

SCHEME DOCUMENT

In respect of

THE LEWIS 2023 EXECUTIVE PERFORMANCE SCHEME

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1. INTRODUCTION

The purpose of the Lewis 2023 Executive Performance Scheme is to:

1.1. incentivise continuing contributions by Executives to the growth of the Group; and

1.2. attract and retain suitably skilled and competent personnel,

by granting certain 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. DEFINITIONS

2.1. In this document, unless the context otherwise indicates:

2.1.1. “**Act**” means the Companies Act No. 71 of 2008;

2.1.2. “**Alternative Awards**” means Awards which vest in accordance with clause 4.4.4;

2.1.3. “**Auditors**” mean the external auditors of the Company from time to time;

2.1.4. “**Award**” means the option to acquire Shares under the Scheme, free of charge;

2.1.5. “**Award Holder**” means an Executive who has been granted an Award;

2.1.6. “**Award Shares**” means the Shares which are the subject of the Award;

2.1.7. “**Board**” means the board of directors for the time being of the Company;

2.1.8. “**Business Day**” means any day other than a Saturday, Sunday or public holiday officially recognised as such in the Republic of South Africa;

2.1.9. “**Clawback Condition**” means any instance in respect of which an Executive or former Executive:

2.1.9.1. 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:

2.1.9.1.1. the Executive is dismissed; or

2.1.9.1.2. 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

2.1.9.2. 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:

2.1.9.2.1. being in breach of any material obligation and/or fiduciary duty the Executive or former-Executive owed to the Company;

2.1.9.2.2. performing any act or omission which is injurious to the Company and/or its reputation; or

2.1.9.2.3. 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 clause 2.1.9.2) pursuant to which:

2.1.9.2.4. the Executive is dismissed; or

2.1.9.2.5. 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

2.1.9.3. 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;

2.1.10. "**Clawback Shares**" means all Award Shares which vested in the affected Executive or former-Executive and in respect of which:

2.1.10.1. the Executive or former-Executive satisfied a Clawback Condition; or

- 2.1.10.2. the Executive or former Executive performed the act or omission which ultimately resulted in the Clawback Condition being satisfied, at any time during the Performance Period and/or thereafter until the Vesting Date of such Award Shares;
- 2.1.11. “**Committee**” means the remuneration committee of the Board, or its successor in title;
- 2.1.12. “**Company**” means Lewis Group Limited (Registration No. 2004/009817/06), the shares of which are listed on the JSE;
- 2.1.13. “**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;
- 2.1.14. “**Executive**” means any executive director of the Company, any senior member of management of the Group or any other key employee of the Group, selected by the Committee;
- 2.1.15. “**Employer Company**” means the company in the Group that employs Executives and has adopted this Scheme in accordance with clause 17;
- 2.1.16. “**Five Year Awards**” means Awards which vest in accordance with clause 4.4.3;
- 2.1.17. “**Four Year Awards**” means Awards which vest in accordance with clause 4.4.2;
- 2.1.18. “**Grant Date**” means the date on which an Award is granted;
- 2.1.19. “**Grant Period**” means a period of 6 (six) weeks commencing on the day following the occurrence of any of the following events:
- 2.1.19.1. the adoption of the Scheme or any amendment thereto; or
- 2.1.19.2. the announcement by the Company of its results for any year, half year or other period or the issue by the Company of any prospectus, revised listing particulars, pre-listing statement or other documents containing equivalent information relating to the Shares; or
- 2.1.19.3. a determination by the Committee that exceptional circumstances have arisen which justify the making of offers in terms of the Scheme outside the usual Grant Periods;
- 2.1.20. “**Group**” means the Company and its subsidiaries from time to time;

- 2.1.21. **"IFRS"** means statements and interpretations issued and/or revised by the International Accounting Standards Board and includes International Accounting Standards and SIC interpretations issued under the previous constitutions of the International Accounting Standards Board;
- 2.1.22. **"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 No. 19 of 2012;
- 2.1.23. **"JSE Listings Requirements"** means the listings requirements published by the JSE;
- 2.1.24. **"Long Term Awards"** means the Four Year Awards, Five Year Awards and any Alternative Awards of which any portion of the Award vests after the third anniversary of the Grant Date;
- 2.1.25. **"Long Term Performance Criteria"** means the performance criteria listed in Part A of Annexure A, which the Committee shall apply in determining the Performance Targets in respect of Long Term Awards;
- 2.1.26. **"Market Price"** means a price per Share, 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;
- 2.1.27. **"Participant"** means an Executive who has been granted an Award (and who has accepted such Award in accordance with the Award Notice);
- 2.1.28. **"Performance Period"** means the financial years of the Company commencing on 1 April preceding the Grant Date and ending on 31 March immediately preceding the final Vesting Date;
- 2.1.29. **"Performance Target"** means the performance target(s) applicable to the Award Holder for a Performance Period, as determined by the Committee in its sole discretion by written notice to such Award Holder;
- 2.1.30. **"Prohibited Period"** means a prohibited period as defined in the JSE Listings Requirements;
- 2.1.31. **"Scheme"** means the Lewis 2023 Executive Performance Scheme established in terms of this document;
- 2.1.32. **"Shares"** means ordinary shares in the capital of the Company;

