



PEPKOR

Holdings Limited



2020 NOTICE OF ANNUAL GENERAL MEETING



NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS FOR THE YEAR ENDED 30 SEPTEMBER 2020

(Registration number: 2017/221869/06)
JSE share code: PPH
JSE debt code: PPHI
ISIN: ZAE000259479
(Pepkor or the company)

Notice is hereby given in terms of section 62(1) of the Companies Act, No. 71 of 2008, as amended (Companies Act) that the annual general meeting of shareholders of Pepkor will be held in electronic format as permitted by the JSE Listings Requirements, and in terms of the provisions of the Companies Act and the company's memorandum of incorporation (MOI) at 09:00 on Wednesday, 10 March 2021 (the AGM), for the purpose of (i) considering and, if deemed fit, to pass and approve, with or without modification, the ordinary and special resolutions set out hereunder and (ii) dealing with such other business as may be dealt with at the AGM, or at any adjournment or postponement thereof, in the manner required by the company's MOI, the Companies Act and subject to the JSE Listings Requirements.

Due to the continued restrictions placed on public gatherings and the social distancing requirements relating to the COVID-19 (Coronavirus) pandemic, Pepkor has decided to conduct the AGM entirely by electronic communication. Shareholders are encouraged to make use of the Form of Proxy to cast their votes if they do not wish to participate electronically.

There will be no in-person registration for the AGM.

This notice of AGM includes the attached Form of Proxy. Shareholders' attention is directed to the additional notes and instructions on the back of the Form of Proxy.

Purpose

The purpose of the AGM is to transact the business set out hereafter.

Agenda

1. Presentation of the annual financial statements and the reports of the directors, the audit and risk committee and the social and ethics committee

Presentation of the consolidated audited annual financial statements of Pepkor and its subsidiaries, and the report of the social and ethics committee, for the year ended 30 September 2020.

The full audited consolidated annual financial statements for the year ended 30 September 2020, together with the reports of the directors, the audit and risk committee and the external auditors, are available on the company's website (www.pekor.co.za) or can be requested and obtained in person, at no charge, from the company at its registered office during office hours.

A summarised version of the annual financial statements is enclosed with this notice of AGM. The report of the social and ethics committee is included as Annexure A.

2. To consider and, if deemed fit, approve, with or without modification, the following ordinary resolutions:

Note:

1. *For ordinary resolution numbers 1 to 7 to be adopted, more than 50% of the voting rights exercised on the applicable ordinary resolution must be exercised in favour thereof.*
2. *Ordinary resolution numbers 8 and 9 are tabled for non-binding advisory votes. In the event that more than 25% of the voting rights exercised are against either resolution, or both resolutions, the company will initiate an engagement process with shareholders to ascertain the reasons for the dissenting votes and will give consideration to the reasons provided.*

2.1 Re-election of directors who retire by rotation

The company's MOI states that one-third of the company's non-executive directors shall retire by rotation at each annual general meeting of shareholders. The nomination committee of the company has determined that the directors whose names appear in ordinary resolution numbers 1 to 3 are the directors who will be retiring and are required to stand for re-election. The nomination committee has determined that they are available for re-election and supports their re-appointment. The summary curricula vitae of the directors standing for re-election and the curricula vitae of the members of the audit and risk committee, who are standing for election in terms of ordinary

resolution numbers 4, 5 and 6, are included as Annexure B.

2.1.1 Ordinary resolution number 1

Resolved that Ms WYN Luhabe, who is required to retire as a director of the company at this AGM and who is eligible and available for re-election, is hereby re-elected as a director of the company.

2.1.2 Ordinary resolution number 2

Resolved that Mr LJ du Preez, who is required to retire as a director of the company at this AGM and who is eligible and is available for re-election, is hereby re-elected as a director of the company.

2.1.3 Ordinary resolution number 3

Resolved that Mr JB Cilliers, who is required to retire as a director of the company at this AGM and who is eligible and available for re-election, is hereby re-elected as a director of the company.

2.2. Re-appointment of the members of the audit and risk committee of the company

The board has determined that the audit committee, established in terms of the Companies Act, be supplemented with the responsibility for the oversight of risk. The committee is accordingly called the audit and risk committee. In terms of section 94(2) of the Companies Act, the members of the committee are required to be appointed, or re-appointed, as the case may be, at each annual general meeting of shareholders of such company. It is proposed and recommended by the board that the persons mentioned in ordinary resolution numbers 4, 5 and 6 be re-appointed as members of the audit and risk committee of the company.

2.2.1 Ordinary resolution number 4

Resolved that, subject to the passing of ordinary resolution number 3, Mr JB Cilliers, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the company, as recommended by the board, until the next annual general meeting of the company.

2.2.2 Ordinary resolution number 5

Resolved that Ms F Petersen-Cook, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the company, as recommended by the board, until the next annual general meeting of the company.

2.2.3 Ordinary resolution number 6

Resolved that Mr SH Müller, being eligible, be and is hereby re-appointed as a member of

the audit and risk committee of the company, as recommended by the board, until the next annual general meeting of the company.

2.3. Re-appointment of auditor

In terms of section 90(1) of the Companies Act, the company is required to seek shareholder approval for the appointment or the re-appointment, as the case may be, of the auditor at each annual general meeting of shareholders of such company. The board supports the re-appointment of PricewaterhouseCoopers Inc.

2.3.1 Ordinary resolution number 7

Resolved that PricewaterhouseCoopers Inc. be and is hereby re-appointed as auditor of the company for the ensuing financial year or until the next annual general meeting of the company, whichever is the later, with the designated auditor being Mr D de Jager, as registered auditor and partner in the firm, on the recommendation of the audit and risk committee of the company.

2.4. Non-binding advisory vote on Pepkor's remuneration policy

The reason for ordinary resolution number 8 is that the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV™)* recommends, and the JSE Listings Requirements require, that the remuneration policy of a company be tabled for a non-binding advisory vote by shareholders at each annual general meeting of such company. This enables shareholders to express their views on the remuneration policy. The effect of ordinary resolution number 8, if passed, will be to endorse the company's remuneration policy. Ordinary resolution number 8 is of an advisory nature only. Failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration agreements. However, the board will take the outcome of the vote into consideration and, if appropriate, will engage with shareholders when contemplating amendments to the company's remuneration policy.

2.4.1 Ordinary resolution number 8

Resolved that the company's remuneration policy, as set out in Annexure C of this notice of annual general meeting, be and is hereby endorsed by way of a non-binding advisory vote.

2.5. Non-binding advisory vote on Pepkor's implementation report on the remuneration policy

The reason for ordinary resolution number 9 is that King IV™ recommends, and the JSE Listings Requirements require, that the implementation report on a company's remuneration policy be

tabled for a non-binding advisory vote by shareholders at each annual general meeting of such company. This enables shareholders to express their views on the implementation of a company's remuneration policy. The effect of ordinary resolution number 9, if passed, will be to endorse the company's implementation report in respect of its remuneration policy. Ordinary resolution number 9 is of an advisory nature only. Failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration agreements. However, the board will take the outcome of the vote into consideration when contemplating amendments to the implementation of the company's remuneration policy.

2.5.1 Ordinary resolution number 9

Resolved that the company's implementation report in respect of its remuneration policy, as set out in Annexure C of this notice of AGM, be and is hereby endorsed by way of a non-binding advisory vote.

