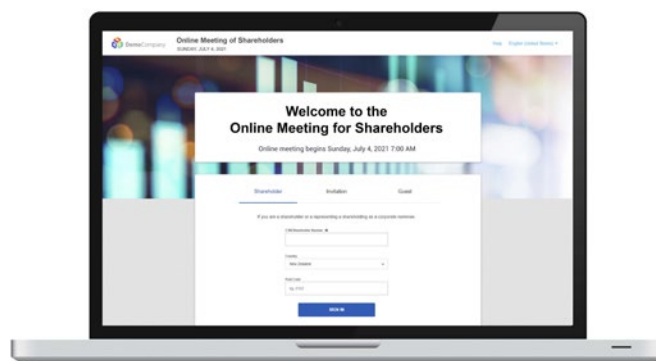
## HOW TO PARTICIPATE IN VIRTUAL MEETINGS

### Attending the meeting online

Our online meetings provide you with the opportunity to participate online using your smartphone, tablet or computer.

You will be able to view a live webcast of the meeting, ask questions and submit your votes in real time.

**You will need the latest version of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible.**



Visit <https://meetnow.global/za>



#### Access

Access the online meeting at <https://meetnow.global/za>, select the applicable meeting from the drop down option. Click 'JOIN MEETING NOW'.

#### If you are a shareholder:

Select 'Invitation' on the login screen and enter the applicable information as per your invitation. Accept the Terms and Conditions and click Continue.

#### If you are a guest:

Select 'Guest' on the login screen. As a guest, you will be prompted to complete all the relevant fields, including title, first name, last name and email address.

Please note, guests will not be able to ask questions or vote at the meeting.

#### If you are a proxy holder:

You will receive an email invitation the day before the meeting to access the online meeting. Click on the link in the invitation to access the meeting.

#### Contact



If you have any issues accessing the website please email [proxy@computershare.co.za](mailto:proxy@computershare.co.za).



#### Navigation



When successfully authenticated, the home screen will be displayed. You can watch the webcast, vote, ask questions, and view meeting materials in the documents folder. The image highlighted blue indicates the page you have active.

The webcast will appear and begin automatically once the meeting has started.



#### Voting

Resolutions will be put forward once voting is declared open by the Chair. Once the voting has opened, the resolution and voting options will appear.

To vote, simply select your voting direction from the options shown on screen. You can vote for all resolutions at once or by each resolution.

Your vote has been cast when the green tick appears. To change your vote, select 'Change Your Vote'.



#### Q&A

Any eligible shareholder/proxy attending the meeting remotely is eligible to ask a question.

Select the Q&A tab and type your question into the box at the bottom of the screen and press 'Send'.

# 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 at 09:00 on 28 October 2022 ("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 CSDP's 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 on 28 October 2022 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 Prof. Fatima Abrahams as a director			
Ordinary resolution 1.2	Re-election of Ms Daphne Motsepe as a director			
Ordinary resolution 1.3	Re-election of Mr Jacques Bestbier as a director			
Ordinary resolution 1.4	Election of Mr Brendan Deegan as a director			
Ordinary resolution 2.1	Election of Ms Daphne Motsepe as a member of the audit committee, subject to the passing of ordinary resolution 1.2			
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, subject to the passing of ordinary resolution 1.1			
Ordinary resolution 2.4	Election of Mr. Brendan Deegan as a member of the audit committee subject to the passing of ordinary resolution 1.4			
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 2022 Executive Retention 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 \_\_\_\_\_ (place) \_\_\_\_\_ on \_\_\_\_\_ 2022

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

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## 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. The Form 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 Wednesday 26 October 2022 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](mailto: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 AGM. 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 AGM and speaking and voting 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 AGM 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 company secretary.
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 AGM, 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 AND ADVISERS

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## **Lewis Group Limited**

(Registration number 2004/009817/06)

Place of incorporation: Republic of South Africa

Date of incorporation: 19 April 2004

## **Company secretary and registered office of Lewis Group**

Marisha Octavia Gibbons

Lewis Group Limited

Universal House

53A Victoria Road, Woodstock

Cape Town, 7925

(P O Box 43, Woodstock, 7915)

## **Transfer Secretaries to Lewis Group**

Computershare Investor Services Proprietary Limited

(Registration number 2004/003647/07)

Level 1 and 2 Rosebank Towers

15 Biermann Avenue

Rosebank, 2196

(Private Bag X9000, Saxonwold, 2132)

## **Sponsor to Lewis Group**

The Standard Bank of South Africa Limited

(Registration number 1962/000738/06)

30 Baker Street, Rosebank

Johannesburg, 2196

South Africa

(PO Box 61344, Marshalltown, 2107)

## **Debt Sponsor to Lewis Group**

Absa Corporate and Investment Bank, a division of Absa Bank Limited

(Registration number 1986/004794/06)

Absa Building

15 Alice Lane

Sandton

2196

South Africa

## **Legal adviser to Lewis Group**

Edward Nathan Sonnenbergs Incorporated

(Registration number 2006/018200/21)

35 Lower Long Street

Foreshore

Cape Town, 8001

(PO Box 2293, Cape Town, 8000)