- 2.1.33. **“Short Term Awards”** means Three Year Awards and any Alternative Awards in respect of which all portions of the Award vest on or before the third anniversary of the Grant Date;
- 2.1.34. **“Short Term Performance Criteria”** means the performance criteria listed in Part B of Annexure A, which the Committee shall apply in determining the Performance Targets in respect of Short Term Awards;
- 2.1.35. **“Termination of Employment”** means the date on which an Executive’s contract of employment terminates and, for the avoidance of doubt:
- 2.1.35.1. if notice of termination was given by either the Executive or the Company and/or the relevant Employer Company, such termination shall only occur upon the expiry of the notice period; or
- 2.1.35.2. if no notice of termination was given by either the Executive or the Company and/or the relevant Employer Company 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;
- 2.1.36. **“Three Year Awards”** means Awards which vest in accordance with clause 4.4.1;
- 2.1.37. **“the Trust”** means the Lewis Employee Incentive Scheme Trust constituted in terms of a trust deed dated 20 September 2004, as amended;
- 2.1.38. **“the Trustees”** means the Trustees for the time being of the Trust, including any alternate Trustees; and
- 2.1.39. **“Vesting Date”** means the date on which an Award (or a relevant portion thereof) vests, determined in accordance with clause 4.4 below, or, if the said date is within a Prohibited Period, the first Business Day following the said date which is not in a Prohibited Period.
- 2.2. Words importing the singular shall include the plural and *vice versa*, and words importing the masculine gender shall include female, and words importing persons shall include partnerships and bodies corporate, and *vice versa*.

- 2.3. The head notes to the paragraphs in this document are inserted for reference purposes only and shall not affect the interpretation of any of the provisions to which they relate.
- 2.4. The terms of this document shall be binding on the estates, heirs, executors, administrators, trustees or permitted assigns of a Participant as fully and effectually as if they had been the Award Holder in the first instance.
- 2.5. Where any term is defined within the context of any particular clause in this document, the term so defined shall, unless it appears clearly from the clause in question that such term has limited application to the relevant clause, bear the meaning ascribed to it for all purposes in terms of this document, notwithstanding that such term has not been defined in this clause 2.
- 2.6. If any provision in the abovementioned definitions is a substantive provision conferring rights or imposing obligations on any party, then, notwithstanding that such provision is only contained in this clause 2, effect shall be given thereto as if such provision were a substantive provision in the body of this document.
- 2.7. Any reference in this document to legislation or subordinate legislation is to such legislation or subordinate legislation at the date of signature hereof and as amended and/or re-enacted from time to time.
- 2.8. When any number of Business Days is prescribed in this Agreement, same shall be reckoned exclusively of the first and inclusively of the last Business Day.
- 2.9. Should the day for the performance of any obligation in terms of this Agreement fall on a day which is not a Business Day, then such obligation shall be performed on the next day which is a Business Day.

3. **SHARES AVAILABLE FOR THE SCHEME**

- 3.1. The aggregate number of Shares (whether issued or unissued) which may be utilised for the Scheme shall not exceed 1,750,000 (one million seven hundred and fifty thousand) Shares. For the purpose of this clause 3.1, Shares which have been "*utilised for the Scheme*" include:
 - 3.1.1. Shares which are subject to an Award which has not yet been accepted;
 - 3.1.2. Shares which are subject to an Award which has been accepted, but which Award Shares have not yet vested; and
 - 3.1.3. Award Shares which have vested, but which have not yet been delivered to the Participant.
- 3.2. The Company in a general meeting may from time to time reserve unissued Shares and place those unissued Shares under the control of the Board for the purpose of the Scheme.

- 3.3. The aggregate number of Shares which any one Executive may acquire in terms of this Scheme shall not exceed 875,000 (eight hundred and seventy five thousand) Shares.
- 3.4. Newly issued Shares, market-purchased Shares or Shares held in treasury may be used for the purposes of the Scheme. In accordance with Schedule 14 to the JSE Listings Requirements, any Shares purchased through the market will not be taken into account when calculating the number of Shares utilised for the Scheme.
- 3.5. Subject to the other provisions of this Scheme document, in order to meet their obligations to deliver Shares to Executives in terms of the Scheme, the Trust may purchase Shares through the market from time to time, and may sell any such Shares purchased should those Shares be surplus to the requirements of the Scheme, subject to the following:
- 3.5.1. Shares may only be issued or purchased for purposes of the Scheme once an Executive or group of Executives to whom they will be allocated, has been formally identified;
- 3.5.2. Shares so purchased may only be sold:
- 3.5.2.1. once the employment of an Executive has been terminated or an Executive is deceased;
- 3.5.2.2. if such Shares are in excess of the Scheme's requirements at the relevant time; or
- 3.5.2.3. on behalf of an Executive once an Award has been validly accepted and vested;
- 3.5.3. the provisions of paragraphs 3.63 to 3.74 of the JSE Listings Requirements shall apply *mutatis mutandis* to any dealings by the Company that involve Shares relating to the Scheme, save if the circumstances listed in paragraph 3.92 of the JSE Listings Requirements apply.
- 3.6. No Shares may be purchased by the Company during a Prohibited Period unless the Company has in place a purchase programme where the dates and quantities of Shares to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE in writing prior to the commencement of the Prohibited Period. The Company shall instruct an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by, the Company, prior to the commencement of the Prohibited Period to execute the purchase programme submitted to the JSE.