3. To consider and, if deemed fit, approve, with or without modification, the following special resolutions:

Note:

For special resolution numbers 1 to 3 (inclusive) to be adopted, at least 75% of the voting rights exercised on the applicable special resolution must be exercised in favour thereof.

3.1. Remuneration of non-executive directors

The reasons for special resolution numbers 1.1 to 1.13 are for the company to obtain the approval of shareholders by way of special resolutions for the payment of remuneration to its non-executive directors in accordance with the requirements of the Companies Act. In terms of best practice, approvals are sought by way of separate resolutions.

The fees, other than the fees in respect of special resolution number 1.13, are the same as approved by shareholders in March 2020. The board has recommended no increase in the fees paid to non-executive directors.

As a consequence of the company's interest in its insurance subsidiary, the Prudential Authority, as a condition to its approval of the company's acquisition of the insurance company, requires that an independent non-executive director, approved by the Prudential Authority, with sufficient experience, be appointed to the board, to be responsible for overseeing insurance compliance on the Pepkor board. In respect of special resolution 1.13, Ms Petersen-Cook has been approved as the independent non-executive director by the Prudential Authority, and will be responsible for overseeing the insurance compliance function on

the board. The proposed fee will be paid to Ms Petersen-Cook. The fee proposed is 50% of the fee paid to a member of the audit and risk committee.

The effect of special resolution numbers 1.1 to 1.13, if passed, is that the company will be able to pay its non-executive directors for the services they render to the company as non-executive directors, which includes serving on various subcommittees, until the next annual general meeting of the company.

3.1.1 Special resolution number 1.1:

Remuneration of the chairman of the board

Resolved that the chairman of the board be paid an annual fee of R1 932 000.

3.1.2 Special resolution number 1.2:

Remuneration of the lead independent director

Resolved that the lead independent director of the board be paid an annual fee of R840 000.

3.1.3 Special resolution number 1.3:

Remuneration of the board members

Resolved that the board members be paid an annual fee of R661 500.

3.1.4 Special resolution number 1.4:

Remuneration of the audit and risk committee chairman

Resolved that the audit and risk committee chairman be paid an annual fee of R496 650.

3.1.5 Special resolution number 1.5:

Remuneration of the audit and risk committee members

Resolved that the members of the audit and risk committee be paid an annual fee of R276 150.

3.1.6. Special resolution number 1.6:

Remuneration of the human resources and remuneration committee chairman

Resolved that the human resources and remuneration committee chairman be paid an annual fee of R276 150.

3.1.7 Special resolution number 1.7:

Remuneration of the human resources and remuneration committee members

Resolved that the human resources and remuneration committee members be paid an annual fee of R138 075.

3.1.8 Special resolution number 1.8:

Remuneration of the social and ethics committee chairman

Resolved that the social and ethics committee chairman be paid an annual fee of R226 800.

3.1.9 Special resolution number 1.9:

Remuneration of the social and ethics committee members

Resolved that the social and ethics committee members be paid an annual fee of R121 800.

3.1.10. Special resolution number 1.10:

Remuneration of the nomination committee chairman

Resolved that the nomination committee chairman be paid a fee of R27 615 per meeting.

3.1.11 Special resolution number 1.11:

Remuneration of the nomination committee members

Resolved that the nomination committee members be paid a fee of R16 590 per meeting.

3.1.12 Special resolution number 1.12:

Remuneration for non-scheduled extraordinary meetings

Resolved that, in respect of non-scheduled extraordinary meetings, the fee payable is R4 410 per hour.

3.1.13 Special resolution number 1.13:

Remuneration paid to the director approved by the Prudential Authority who will oversee insurance compliance

Resolved that, in respect of services provided by the non-executive director approved by the Prudential Authority for ensuring insurance compliance, that director be paid an annual fee of R138 075.

Notes:

1. Other than the fees in respect of special resolution numbers 1.10, 1.11 and 1.12, the fees are paid for services rendered as non-executive directors and are not based on meetings attended.
2. Other than the fees in respect of resolution numbers 1.10, 1.11 and 1.12, the fees are to be paid quarterly in arrears, effective 1 April 2021 to 31 March 2022, and are exclusive of value-added tax (VAT). VAT is payable thereon if the non-executive director is VAT registered. The fees in respect of special resolution number 1.13 are to be paid in respect of services rendered for the period commencing on 1 October 2020 until 31 March 2022 on a prorated basis.
3. The chairman does not receive any further payments for participation in scheduled committee meetings of the board.
4. The lead independent director does not receive the fees proposed for members of the board in terms of special resolution number 1.3.
5. The fees proposed in special resolution number 1.12 are for non-scheduled extraordinary meetings attended by the

non-executive directors. Fees paid in terms of special resolution number 1.12 are only paid if proposed by the company secretary and approved by the chief executive officer and chairman of the company. Fees in respect of the chairman would be approved by the chairman of the human resources and remuneration committee. Fees paid in terms of special resolution number 1.12 would be for attendance only and exclude travel and preparation time.

3.2. Financial assistance to subsidiary companies

The reason for and effect, if passed, of special resolution number 2 is to grant the board the authority, until the next annual general meeting of the company, to provide direct or indirect financial assistance to any subsidiary company or corporation. This means that the company is, inter alia, authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

The resolution specifically excludes financial assistance to its directors and prescribed officers and other related parties as is stipulated by the Companies Act.

3.2.1 Special resolution number 2: Intercompany financial assistance

Resolved in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval, that the board be and is hereby authorised to approve that the company provides any direct or indirect financial assistance ('financial assistance' will herein have the meaning attributed to it in section 45(1) of the Companies Act) that the board may deem fit to any subsidiary company or corporation, on the terms and conditions and for amounts that the board may determine, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the company.

In terms of and pursuant to the provisions of section 45 of the Companies Act, the directors of the company confirm that the board will satisfy itself, after considering all reasonably foreseeable financial circumstances of the company, that immediately after providing any financial assistance as contemplated in special resolution number 2:

- ▶ the assets of the company (fairly valued) will equal or exceed the liabilities of the company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the company); and
- ▶ the company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months.

In addition, the board will only approve the provision of any financial assistance contemplated in special resolution number 2 above where:

- ▶ the board is satisfied that the terms under which any financial assistance is proposed to be provided will be fair and reasonable to the company; and
- ▶ all relevant conditions and restrictions (if any) relating to the granting of financial assistance by the company as contained in the company's MOI have been met.

3.3. General authority to repurchase shares

The reason for and effect, if passed, of special resolution number 3 is to grant the directors a general authority in terms of the company's MOI and the JSE Listings Requirements for the acquisition by the company or by a subsidiary of the company of shares issued by the company on the basis reflected in special resolution number 3.

A repurchase of shares is not contemplated at the date of this notice of AGM. However, the board believes it to be in the best interests of the company to have flexibility to repurchase shares as and when appropriate opportunities arise. Accordingly, the board may avail itself of this authority. Should the company decide to repurchase shares, it will not do so unless, in the opinion of the directors, all the prescribed statutory, solvency, liquidity and capital adequacy requirements are capable of being fulfilled.