- 3.7. In the event that the purchase was made during a Prohibited Period through a purchase programme pursuant to clause 3.6, an announcement must be made which must include a statement confirming that the purchase was put in place pursuant to a purchase programme prior to a Prohibited Period in accordance with the JSE Listings Requirements.
- 3.8. Where the Shares in respect of which an Award has been allocated to an Executive are not subsequently issued and/or delivered to such Executive (for example, as a result of the Award lapsing due to a Termination of Employment), such Shares shall revert back to the Scheme and may form the subject of further Awards to be granted to Executives under the Scheme.

4. GRANT OF AWARDS

- 4.1. The Trustees may, from time to time during a Grant Period and upon directions of the Committee, as the case may be, by written notice ("**the Award Notice**") grant Awards to Executives.
- 4.2. Awards may be granted in terms of the Scheme in respect of authorised but unissued Shares, existing issued Shares and/or Shares held in treasury.
- 4.3. The Award Notice shall be delivered by the Compliance Officer to the Executive and shall stipulate:
- 4.3.1. the number of Award Shares, or the methodology to determine the number of Award Shares with reference to the Market Price on the Grant Date;
 - 4.3.2. that the Award may only be accepted by the Executive to which it is addressed;
 - 4.3.3. that the Award may be accepted for the whole or such lesser number of Award Shares to which the Award Notice relates;
 - 4.3.4. the time period within or the date by which the Award (or the relevant portion thereof) must be accepted;
 - 4.3.5. the conditions to which the vesting of the Award (or any portions thereof) will be subject, which conditions are to be determined in the sole discretion of the Committee, provided that such conditions shall include:
 - 4.3.5.1. employment of the Award Holder with an Employer Company as at the relevant Vesting Date, and no termination of such employment being intimated or notice of termination served on or by such Award Holder, other than in circumstances set out in clauses 8.1 or 8.2; and
 - 4.3.5.2. achievement of Performance Target(s) during the Performance Period;

- 4.3.6. that the Award Shares shall vest on the relevant Vesting Date(s), subject always to fulfilment of the conditions referred to in clause 4.3.5 and such further Performance Target(s) as may be determined by the Committee in accordance with clauses 4.5, 4.6 and 4.7 below;
 - 4.3.7. whether the Awards are Three Year Awards, Four Year Awards, Five Year Awards or Alternative Awards, and specifying the relevant Vesting Dates of the Award Shares;
 - 4.3.8. that delivery of the Award Shares which have vested shall take place by no later than 20 (twenty) Business Days after the relevant Vesting Date, on which date all risk and benefit of such Shares, including but not limited to all dividend and voting rights, shall pass to the Participant;
 - 4.3.9. that, without the prior written consent of the Trustees, the Award may not be ceded, transferred, sold, alienated or disposed of in any other manner or transferred, and may not be pledged or otherwise encumbered;
 - 4.3.10. that the granting of the Award and the vesting of the Award Shares shall be subject to the terms of the Scheme; and
 - 4.3.11. any other terms which the Trustees deem appropriate in the circumstances.
- 4.4. Awards granted shall be Three Year Awards, Four Year Awards, Five Year Awards or Alternative Awards, which Awards shall vest, subject, in each instance, to fulfilment of the relevant conditions referred to in clause 4.3.5 and such other Performance Targets as may be determined by the Committee for each financial year during a Performance Period, as follows:
- 4.4.1. in respect of Three Year Awards, on the date that is three years after the Grant Date;
 - 4.4.2. in respect of Four Year Awards, as follows:
 - 4.4.2.1. on the third anniversary of the Grant Date in respect of 50% (fifty percent) of the Award Shares; and
 - 4.4.2.2. on the fourth anniversary of the Grant Date in respect of the other 50% (fifty percent) of the Award Shares;
 - 4.4.3. in respect of Five Year Awards, as follows:
 - 4.4.3.1. on the third anniversary of the Grant Date in respect of the first one third of the Award Shares;

- 4.4.3.2. on the fourth anniversary of the Grant Date in respect of a further one third of the Award Shares; and
 - 4.4.3.3. on the fifth anniversary of the Grant Date in respect of the final one third of the Award Shares;
 - 4.4.4. in respect of Alternative Awards, on such vesting date(s) as the Committee may determine in the Award Notice.
- 4.5. The Committee shall set Performance Target(s) applicable to Awards from time to time in accordance with clause 4.6 or 4.7 below, as the case may be.
- 4.6. The Committee shall utilise any or all of the Short Term Performance Criteria to determine the Performance Target(s) applicable to a Short Term Award, which Performance Target(s) shall be set in respect of:
 - 4.6.1. each financial year during the Performance Period, determined by the Committee within three months after the commencement of each financial year (or such later date as the Committee may determine if extraordinary circumstances exist, as determined by the Committee); and/or
 - 4.6.2. the entire Performance Period, determined by the Committee as at the Grant Date.
- 4.7. The Committee shall utilise the Long Term Performance Criteria in paragraph 1 of Part A of Annexure A, and any one or more of the Long Term Performance Criteria in paragraphs 2 to 5 of Part A of Annexure A, to determine the Performance Target(s) applicable to a Long Term Award. Performance Targets in respect of Long Term Awards shall be determined by the Committee as at the Grant Date in respect of the entire Performance Period.
- 4.8. When determining the Performance Targets applicable to a Participant's Award, the Committee may determine what proportion of such Award shall relate to a particular Performance Target, such that if some, but not all of the Performance Targets are met, then only the specified proportion of the Award shall vest on the relevant Vesting Dates and the remainder of the Award in respect of which the Performance Targets were not met shall lapse, subject to clause 4.10.
- 4.9. When determining what proportion of a Participant's Award relates to a particular Performance Target (as contemplated by clause 4.8 above), the Committee shall have the ability to allocate a greater proportion of such Award to those Performance Targets which such Participant has the ability to influence, having regard to the Executive's daily employment responsibilities.

- 4.10. When determining to what extent Performance Targets have been met in respect of any Short Term Performance Criteria and/or Long Term Performance Criteria, as the case may be, the Committee shall apply the following:
- 4.10.1. in the event the Committee determines that 100% of any Performance Target has been achieved, then the entire Award allocated to such Performance Target shall vest on the relevant Vesting Date;
 - 4.10.2. in the event the Committee determines that less than 100% but equal to or more than 97.5% of a relevant Performance Target has been met, then 25% of the proportion of the Award allocated to such Performance Target shall vest on the relevant Vesting Date; and
 - 4.10.3. in the event the Committee determines that less than 97.5% but equal to or more than 95% of any Performance Target has been met, then 10% of the proportion of the Award allocated to such Performance Target shall vest on the relevant Vesting Date;
 - 4.10.4. in the event the Committee determines that less than 95% of any Performance Target has been met, then the proportion of the Award allocated to such Performance Target shall lapse, subject to the remainder of this clause 4.
- 4.11. When determining whether Performance Targets have been met, the Committee may consider adjusting such Performance Targets if material changes (both positive or negative) have been made to accounting policies resulting from IFRS becoming effective after the Grant Date.
- 4.12. Notwithstanding anything to the contrary herein, after determining Performance Targets for a particular Performance Period, the Committee shall be entitled, in exceptional circumstances, to amend such Performance Targets by increasing or decreasing the relevant Performance Targets. In making such determination, the Committee shall have regard to all applicable circumstances affecting such Performance Targets, including but not limited to, changes to national or international political, financial, economic, monetary or market conditions, the performance of the Group relative to the industry in which the Group conducts its business and any corporate actions undertaken by the Group during the relevant Performance Period.

5. GRANTING AND LAPSING OF AWARD

- 5.1. An Executive shall have the option to accept or reject an Award granted in terms of an Award Notice.
- 5.2. Awards may only be accepted in accordance with the terms of the Award Notice, read with the Scheme. Should the Participant fail to accept an Award in accordance with the terms of

the Award Notice, then such Award shall lapse, provided that the Trustees may direct that such Award shall be deemed not to have lapsed if, in their sole discretion, there are reasonable grounds for extending the period for acceptance of the Award.

5.3. Notwithstanding the terms of the Award Notice, the Committee shall have the discretion, in exceptional circumstances, to accelerate the time period(s) within or date(s) by which a particular Participant's Award(s) shall vest.

5.4. Delivery of the Award Shares shall take place in accordance with the Award Notice.

5.5. The Award Shares shall at the time of delivery thereof:

5.5.1. be issued, fully paid Shares; and

5.5.2. 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.

5.6. An Award (or a relevant portion thereof), to the extent that it has not yet vested, shall lapse on the occurrence of the earliest of the following:

5.6.1. subject to clause 4.12, failure to fulfil the conditions referred to in clause 4.3.5 or 4.3.6, save where vesting will occur pursuant to the provisions of clause 8.1 or 8.2, as the case may be;

5.6.2. the date on which the Award Holder ceases (whether lawfully or unlawfully) to be an Executive, save where vesting will occur pursuant to the provisions of clause 7, 8.1 or 8.2, as the case may be;

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

5.6.4. the date on which an Award Holder becomes insolvent.