3.3.1 Special resolution number 3: General authority to repurchase shares issued by the company

Resolved that the repurchase by the company of shares issued by it, on such terms and conditions as may be determined by the board of directors of the company, and the acquisition by any subsidiary of the company of shares issued by the company, on such terms and conditions as may be determined by the board of directors of any such subsidiary company, be and is hereby authorised as a general approval in terms of the JSE Listings Requirements, provided that:

- ▶ such repurchase is permitted by and is in accordance with the provisions of the Companies Act, the JSE Listings Requirements and the company's MOI;
- ▶ the general authority shall be valid until the next annual general meeting of the company or for a period of 15 (fifteen) months from the date of passing of this

- special resolution (whichever period is shorter);
- ▶ this general authority shall be limited to a maximum of 5% (five per cent) in the aggregate in any one financial year of the company's issued share capital at the time the authority is granted;
 - ▶ repurchases shall not be made at a price more than 5% (five per cent) above the weighted average of the market value of the securities traded for the 5 (five) business days immediately preceding the date on which the transaction is effected. The JSE will be consulted for a ruling if the company's securities have not traded in such five-business-day period;
 - ▶ the general repurchase of securities is implemented through the order book operated by the JSE trading system (open market) and done without any prior understanding or arrangement between the company and the counterparty;
 - ▶ the company will, at any point in time, appoint only one agent to effect the repurchase(s) on the company's behalf;
 - ▶ the company may not affect a repurchase during any prohibited period as defined in terms of the JSE Listings Requirements, unless implemented in accordance with a repurchase programme which was in place prior to the prohibited period and which programme has been submitted to the JSE in writing and the terms of such repurchase programme have been determined prior to the commencement of the prohibited period, and the repurchase programme will be executed by an independent third party appointed by the company prior to the commencement of the prohibited period;
 - ▶ an announcement must be published as soon as the company has acquired shares constituting, on a cumulative basis, 3% (three per cent) of the number of shares in issue on the date that this authority is granted, containing full details thereof, as well as for each 3% (three per cent) in aggregate of the initial number of shares acquired thereafter; and
 - ▶ the directors shall have passed a resolution, authorising any repurchase and confirming that the company and its subsidiaries (the group) have satisfied the solvency and liquidity test as required by the Companies Act and that, since the test was performed,

there have been no material changes to the financial position of the group.

In terms of section 48(2)(b)(i) of the Companies Act, subsidiaries may not hold more than 10% (ten per cent), in aggregate, of the number of the issued shares of any class of a company. For the avoidance of doubt, a pro rata repurchase by the company from all its shareholders will not require shareholder approval, save to the extent as may be required by the Companies Act.

Information and statement relating to this special resolution

In accordance with paragraph 11.26 of the JSE Listings Requirements, the attention of shareholders is drawn to:

- ▶ the importance of this resolution – should shareholders be in any doubt as to which action to take, they are advised to consult appropriate independent advisors; and
- ▶ the following information, details of which are reflected in Annexure D to this notice of AGM regarding the:
 - major shareholders of the company; and
 - number of authorised and issued shares in the company.

Responsibility statement

The directors whose names are given in the Corporate information section to this notice of AGM collectively and individually accept full responsibility for the accuracy of the information given in this notice of AGM 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;
- ▶ this notice of AGM contains all information required by law and the JSE Listings Requirements;
- ▶ confirm that there have been no material changes in the financial or trading position of the group since the publication of the financial results for the year ended 30 September 2020 and the date of this notice of AGM; and that,
- ▶ after having considered the effect of a maximum repurchase of shares, for a period of 12 (twelve) months after the date of this notice of AGM, in their opinion:
 - the company shall satisfy the solvency and liquidity test as contemplated in the Companies Act;
 - the company and the group will be able to pay its debts as they become due in the ordinary course of business;
 - the assets of the company and the group, fairly valued in accordance with International Financial Reporting Standards, will be equal to or in excess of the liabilities of

the company and the group, fairly valued in accordance with International Financial Reporting Standards;

- the share capital and reserves of the company and the group will be adequate for ordinary business purposes; and
- the working capital of the company and the group will be adequate for ordinary business purposes.

Other business

To transact such other business as may be transacted at an AGM or raised by shareholders with or without advance notice to the company.

for and on behalf of the Pepkor board



PEPKOR PROPRIETARY LIMITED
Company secretary

29 January 2021

Record dates and last day to trade

Record dates

The record date on which shareholders must be recorded in the register of shareholders of the company for the purposes of receiving notice of this AGM is Friday, 22 January 2021.

The record date on which shareholders must be recorded in the register of shareholders of the company for the purposes of being entitled to attend and vote at the AGM is Friday, 5 March 2021.

The last day to trade in ordinary shares of the company in order to be entitled to participate in and vote at the AGM is Tuesday, 2 March 2021.

Attendance, voting and proxies

1. Any shareholder entitled to participate and vote at the AGM is entitled to appoint a proxy to participate, speak and vote on his/her behalf. The Form of Proxy attached to this notice of AGM should be completed by those shareholders who are:
 - ▶ holding shares in certificated form; or
 - ▶ own-name registered dematerialised shareholders.
2. All other beneficial owners who have dematerialised their shares through a central securities depository participant (CSDP) or broker and wish to attend the AGM, must instruct their CSDP or broker to provide them with a letter of representation, or they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.
3. Note that voting will be performed by way of a poll and, accordingly, each shareholder will have one vote in respect of each ordinary vote held.
4. Attention is drawn to the notes attached to the Form of Proxy.
5. Forms of Proxy, together with proof of identification (i.e. identity document, driver's licence or passport) and authority to do so (where acting in a representative capacity) must be lodged or posted to the company's transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 or posted to the transfer secretaries at Private Bag X9000, Saxonwold 2132, South Africa or e-mailed to proxy@computershare.co.za so as to be received by no later than 09:00 on Monday, 8 March 2021, provided that Forms of Proxy which are not delivered timeously to the transfer secretaries may still be submitted at any time prior to the proxy exercising any rights of the shareholder at the AGM, subject to the transfer secretaries verifying the Form of Proxy and proof of identification before shareholder rights are exercised.
6. The completion of a Form of Proxy will not preclude a shareholder from participating in the AGM.

Electronic registration and participation

The AGM will be conducted entirely by electronic communication (including voting) as contemplated by section 63(2)(a) of the Companies Act. The procedure for participation by electronic communication is set out hereunder.

Registration

Shareholders who wish to participate in the AGM should register online at www.smartagm.co.za by no later than 14:00 on Monday, 8 March 2021. Shareholders may still register online to participate in and/or vote electronically at the AGM after this date and time provided that, for those shareholders to participate and/or vote electronically at the AGM, they must be verified and registered prior to exercising any rights at the AGM. As part of the registration process, you will be requested to upload proof of identification (i.e. identity document, driver's licence or passport) and authority to do so (where acting in a representative capacity) as well as to provide details, such as your name, surname, e-mail address, contact number and number of Pepkor shares held.

Following successful registration, the transfer secretaries will provide you with a username and a password in order to connect electronically to the AGM.

Participation

Participation in the AGM is through the Lumi App or website by following the steps set out at www.smartagm.co.za. The Lumi App can be downloaded from the Apple App Store or Google Play Store.

Once either the Lumi AGM App has been downloaded or www.web.lumiagm.com has been entered into the web browser, the user will be prompted to enter the meeting ID followed by a requirement to enter the user's:

- (a) username; and
- (b) password.

The meeting ID is: 172-899-515.

To log in, users must have their username and password, which can be requested from proxy@computershare.co.za or by registering on www.smartagm.co.za.