6. **EVENTS AFFECTING SHARE CAPITAL**

6.1. If at any time the shares of the Company are consolidated or sub-divided, then the number of Shares which may be utilised for the Scheme (as per clause 3.1) and the number of Award Shares which are the subject of any Award shall be adjusted in such manner as the Auditors determine to be appropriate and, in making such determination, the Auditors shall ensure that Executives shall 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 that Executives are not prejudiced nor given benefits beyond those provided for in the Scheme.

6.2. If:

6.2.1. 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;

6.2.2. the Company is party to a scheme of arrangement affecting the structure of its share capital (excluding as a result of a repurchase of the Company's shares requiring compliance by the Company with section 114 of the Act solely by virtue of section 48(8)(b) of the Act), but clause 7 does not apply;

6.2.3. 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;

6.2.4. additional Shares are issued by the Company pursuant to a rights issue;

then the aggregate number of Shares which any one Executive may acquire in terms of the Scheme (as per clause 3.3) and the number of Award Shares which are the subject of any Award shall be adjusted in such manner as the Auditors or an independent advisor acceptable to the JSE determine to be appropriate and, in making such determination, the Auditors or an independent advisor acceptable to the JSE shall ensure that Executives shall 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 that Executives are not prejudiced nor given benefits beyond those provided for in the Scheme.

6.3. Any such adjustments shall be subject to the Auditors confirming to the Committee and to the JSE, in writing, that the adjustments were calculated in accordance with the provisions of the Scheme.

6.4. The Committee shall notify the Participants of that adjustment which shall be binding on the Company, the Employer Company, the Trust and on the Executives. Any such adjustment shall be reported in the Company's annual financial statements in the financial period during which the adjustment is made.

6.5. For the avoidance of doubt, there shall be no adjustment to the number of Shares which may be utilised for the Scheme, the aggregate number of Shares which any one Participant may

acquire in terms of the Scheme, the number of Shares which are the subject of any Award in respect thereof if there is:

- 6.5.1. an issue of Shares by the Company as consideration for an acquisition; or
- 6.5.2. a specific issue of Shares for cash; or
- 6.5.3. a vendor consideration placement.

7. CHANGE IN CONTROL

Should:

- 7.1. the Company become an immediate subsidiary of any company (other than its immediate holding company, if any, as at the date of commencement of this Scheme) as a result of a take-over, scheme of arrangement, reconstruction or an amalgamation or merger;
- 7.2. 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;
- 7.3. any Employer Company dispose 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; or
- 7.4. the Company proposes to pass a resolution for the voluntary winding up of the Company,

then, within 30 (thirty) days of becoming aware of the occurrence of the event:

- 7.5. the Participants shall be entitled to require delivery of any undelivered Award Shares acquired pursuant to the vesting of an Award by written notice to the Trust, in which event such delivery shall take place within 20 (twenty) Business Days after such notice is received by the Trust; and
- 7.6. the Awards which have not yet vested, shall vest,

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

8. TERMINATION OF EMPLOYMENT

8.1. In the event of the Termination of Employment of any Award Holder or Participant as a result of:

8.1.1. death; or

8.1.2. ill health or injury, provided that the Company has received a certificate from a suitably qualified, independent medical practitioner nominated for this purpose by the Company or otherwise acceptable to the Company to the effect that, due to such ill health or injury, the Participant shall not be able to perform his/her normal employment duties for a consecutive period exceeding 12 months; or

8.1.3. normal or late retirement in accordance with the rules of the pension/provident/retirement fund of the Company or the Employer Company, as the case may be; or

8.1.4. early retirement (being retirement other than such normal or late retirement) with the approval of the Committee; or

8.1.5. circumstances which are approved by a resolution of the Committee;

then, in respect of any Award which has not yet vested, so much of the Award Shares as equate to "X" in the formula set out hereunder shall vest in the Award Holder on such Termination of Employment and the balance of such Award shall lapse on such Termination of Employment, unless the Board, in its discretion, determines otherwise:

$$X = A \times \frac{Y}{Z}$$

where:

X - the number of Award Shares that shall vest in the Award Holder on the Termination of Employment (provided that during the period represented by Y, the relevant conditions referred to in clauses 4.3.5 and 4.3.6 have been met, subject to such adjustments and concessions as the Board may, in its sole discretion, regard as necessary to give effect to the spirit and intention of this clause);

A - the number of Award Shares which would have vested in the Award Holder on all remaining Vesting Dates under the Award on the assumption that the conditions in clauses 4.3.5 and 4.3.6 would have been met;

Y - the number of days from the Grant Date to the Termination of Employment, or if any Award Shares in respect of that Award have already vested, then the

number of days from the last Vesting Date to the Termination of Employment, exclusive of the first day and inclusive of the last;

Z - the total number of days from the Grant Date to the final Vesting Date, or if any Award Shares in respect of that Award have already vested, then the number of days from the last Vesting Date to the final Vesting Date, exclusive of the first day and inclusive of the last.