The electronic communication employed will enable all persons participating in the AGM to communicate concurrently with one another without an intermediary and to participate effectively in the AGM. Voting of shares will be possible via electronic communication. Once the AGM has commenced, participants will be able to vote via the voting platform.

ALTHOUGH VOTING WILL BE PERMITTED BY WAY OF ELECTRONIC COMMUNICATION, SHAREHOLDERS ARE ENCOURAGED TO SUBMIT VOTES BY PROXY BEFORE THE AGM.

Shareholders are further encouraged to submit any questions to the company secretary by e-mail to iani@pepkor.co.za, by no later than 14:00 on Monday, 8 March 2021. These questions may be addressed at the AGM or responded to by e-mail. A question facility will also be available on the Lumi App.

Shareholders should take note of the following:

Shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the AGM. Any such charges will not be for the account of the company or its service providers. Neither the company nor its service providers can be held accountable in the case of loss of network connectivity or other network failures due to insufficient airtime or data, internet connectivity, internet bandwidth and/or power outages, which prevent any shareholder from participating in and/or voting at the AGM.

Company secretary

Pepkor Proprietary Limited
36 Stellenberg Road, Parow Industria 7493
(PO Box 6100, Parow East 7501, South Africa)
Tel: +27 21 929 4800

Transfer secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank 2196
(Private Bag X9000, Saxonwold 2132, South Africa)
Tel: +27 11 370 5000
E-mail: proxy@computershare.co.za

ANNEXURE A

Social and ethics committee report

Within the scope of our social responsibility and the purpose of the group, we are focused on making a positive difference in the lives of our customers.

The social and ethics committee (SEC or the committee) is a statutory committee, established in terms of section 72 of the Companies Act, No. 71 of 2008, as amended. The committee is defined by its terms of reference, which are shaped by the statutory duties of the committee, as specified in regulation 43 to the Companies Act, and the JSE Listings Requirements.

Committee composition and meetings

The committee is chaired by independent non-executive director Fagmeedah Petersen-Cook and further comprises independent non-executive director Wendy Luhabe and the CEO Leon Lourens. As per the recommendations of King IV™, the committee meets the requirement of executive and non-executive directors, with a majority being non-executive members.

Director	Qualifications
F Petersen-Cook Chairman	BBusSc (Act.Sc.), FIFoA, FASSA, PGDip (MgtPrac), CD(SA), IoDSA (Cert.Dir.)
WYN Luhabe Member	BCom
LM Lourens Member	HND (HR), BCom (Marketing)

The human resources (HR) executive, head of internal audit, the compliance manager, the investor relations executive and various other specialists attend the committee meetings by invitation. The company secretary of the group acts as the secretary of this committee.

The committee held three scheduled meetings during the period under review. All members were present at all three meetings.

Role of the committee

In accordance with regulation 43 of the Companies Act, in addition to the board's responsibilities to its shareholders, it is required to pay attention to the matters of the SEC. The SEC oversees the sustainability agenda of the group. It monitors and reports on the group's activities with regard to relevant legislation, legal requirements and prevailing codes of best

practice within the sustainability context relating to:

- ▶ social and economic development;
- ▶ good corporate citizenship;
- ▶ the environment;
- ▶ health and public safety;
- ▶ consumer relationships; and
- ▶ labour and employment.

Principles and structures for facilitating good governance are in place throughout the group's operations. The board is committed to ensuring that these are reviewed regularly to improve effectiveness. Principles and structures specifically related to sustainability include:

- ▶ oversight of ethical leadership;
- ▶ ensuring responsible corporate citizenship;
- ▶ adhering to organisational values, ethics and culture;
- ▶ guiding and supporting strategic implementation and performance measurement (ensuring that the group can continue to create sustainable value);
- ▶ reviewing and improving reporting and disclosure;
- ▶ developing an awareness of the environment and the risks of climate change; and
- ▶ deepening the transformation activities of the group in all areas of B-BBEE.

Within the context of Pepkor's decentralised structure, the group's operational management is responsible for ensuring compliance with laws and policies and communicating relevant requirements to their employees. Divisional business leaders serve on Pepkor's executive committee to assist the chief executive officer (CEO) in fulfilling his responsibilities. The CEO is responsible for all group operations and is accountable to the board of directors.

While the board has delegated certain powers and authority to executive management and board committees, ultimate responsibility for full and effective control of the group rests with the board. The board is also responsible for setting an ethical tone and for creating a culture of integrity and compliance characterised by high levels of transparency and disclosure. The board's function is assisted and supplemented by the SEC.

Our code of ethics clearly states that it is the duty of all directors and all managers of the group to ensure that ethical standards and policies of the group are made known to all employees. Ultimately, however, it is up to each of us to adhere to Pepkor's values of dignity and respect, trust and credibility, to deliver value and affordability to our customers,

and to perform our duties in accordance with all laws and regulations.

Critical sustainability issues are dealt with at the highest level of authority and may be escalated to the board. However, it remains the responsibility of each employee and extended stakeholder to observe the principles set out in the group's code of ethics, and to act in accordance with the laws and regulations relevant to the business and country of operation. The committee oversees the sustainability reporting of the group.

Pepkor's social sustainability centres on our ability to create socio-economic value for our customers, employees and communities. In this context, transformation and diversity are also key priorities, and the board supports the goals and objectives of the B-BBEE and the EE Acts. The group sees this legislative framework as an opportunity to further develop and establish itself as a business focused on social leadership and change. The committee monitors and reports on the B-BBEE compliance of the group.

The SEC oversees the corporate social responsibility reporting of the group. The chairman of the committee, together with the CEO, is responsible at board level for all ESG matters reported on in the CSR, including climate change.

Focus areas in FY20

The committee ensured that, for the second year, the group put in place a KPI for management related to B-BBEE. We have seen positive results emerge from ensuring this sustained focus, although many of the planned interventions were interrupted by the COVID-19 pandemic. Further reference to the B-BBEE incentive is made in the remuneration report.

The group has identified a significant need in the market for sources of funding for small black businesses. In 2019, the committee approved the establishment of S'Ya Phanda, an enterprise development funding vehicle aimed at the development of the black SME supplier network of the group. The current financial year started with the committee approving, and the group successfully concluding, a B-BBEE funding and acquisition transaction to support the enterprise development imperative of the B-BBEE Act.

The committee previously identified that there were a number of government schemes that could be better utilised to support particularly skills development initiatives for the employees of the group. During the course of FY20, programmes were initiated with discretionary funding from the Wholesale and Retail SETA, which is likely to total more than R22 million, for learnerships, internships and bursaries.

The group rolled out learnerships during FY20 with a specific focus on youth and disabled people. This not only helps the country deal with engendering the independence of disabled persons, but also with the scourge of youth unemployment, which exceeds 60% in South Africa. Despite the impact of the COVID-19 pandemic, more than 1 000 learnerships were

concluded and an additional 329 disabled learnerships were implemented.

Key issues monitored in FY20

The 2020 agenda of both the committee and the board was arrested by the advent of the COVID-19 pandemic, globally since January, and locally since March. The onset of the COVID-19 lockdown shifted the focus of the committee and management. The board remained closely involved during this time, with weekly and then fortnightly meetings at which intervention strategies were discussed and agreed, and key measurables were monitored.

The impact on suppliers, particularly from mainland China, was swift, as production facilities limited operations. Swift changes had to be made to supplier contracts to manage the inflow of orders. The local lockdown meant that Pepkor had to shut down all our retail operations. Incredible Connection was the first retail brand that could reopen, when sales of equipment for home offices and online learning purposes were allowed.

The majority of our employees are customer facing. The lockdown meant that these employees could not work. Management focused on the safety of employees, continuity of income through application for the government's TERS scheme, and the liquidity and solvency of the business. The group ensured that applicable medical, and life and disability benefits remained in place for the duration. During this period, group support services and the operations that were allowed to operate as essential services, and our retail operations that reopened for trade progressively, focused on the safety of our staff and our customers.

The board, executive directors and the executive team supported the call by government and, for the months of April to June 2020, donated a portion of their salaries and fees to assist with the relief efforts. In aggregate, R3.1 million was donated to the Solidarity Fund and the CoCare Voucher Programme. Pepkor has made the 6th highest contribution (as at 15 December 2020) to the Solidarity Fund by corporates in South Africa.

While we mourn the loss of 17 employees due to COVID-19, we remain vigilant in protecting the safety of our 50 000 employees, who work hard to ensure that Pepkor makes a positive difference in the lives of our customers.

Activities and outcomes in FY20

The committee established a work plan for FY20 but, as explained above, some of the interventions planned for the year under review were not fully implemented because of the interruption caused by the COVID-19 pandemic.

One of the key priorities of the work plan was to improve the group's B-BBEE score. The targeted improvement was not achieved because of lockdown restrictions. However, we remain committed to improving B-BBEE over the long term, improving the demographic of all management levels in the

business, ensuring skills development and transfer, and supporting the development of black suppliers in South Africa.

The group is aware of the impact of climate change. The committee is overseeing the improvement of data collection within the group to ensure the reporting of more complete information regarding the environmental impact of our operations. We are continually expanding the range of interventions to improve the sustainability of our operations by doing things more efficiently, improving the use of, and reducing the utilisation of resources, and improving our recycling efforts.

The committee noted that the audit and risk committee monitored general compliance with laws and regulations in the country.

The audit and risk committee also monitors the tax practices of the group and its subsidiaries, and that, as a good corporate citizen, the group conducts transparent and responsible tax practices.

The SEC monitored reporting on compliance with specifically health and safety legislation, as well as the regulations issued under the Disaster Management Act.

The committee monitored the compliance of the group with the ILO's policy on decent work and working conditions.

The committee has fulfilled its mandate as prescribed by the Companies Regulations to the Companies Act, and there were no issues of material non-compliance to disclose.

Looking ahead

The committee will continue to:

- ▶ oversee the management of exposure to the COVID-19 pandemic and monitor that the group ensures the safety of staff and customers;
- ▶ ensure that the critical outcomes required to achieve B-BBEE compliance remain a focus area for management going forward;
- ▶ drive the importance of climate change and bring to the attention of the board the need to better understand the impact of our operations on the environment, and the risks that climate change might pose for the business. This will be a key focus area looking ahead, while being mindful that the key to the success of the group is the ability to keep the cost of doing business down; and
- ▶ give effect to the regulatory requirements of being the significant shareholder of an insurance group.

Recognition

To conclude, I wish to express my gratitude to the other members of the SEC for their invaluable input, advice and support. My thanks also to the HR executive, the compliance officer, the head of internal audit, head of investor relations, members of the Pepkor SEC working group, the executives of the operating divisions, who implement the many CSR initiatives, and all other contributors, for enabling the committee to execute our mandate.

FAGMEEDAH PETERSEN-COOK

Independent non-executive director and chairman of the SEC

ANNEXURE B

Curricula vitae

1. **Refer to agenda point 2.1 – Ordinary resolution numbers 1, 2 and 3: Directors who retire by rotation in terms of the MOI of the company and who offer themselves for re-election**

Wendy Luhabe (63)

BCom

Independent non-executive chairman

Wendy was appointed as an independent non-executive director on 1 January 2019, and as chairman of the company on 1 December 2020. Wendy started her career in marketing 38 years ago and worked in the cosmetics and automotive sectors, which included working in Germany and the United States of America. She graduated with a BCom in 1981 and currently has a portfolio of interests that includes investments in education and infrastructure development. Wendy has been a pioneer in social entrepreneurship over the past 26 years and has been involved in human capital development, the economic empowerment of women, and mentorship of younger generations. She pioneered the founding of WIPHOLD, WPEF and, more recently, WINDE. Wendy is passionate about education, leadership, economic justice and mentorship. She has served as a non-executive director/chairman of companies across diverse industries since 1992. She is a recipient of four honorary doctorates for her contribution to the empowerment of women in various sectors of the economy. Wendy was the founding Chancellor of the University of Johannesburg. Wendy serves as chairman of Libstar Holdings Limited and as non-executive director of Compagnie Financière Richemont SA.

- *Member of the social and ethics committee*
- *Member of the human resources and remuneration committee (appointed 20 November 2020)*

Louis du Preez (51)

BCom, LLB

Non-executive director

Louis was appointed as a non-executive director on 24 January 2018. He qualified as an attorney of the High Court of South Africa in 1997. Louis joined Jan S de Villiers and was appointed a partner of the firm in 1998. With the merger of Werksmans Attorneys in 2009, he became a member of the national executive committee of the combined firm and served on that committee until early 2017. While practising as an attorney, he advised

clients on a variety of corporate and commercial matters. Louis served on the board of KAP Industrial Holdings Limited from 1 October 2017 until 3 April 2019, as a non-executive director. He joined the Steinhoff group as general counsel in mid-2017, was appointed as the commercial director of Steinhoff International Holdings N.V. on 19 December 2017, and as chief executive officer of Steinhoff International Holdings N.V. with effect from 1 January 2019.

- *Member of the human resources and remuneration committee*
- *Member of the nomination committee*

Johann Cilliers (61)

BAcc (Cum laude), BAcc Hons, CA(SA)

Lead independent non-executive director

Johann was appointed lead independent non-executive director of Pepkor on 29 May 2018, following his initial appointment to the Pepkor board on 18 August 2017. Johann completed his articles at PwC in 1988, following which he was appointed as financial director of Hicor Limited. In 1990, he joined Langeberg Foods Limited as group financial manager, serving on the board from 1991 to 1998 as financial director. In 1998, Johann joined PEP SA as director of operations and as an executive director. In 2004, he was appointed as an executive director of Pepkor Retail Limited and, until 2011, served on the group executive committee in various capacities. In 2011, he relinquished his executive role within the Pepkor group and was appointed as a non-executive director of Pepkor Holdings Proprietary Limited, which non-executive position he held until 2015. Johann currently manages various private investments.

- *Chairman of the audit and risk committee*
- *Member of the nomination committee*

2. **Refer to agenda point 2.2 – Ordinary resolution numbers 4, 5 and 6: Re-appointment of the members of the audit and risk committee**

Johann Cilliers (61)

For curricula vitae refer to point 1 above.

Fagmeedah Petersen-Cook (45)

BBusSc (Act.Sc.), FIFoA, FASSA, PGDip (MgtPrac), CD(SA), IoDSA (Cert.Dir.)