8.2. In the event that a Participant's employment is terminated by the relevant Employer Company on notice in accordance with the relevant Participant's employment contract, for example as a result of retrenchment (that is, termination by the relevant Employer Company based on its operational requirements), then notwithstanding clause 8.1 or clause 8.3, the relevant tranche(s) of the Award Shares that:

8.2.1. vests or (where the relevant Employer Company pays the Participant in lieu of notice) would have vested, during the applicable notice period; and

8.2.2. would have vested first after the end of the notice period,

had the Participant's employment not terminated, shall also vest on the respective Vesting Dates as they occur, but the remaining portion of the Participant's Award shall lapse.

8.3. If the employment of any Award Holder terminates for any reason other than those stipulated in clause 8.1 or clause 8.2 (which for the avoidance of doubt shall include where the relevant Employer Company terminates the Participant's employment summarily (without notice) for any reason recognised in law as grounds for summary termination), the Award Holder's Award, to the extent that it has not yet vested, shall lapse on the Termination of Employment of such Award Holder.

9. **CLAWBACK**

9.1. Notwithstanding anything to the contrary stipulated in this Scheme, in the event an Executive or former-Executive satisfies any Clawback Condition (whether prior to his/her Termination of Employment or thereafter), the Employer Company and/or the Company shall be entitled, but not obliged:

9.1.1. in the event the Executive still holds all or any portion of the Clawback Shares, to:

9.1.1.1. acquire the Clawback Shares from the Executive for an aggregate purchase price of R1.00; and/or

9.1.1.2. cancel the Clawback Shares; and/or

- 9.1.2. deliver a written demand to the Executive demanding that the Executive pay to the Employer Company the Rand amount equal to the number of Clawback Shares which have not been repurchased or cancelled in terms of clause 9.1.1 multiplied by the Market Price of such Shares as at the Vesting Date of such Shares, in which case this Rand amount shall become immediately due and payable to the Clawback Company by the Executive; and/or
- 9.1.3. a combination of clauses 9.1.1 and 9.1.2.
- 9.2. By the acceptance by an Executive of an Award, the Executive shall undertake to sign all such documents and do all such other things as may be necessary or desirable to enable the Employer Company and/or the Company to give effect to clause 9.1, failing which the Executive shall be deemed to have irrevocably appointed such person as may be nominated by the Employer Company and/or the Company in writing, *in rem suam* as his/her lawful attorney and agent to sign all such documents and do all such other things as may be necessary or desirable to enable the Employer Company and/or the Company to give effect to clause 9.1.
- 9.3. For the avoidance of any doubt, the provisions of this clause 9 shall continue to apply to an Executive indefinitely after any Vesting Date, whether or not such person is still an Executive at the time that the Clawback Condition is met or at the time the Employer Company becomes aware of the occurrence of a Clawback Condition.

10. **AMENDMENT OF THE SCHEME**

- 10.1. It shall be competent for the Board and the Trustees to amend any of the provisions of this Scheme, subject to the approval of the JSE, provided that:
- 10.1.1. 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
- 10.1.2. 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 general meeting is obtained (excluding all the votes attached to Award Shares issued under the Scheme held by persons who are existing Participants in the Scheme, if such Award Shares may be impacted by the amendments).
- 10.2. Notwithstanding the provisions of clause 10.1.1, if it should become necessary or desirable by reason of the enactment of any new legislation at any time after the signing of this document, to amend the provisions of this document so as to preserve the substance of the provisions contained in this document but amend the form so as to achieve the objectives

embodied in this document in the best manner having regard to such new legislation and without prejudice to the Participants concerned, then the Board and the Trustees may amend this document accordingly, provided that the approval of the JSE has been obtained.

11. ADMINISTRATION

- 11.1. Subject to the Act, the JSE Listings Requirements and the provisions of the Scheme, the Board shall be entitled to make such rules and regulations, and to amend the same from time to time, as they may deem necessary or expedient for the proper implementation and administration of this Scheme.
- 11.2. The day-to-day administration of the Scheme shall be undertaken by the Compliance Officer on behalf of the Company and the Employer Companies.
- 11.3. The Company, or the Employer Companies, if so determined by the Company, shall:
 - 11.3.1. bear all costs of and incidental to the implementation and administration of the Scheme;
 - 11.3.2. provide all secretarial, accounting, administrative, legal and financial advice and services, office accommodation, stationery and so forth for the purposes of this Scheme;
 - 11.3.3. be entitled to recover from the Trust all the abovementioned costs if the Trust is able to pay these costs from its own resources and, in addition, shall be entitled to be paid a fee to be determined by the Board, after consultation with the Trustees, for performing the duties and providing the services set out in clause 11.3.2 if the Trust has any surplus resources;
 - 11.3.4. bear any loss sustained or tax payable by the Trust in connection with the administration of the Scheme by the Trustees and shall, with the consent of the Trustees, be entitled to any surplus of the Trust from time to time.
- 11.4. No executive directors of the Company may be appointed as Trustees. Subject to any restrictions in the Companies Act, non-executive directors of the Company may be appointed as Trustees, provided that they do not benefit from the Scheme.
- 11.5. No Trustee shall be eligible for participation under the Scheme.
- 11.6. Any Shares held by the Trust (other than as nominee) from time to time will:
 - 11.6.1. not have their votes taken into account at a general meeting or annual general meeting of the Company for the purposes of resolutions proposed in terms of the JSE Listing Requirements;

- 11.6.2. not be taken into account for purposes of determining categorisations as detailed in Section 9 of the JSE Listings Requirements.

12. ANNUAL ACCOUNTS

The Company shall summarise in its annual financial statements the number of Shares which were available to be utilised for the purpose of the Scheme at the commencement of the financial period in question, the number of Shares in respect of which Awards were granted (whether vested or not yet vested) and the number of Shares reserved for the Scheme in respect of which Awards have not yet been granted on the last day of the financial period in question. The Company shall also report on any adjustment made in terms of clause 6 above in its annual financial statements in the financial period during which the adjustment is made.

13. DISPUTES

- 13.1. Save as otherwise provided in this document, should any dispute of whatever nature arise in regard to the interpretation or effect of, or the validity, enforceability or rectification (whether in whole or in part) of, or the respective rights or obligations of the parties under, or a breach or termination or cancellation of, this document, then the dispute shall, unless the parties thereto otherwise agree in writing, be referred for determination to an expert (the “**Expert**”) in accordance with the remaining provisions of this clause 13.
- 13.2. The Expert shall:
- 13.2.1. if the matter in issue is primarily an accounting matter, be an independent practising chartered accountant of not less than 15 (fifteen) years standing;
 - 13.2.2. if the matter in issue is primarily a legal matter, be a practising attorney or advocate of not less than 15 (fifteen) years’ standing;
 - 13.2.3. if the matter in issue is any other matter, be an independent accountant or be an attorney or advocate as envisaged in clauses 13.2.1 or 13.2.2 or be any other independent suitably qualified person.
- 13.3. The parties to the dispute shall agree on the identity of the Expert to be appointed or, failing such agreement within 14 days after the dispute arises, such Expert shall be appointed by the President for the time being of the Cape Law Society or his successor-in-title at the request of any party to the dispute.
- 13.4. The Expert selected as aforesaid shall in all respects act as an expert and not as an arbitrator.
- 13.5. The Expert shall be vested with an entire discretion as to the procedure to be followed in arriving at his decision. It shall not be necessary for the Expert to observe or carry out either

the strict rules of evidence or any other legal formalities or procedures, but the Expert shall be bound to follow principles of law in deciding matters submitted to him.

- 13.6. The Expert shall have the power, *inter alia*, to:
- 13.6.1. investigate or cause to be investigated any matter, fact or thing which he considers necessary or desirable in connection with the dispute and, for that purpose, shall have the widest powers of investigating all the books, records, documents and other things in the possession of any party to the dispute or the Company or under its control, the right to inspect goods and property of the parties and the Company, the right to take copies and/or make extracts therefrom and the right to have them produced and/or delivered at any place reasonably required by him for the aforesaid purposes;
 - 13.6.2. interview and question under oath any of the parties or other parties to the dispute, including the right to cross examine such parties;
 - 13.6.3. summon witnesses;
 - 13.6.4. record evidence;
 - 13.6.5. make an interim award;
 - 13.6.6. make an award regarding legal fees/costs and the Expert's remuneration. If he fails or declines to do so, then each of the parties to the dispute shall bear and pay its own costs. Until such time as the Expert's decision is given, the parties to the dispute shall bear and pay such costs in equal shares;
 - 13.6.7. call for the assistance of any other person who he may deem necessary to assist him in arriving at his decision;
 - 13.6.8. exercise any additional powers which may be exercised by an arbitrator in terms of the Arbitration Act, 42 of 1965.
- 13.7. Any hearing by the Expert shall be held in Cape Town.
- 13.8. The parties shall use their best endeavours to procure that the decision of the Expert shall be given within thirty days or so soon thereafter as is possible after it has been demanded.
- 13.9. The decision of the Expert shall be final and binding on all parties affected thereby, shall be carried into effect and may be made an order of any competent court at the instance of any party to the dispute.

13.10. This clause constitutes an irrevocable consent by the Company, the Trustees and all Award Holders and Participants to any proceedings in terms thereof and no such party shall be entitled to withdraw therefrom or to claim at any such proceedings that it is not bound by this clause 13.

13.11. This clause 13 shall not preclude any party from obtaining relief by way of motion proceedings on an urgent basis or from instituting any interdict, injunction or any similar proceedings in any court of competent jurisdiction pending the decision of the Expert.

13.12. Subject to clause 13.6.8, the provisions of the Arbitration Act, 42 of 1965 shall not apply in respect of this clause 13 or any other provision of this document.

13.13. This clause is severable from the rest of this document and shall remain in effect even if this document is terminated for any reason.