Independent non-executive director

Fagmeedah was appointed as an independent non-executive director on 16 April 2018. Fagmeedah is an actuary with 24 years' technical experience in the

financial services sector. Until 2016, she was the chief investment officer at the Eskom Pension and Provident Fund (EPPF), where she was responsible for the investment of R120 billion. Fagmeedah was appointed to the board of the Government Employees Pension Fund (GEPF) to bring her expertise to the oversight of the investment activity of the PIC. In 2012, she was appointed as member of the board of Telkom, where she chaired the investment committee while she was the acting CIO of the Eskom Pension Fund. She is an independent director of Absa Financial Services, chairs the investment committee of the Absa Pension Fund, and also serves as chairman of the Bankmed audit committee. As an actuary, Fagmeedah brings enterprise risk management skills and multigenerational planning techniques to the boardroom. She strongly believes in sustainability and was instrumental in developing the framework for the implementation of the UN PRI at both the GEPF and the EPPF, and now champions ESG principles at the various companies where she is involved. Fagmeedah is the FSCA-designated insurance director for the group.

- *Chairman of the social and ethics committee*
- *Member of the audit and risk committee*

Steve Müller (59)

BAcc, BAcc (Hons), CA(SA), Sanlam EDP, IoD

Independent non-executive director

Steve was appointed as an independent non-executive director on 18 August 2017. Steve worked at KPMG until 1992, after which he worked as a senior manager at Rand Merchant Bank Limited until 1994. In 1995, he joined Genbel Investments Limited, inter alia as an executive director of Gensec Bank Limited, heading the Investment Banking division from 1999 to 2004. From 2004 to 2008, he managed various structured equity funds for Sanlam Capital Markets. He has been appointed as a non-executive director on the boards of several companies. Steve was appointed as an independent non-executive director of KAP Industrial Holdings Limited in 2012. He has chaired or served on the audit and risk committees and the human resources and remuneration committees of several companies over the last 23 years.

- *Chairman of the human resources and remuneration committee*
- *Member of the audit and risk committee*

ANNEXURE C

Remuneration policy and implementation report

OVERVIEW OF REMUNERATION POLICY AND PHILOSOPHY

The scope and aim of the remuneration policy

The individual remuneration policies that collectively make up the group's remuneration policy have been developed systematically over several years. In some cases, they have been developed by the businesses before incorporation into the group. In all cases, policies have been adapted to support the performance-focused culture of the group.

The policies in place apply to dynamic businesses, which all need to attract, motivate and retain critical specialist skills. Every business also needs to develop a recruitment strategy independently of the others that is robust compared to competitors in its sector, in some instances across several different countries. The group's competitive advantage in these areas flows from an intricate and in-depth knowledge of the retail value chain. This includes supply chains and the nurturing of key supplier relationships, as well as its goal-orientated marketing strategies and customer communication – offering what the market wants, at the right time and the right price. These relationships and capabilities are all people-driven at a high level and depend on good systems, practices and policies.

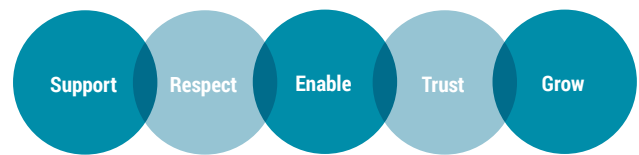
To be successful, every business needs its own specialist management team, a support team to deliver on time, and systems that are robust and sustainable.

The remuneration philosophy

The Pepkor remuneration philosophy originates from our purpose to make a positive difference in the lives of our customers. When our customers are positively impacted, our people grow, their businesses grow and, ultimately, our group grows. The company remuneration philosophy also seeks to serve shareholder interests by supporting sustainable growth.

We aim to position ourselves in the market to ensure we attract, motivate and retain key and critical talent. We achieve this by applying appropriate remuneration structures across all employee levels, as well as within our various group-level entities, ensuring that the correct balance between guaranteed pay, and short- and long-term incentives is achieved.

Our remuneration philosophy will always reflect our company values:



The remuneration framework for all employees

While different policies may develop in every business, these policies are required to conform to and fit within a fair and approved remuneration policy framework at all levels and across the whole organisation, differentiated by grade and level of responsibility.

Positions are graded according to the Paterson grading system, placing employees into groups based on their grade level, with specific remuneration policies applied to every group:

Responsibility level	Operational and logistics employees	Administrative employees	Line managers (Heads of departments)	Executive management (The members of the group and business executive committees)	Executive directors (Shouldering the responsibility for group strategy)
Grade level	D1 and below		D2 to D5	E and F	F
Guaranteed pay	Salaries are reviewed annually based on an assessment of the competence of the employee or via a collective bargaining process.		Guaranteed pay is reviewed annually based on an assessment of the competence of the employee.		
Short-term incentives	A commission or gain-sharing or outcome-based bonus may be awarded as an add-on to guaranteed pay. In some instances, a guaranteed thirteenth cheque also applies.		A performance bonus may be earned, based on the performance of the department or business.	A performance bonus may be earned based on the performance of the business. Financial and non-financial criteria are used as measures.	A performance bonus may be earned, but calculated based on group performance. Financial and non-financial criteria are used as measures.
Long-term incentives	Skills development is encouraged and subsidised, facilitating career advancement. Employment benefits may include retirement, medical, death and disability cover, as well as study funding. In addition, bursaries may also be provided to employees' children		The incentives as outlined for D1 and below apply in effect to this group of employees. Additionally, employees identified by the CEO and his executive team through succession planning processes as having high potential or being key for retention may be awarded long-term incentives.	Employees participate in long-term incentive schemes based on group and business performance.	

Remuneration governance with regard to executive management and directors

The policy governing terms of employment

Employment contracts are terminable on one month's notice.

Remuneration packages, including the entitlement to long-term incentives, are renegotiated annually, aligning commitment with accountability to shareholders.

No fixed-term employment contracts or special severance arrangements have been entered into with any employee on the executive management team or an executive director.

The remuneration package

REMUNERATION IS DEFINED AS A PACKAGE CONTAINING THREE ELEMENTS:

- ▶ The guaranteed pay includes the costs of employee benefits, such as travel allowances, retirement and medical fund contributions. Guaranteed pay is reviewed annually.
- ▶ A short-term incentive scheme is agreed in the form of an annual bonus, or a profit pool-funded bonus.
- ▶ A long-term equity-based incentive or bonus is awarded.

The market positioning of guaranteed pay

The remuneration packages of the executive management team are benchmarked annually by the Remcom, based on a reputable salary survey. The survey providers used for FY20 and FY21 are REMchannel (previously provided by PwC) and PE Corporate Services (Willis Towers Watson).

THE FOLLOWING APPROACH IS OBSERVED IN THIS ANNUAL REVIEW EXERCISE:

- ▶ The guaranteed pay of each member of the executive management team is indexed relative to the median of the survey. The group CEO will make recommendations to the Remcom concerning the pay level of each employee based on the index reading, taking into account the competence of the individual, and the criticality of his or her contribution to the group. The level of the index applying to the remuneration of the group CEO will be reviewed by the Remcom.
- ▶ An annual increase will be determined by the Remcom based on the expected inflation, salary increase forecasts, internal and external equity and peer benchmarks.
- ▶ The succession risks concerning top management positions are also considered by the Remcom.