14. TERMINATION OF THE SCHEME

The Scheme shall terminate if there are no longer any Award Holders or Participants, and the Board and the Trustees so resolve.

15. DOMICILIUM AND NOTICES

15.1. The parties choose *domicilium citandi et executandi* for all purposes arising from this Scheme, including, without limitation, the giving of any notice, the payment of any sum, the serving of any process, as follows:

15.1.1. the Company : The registered address of the Company from time to time

Marked for attention: Company Secretary;

15.1.2. each Award Holder or Participant: The business address of the Company where such Award Holder or Participant is employed from time to time.

15.1.3. the Trust care of the Company

15.2. Each of the parties shall be entitled from time to time, by written notice to the other, to vary its *domicilium* to any other physical address within the Republic of South Africa and/or its facsimile number.

15.3. Any notice given and any payment made by any party to the other which:

- 15.3.1. is delivered by hand during the normal business hours of the addressee at the addressee's *domicilium* for the time being shall be rebuttably presumed to have been received by the addressee at the time of delivery;
- 15.3.2. is posted by prepaid registered post from an address within the Republic of South Africa to the addressee at the addressee's *domicilium* for the time being shall be rebuttably presumed to have been received by the addressee on the tenth day after the date of posting.
- 15.4. Any notice given by any party to any other party which is transmitted by facsimile to the addressee at the addressee's facsimile address (provided in terms of clause 15.2) for the time being shall be presumed, until the contrary is proved by the addressee, to have been received by the addressee on the date of successful transmission thereof.
- 15.5. Share certificates and other communications sent by post will be sent at the risk of the Executive concerned and the Company shall have no liability whatsoever to any such person in respect of any notification, document, share certificate or other communication so given, sent or made.

16. GENERAL

- 16.1. If the Company and/or the Employer Company is obliged in any jurisdiction to account for tax, contributions or any other imposition for which the Participant in question is liable by virtue of the vesting of the Awards and the Company and/or the Employer Company is not able to withhold the appropriate amount from that Participant's remuneration or has not received from the Participant the necessary amount, the Committee shall be entitled to discharge such liability by selling sufficient Award Shares which have validly vested and allotting or procuring the transfer of the balance of the Award Shares to the Participant.
- 16.2. The rights and obligations of an Executive under the terms and conditions of the Executive's office or employment shall not be affected by the Executive's participation in this Scheme or any right the Executive may have to participate in this Scheme. An individual who participates in this Scheme waives all and any rights to compensation or damages in consequence of the termination of that individual's office or employment with any company for any reason whatsoever - whether lawful or unlawful - insofar as those rights arise or may arise from ceasing to have rights under, or to be entitled to any Awards under, this Scheme as a result of such termination or from the loss or diminution in value of such rights or entitlements. If necessary, the Executive's terms of employment shall be varied accordingly.
- 16.3. Neither the grant of an Award nor any benefit which may accrue on the vesting of an Award shall form part of an Executive's pensionable remuneration for the purposes of any pension

plan or similar arrangement which may be operated by the Company and/or the Employer Company.

- 16.4. All allotments, issues and transfers of Award Shares under this Scheme will be subject to the Company obtaining any consents required under any relevant legislation in South Africa or elsewhere and the Award Holders will be responsible for complying with all relevant requirements in order to obtain or avoid the necessity for any such consent.
- 16.5. It is a condition of participation in this Scheme that an Executive agree to the holding of information about the Executive by the Company authorise the Company and its agents and advisers to use such information according to these rules for the purposes of this Scheme. It is a further condition of participation in this Scheme that each Award Holder or Participant agrees that data concerning such Executive's participation may be processed by agents of the Company wherever located and where necessary transmitted outside of South Africa. Each Award Notice shall contain statements to this effect.
- 16.6. This Scheme and all Awards granted under it shall be governed by and construed in accordance with the laws of South Africa and any dispute shall be subject to the exclusive jurisdiction of the South African Courts.

17. **EMPLOYER COMPANIES**

The Company shall procure that an Employer Company adopts this Scheme by written notice to the Trust at any time before such Employer Company provides any financial assistance to the Trust for purposes of the Scheme.

/

LEWIS GROUP LIMITED

Signature: _____
who warrants that he / she is duly authorised thereto

Name: _____

Date: _____

Place: _____

Witness: _____

Witness: _____

**THE TRUSTEES FOR THE TIME BEING OF THE LEWIS EMPLOYEE INCENTIVE
SCHEME TRUST**

Signature: _____
who warrants that he / she is duly authorised thereto

Name: _____

Date: _____

Place: _____

Witness: _____

Witness: _____

PERFORMANCE CRITERIA**Part A – Long Term Performance Criteria**

1. Headline Earnings per Share

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

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

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

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

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

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

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

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

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

5. Gearing ratio

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

Part B – Short Term Performance Criteria

1. Headline Earnings per Share

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

2. Quality of Debtors Book

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

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

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

3. Gross margin

Gross profit as a percentage of merchandise sales.