Peer comparison group (Retail)

The Pepkor group benchmarks against certain peers when it reviews remuneration and benefits as well as market practices. The following peers were confirmed at the time of benchmarking:

Retail sector

Mr Price Group Limited
The Foschini Group Limited
Truworths International Limited
Woolworths Holdings Limited

Package structures

Guaranteed pay will continue to be contracted on the basis that the executive directors and executive management will be required to put more of their remuneration value at risk than support personnel. They will be compensated for this by an entitlement to a short-term incentive on a greater scale, which will top-up their remuneration to the on-target market-related level. To illustrate this, the following package structuring policy has been developed and will typically apply in FY21 to executive directors, executive management and line managers:

Element of package (Percentages are of total cost of employment (TCOE) at target)	Executive directors	Executive management at group level	Line managers
Guaranteed pay (GP)	69%	69%	83%
Short-term incentive at target	31%	31%	17%
TCOE	100%	100%	100%
Maximum bonus (% of GP)	100%	100%	40%

The form and scale of the short-term incentives

Each senior executive serving on an executive committee will be entitled to a short-term incentive at the end of each financial year, based on targeted pay at risk, as reflected in the table above. Incentives will be measured and determined as follows:

- 1 The executive concerned has a performance scorecard reflecting both financial and non-financial performance criteria. The criteria will be weighted between 70% and 90% based on financial criteria, and between 10% and 30% based on non-financial criteria.
- 2 The financial criteria for executive management will be tied to the financial performance of the business, where the target is equal to the approved budget for the business or a percentage of earnings or operating profit growth for the business. The non-financial criteria will include job-related objectives based on the function and role of the manager concerned. The criteria will be reset annually by the CEO of the business and will include project completion and organisational development objectives. Non-financial performance criteria achievement will be rated by the CEO of each business at the end of each year, while his or her own non-financially defined criteria will be evaluated and scored by the group CEO.
- 3 In the case of the group CEO and CFO, the financial target will be based on the growth in earnings and the non-financial target is focused on reaching its strategic goals for the next financial year, agreed annually in advance with the chairman of the board.
- 4 The bonus will be provided and accounted for in the year to which it relates and paid out in the following year after it has been approved. An exception to this is the bonus element pertaining to B-BBEE, as the verification process extends well beyond the end of the financial year.

Cash retention agreements

It was reported last year that following the decline in the Steinhoff International Holdings N.V. (Steinhoff) share price in December 2017, the value of the share rights held by employees in the Steinhoff long-term incentive scheme declined to an insignificant fraction of their former value. As this presented a risk for the retention of senior executive employees, the board decided, effective from March 2018 until March 2020, to enter into a cash retention agreement with affected employees to replace the Steinhoff long-term incentive scheme. Cash retention payments were payable over three years, conditional upon continued employment during this period and the performance conditions during FY19.

These retention agreements remain part of the remuneration for FY20, with the last retention payment made on 31 March 2020.

The costs incurred by Pepkor in terms of the Steinhoff long-term incentive scheme were reversed in FY19 through Pepkor's equity reserves following the termination of the scheme, resulting in fewer costs incurred.

Discontinuation of deferred cash bonus plan

It was reported two years ago that we completed a review of these plans for executive management. A legacy deferred cash bonus plan funded annually by excess profits, which was treated as a long-term incentive in the past, was discontinued for executive management. As a result, accumulated bonuses are being paid out to executives, together with compensation for the closure of the scheme. Such payments are effective over a three-year period from 2019 to 2021 and, barring the compensation for closure, continue to be self-funded with all amounts already provided and accrued for based on prior performance of the group and are therefore not an additional cost to the group. It further supports employee retention.

The form and scale of long-term incentives

Long-term incentives take the form of full value shares in Pepkor's long-term share rights scheme, subject to performance vesting conditions, either based wholly on Pepkor performance or, in the case of executive management, based on Pepkor and applicable business performance. The rights are granted annually with effect from the beginning of the financial year during which the grant was made. Grants are made following the publication of the annual results and after the closed period for trading in shares has expired. Each grant issued is subject to a three-year vesting period.

Senior executives and other key employees are awarded share rights in terms of the company's long-term incentive plan on the basis of the following guidelines:

- | | |
|----------|---|
| 1 | Each employee will receive an allocated amount that is based on a targeted guaranteed pay at the applicable job level. This amount will be used to determine the value of incentive rights awarded to every qualifying employee. |
| 2 | More rights can be awarded to an employee if this is approved by the Remcom upon the recommendation of the group CEO, on the grounds of the criticality of his or her skills and knowledge, or in relation to the operations or needs of the group. In the case of the group CEO, the chairman of the board makes the recommendation. |
| 3 | In the case of the awarding of Pepkor share rights, the performance vesting conditions at both a Pepkor and business level are set with a degree of difficulty, which, together with the requirement of continuous employment, evaluates them as being worth approximately 50% of their face value on the date of the grant in the judgement of the Remcom. |
| 4 | One hundred and seventy-two million five hundred thousand (172 500 000) unissued ordinary shares of no par value in the company may be used for the implementation of the Pepkor executive share rights scheme. This represents less than 5% of Pepkor's total issued share capital. |

Long-term incentives continue to be reviewed to ensure they sufficiently motivate and retain key talent in line with best market practices.

Clawback and malus provision

Clawback and malus provisions were first incorporated in the letters of allocation in respect of the March 2018 grants and also in all subsequent grants. The scheme rules were amended at the AGM in March 2020, specifically to include clawback and malus provisions.

The Remcom has discretion to apply malus (the forfeiture or reduction of allocation/s that are yet to vest) or clawback (the recoupment of the value of allocation/s that has already vested), in respect of any participant or all participants, on the occurrence of one or more of the following events:

- ▶ a material misstatement resulting in an adjustment to the performance criteria in respect of a period for which the performance criteria applicable to an allocation have been assessed and result in an unfair benefit to the participant/s; and/or
- ▶ action or conduct of an employee that amounts to fraud or dishonesty or being a material breach of their obligations to the company.

Non-executive director (NED) fees for 2020 and proposed fees for 2021

The proposed fees will be presented to shareholders for consideration at the AGM to be held in March 2021, and will be effective from April 2021 to March 2022. It should further be noted that no increase has been proposed for non-executive directors for 2021, due to the impact of the COVID-19 pandemic. This also applies to the Pepkor CEO.

	2020	2021	% change
Board of directors			
Chairman	1 932 000	1 932 000	-
Lead independent	840 000	840 000	-
Member	661 500	661 500	-
Audit and risk committee			
Chairman	496 650	496 650	-
Member	276 150	276 150	-
Human resources and remuneration committee			
Chairman	276 150	276 150	-
Member	138 075	138 075	-
Nomination committee (1) (Per meeting)			
Chairman	27 615	27 615	-
Member	16 590	16 590	-
Social and ethics committee			
Chairman	226 800	226 800	-
Member	121 800	121 800	-
Unscheduled meetings (2)			
Rate per hour*	4 410	4 410	-

All fees above are annual fees except (1) and (2)

PEPKOR USED THE FOLLOWING SURVEYS TO BENCHMARK THE NON-EXECUTIVE FEES:

- ▶ PE Corporate Services (Willis Towers Watson) – Non-executive directors remuneration survey
- ▶ PWC – Non-executive directors: Practices and fees trends report

Based on these benchmarks, the remuneration paid to NED members is considered to be fair and responsible.

*The proposed hourly rate is for unscheduled committee meetings approved by the board. The payment thereof will require authorisation from the company secretary, CEO and chairman before payment. All fees listed above exclude VAT and VAT will be added where directors are registered for VAT. The cycle for NED member fees runs from April to March of each year after it has been approved at the AGM by shareholders.

Discretion

The group remuneration framework provides a clear guideline for remuneration practices. Although the basis for short- and long-term awards is rigid, the Remcom still has the discretion on who will participate in variable pay remuneration. The

Remcom determines the overall quantum of the short-term incentives and has the discretion to exercise reasonability and to make recommendations for any ex gratia payments where extraordinary value has been created by the executive directors and executive team. If a material deviation from the remuneration policy occurs, this will be properly disclosed in the annual remuneration report to ensure correct implementation of the policy. Discretion would include, but is not limited to:

- ▶ ensure that Pepkor's group and divisional/business executives and managers are fairly rewarded for their individual and joint contributions to Pepkor's overall performance and that Pepkor remunerates fairly, responsibly and transparently so as to achieve its strategic objectives and secure positive outcomes in the short, medium and long term; and
- ▶ ensure that the remuneration of executives and managers is determined based on the remuneration philosophies applicable with due cognisance of division/business-specific past practices and successes.

IMPLEMENTATION OF REMUNERATION POLICY

This section discloses the details of the group's executive directors' remuneration, as well as share rights awarded to and received by them in terms of the policies set out in the remuneration policy section of the report, which is required to be disclosed in terms of the Companies Act, the JSE Listings Requirements and King IV™.

Note: The details of the remuneration of other senior executives are not disclosed since, while a number of them are engaged in strategic decision-making concerning their own businesses, only the Pepkor board is ultimately responsible for the strategic decisions affecting the group as such. The executive directors are the prescribed officers of the group in terms of section 30 of the Companies Act.

Compliance with the remuneration policy

The Remcom is satisfied that the remuneration policy summarised in this report achieved its primary objectives in the 2020 financial year under review and is expected to do so again in the next financial year.

Fair and responsible remuneration

The Remcom views fair and responsible remuneration as being internally equitable and externally competitive. The remuneration policy plays an important role in achieving this objective, as well as in ensuring that Pepkor meets its strategic goals over the short, medium and long term. Key features and functions of the policy include:

1	Consulting with independent remuneration advisors affiliated with the South African Reward Association (SARA)
2	Applying the principle of equal pay for work of equal value
3	Using two reputable salary survey providers (REMchannel, previously provided by PwC) and PE Corporate Services (Willis Towers Watson)
4	Benchmarking the levels of all roles, using a job grading system (REMeasure, previously provided by PWC)
5	Providing the Remcom with suitable, market-related recommendations

The Remcom understands the importance of ensuring that executive directors are remunerated fairly, and in a manner aligned to shareholders' expectations. Within this context, the Remcom will always strive to achieve a balance between the attraction, motivation and retention of key employees.

Guaranteed pay benchmarking and increases in FY21

Benchmarking in the current year was undertaken based on the PE Corporate Services Top Executive Salary Survey (July 2020). The survey found that the guaranteed pay of the executive management team across the group was positioned at a comparative ratio of approximately 99% compared to companies of the same size in South Africa. This is close to the expectation of the pay structuring target, explained in the policy section above, as there is a skew towards variable pay in the pay structure of executive management.

Salary increases of between 0.0% and 3.0% were approved to be implemented in FY21 for the guaranteed packages of the CEO and CFO, compared to a general increase approved for other employees (including bargaining unit employees) ranging between 0.0% and 5.0%.

Short-term incentive outcomes in FY20

The following bonuses were awarded to executive directors of the group for the 2020 financial year:

Executive director	Bonus awarded FY20		Bonus awarded FY19	
	R'000	% of GP	R'000	% of GP
LM Lourens	1 188	15	3 287	44
RG Hanekom	712	15	1 971	44

The Remcom approved the following short-term incentive categories for FY20:

1	Financial – earnings growth* (between 0% and 70% of GP)
2	Non-financial – strategic objectives (between 0% and 20% of GP)
3	Non-financial – B-BBEE targets (between 0% and 10% of GP)

Incentives were awarded in FY20 based on normalised earnings,* before taking into account non-recurring and one-off costs incurred in FY19. The growth in normalised earnings for FY20, based on this definition, was 0.0%, which resulted in no award made in the current year in terms of this category.

Strategic objectives for the CEO were set by the chairman of the board and the strategic objectives for the CFO were set by the CEO. The CEO has achieved 15.0%, which entitles him to 15.0% of GP. The CFO has achieved 15.0%, which entitles him to 15.0% of GP for FY20.

Additionally, a maximum incentive of 10% of GP is allocated for executive directors based on the B-BBEE verification results if the target of 55 points is exceeded. These targets were partially achieved in FY20 and will be accounted for and paid in FY21..

* Earnings mean headline earnings from continuing operations as disclosed in the financial results of the group adjusted for the implementation of new International Financial Reporting Standards, resulting in normalised earnings. It also excludes any impairments and one-off costs.

Short-term incentive scheme targets for FY21

For FY21, the Remcom has decided to ensure that the main focus of the executive directors is on driving the business growth and thus normalised earnings[#] remain the appropriate measure for determining the financial component of the performance bonus. It was decided to remove the strategic objectives component of 20% for FY21 and increase the earnings component to a maximum of 90% of GP. The increase in the percentage of GP linked to the earnings component is to support the drive for better earnings levels after the impact of the COVID-19 pandemic in FY20. The earnings growth and pay-outs are tiered to drive this component.

Earnings growth between 5% and 90% will result in a short-term incentive of between 10% and 90% of guaranteed pay for executive directors.

Additionally, the short-term incentive scheme for B-BBEE has been retained for FY21. Executive directors will be awarded on achieving certain targets starting at 5% of guaranteed pay if 50 points are reached and a maximum of 10% of GP when reaching 55 points, as approved by the Remcom.

The retail trading conditions are challenging and the Remcom believes that structuring the short-term incentives as financial equalling 90% and non-financial equalling 10% is appropriate for FY21. The above could result in a maximum short-term incentive of 100%. This percentage is still below market peers when compared to short-term incentive benchmarks. Pepkor's remuneration structuring is weighted higher towards long-term incentives as part of the remuneration philosophy.

[#] Earnings are defined the same in FY21 as it was recorded in FY20.

Long-term incentive scheme grants and accruals

No share rights vested in FY20 as no performance periods were completed on allocated grants. However, cash retention payments were awarded and paid as explained on page 8 of this report. The retention payments accruing to the executive directors in FY20 are detailed in the total remuneration schedule on page 14.

The COVID-19 pandemic impacted all aspects of remuneration, including long-term incentives. To ensure that remuneration remains fair and responsible, and that executive interests are aligned with shareholders, the Remcom reviewed how best to keep management engaged over the longer term given the impact of the COVID-19 pandemic on long-term incentives.

In terms of the rules of the share grant scheme, should circumstances arise at any point during the measurement period that cause the Remcom to consider that the performance criteria are no longer appropriate, the Remcom may substitute or vary the performance criteria, subject to the JSE Listings Requirements in such manner as is reasonable in the circumstances and produces a fair measure of performance.

The Remcom has reviewed the performance criteria in the light of the impact of the COVID-19 pandemic and has varied the performance criteria as described below. The Remcom is confident that such variations are reasonable under the circumstances and will produce a fair measure of performance. The impact of the COVID-19 pandemic is on share grants issued in FY18, FY19 and FY20 and detail of performance criteria and variations are described below.

FY18 share grants

The performance criteria are measured over three financial years from FY18 to FY20. The existing measurement criteria applicable to the FY18 grant will remain unchanged for FY18 and FY19. In respect of FY20 only, the criteria will be varied to use continued employment at time of grant vesting as the measurement of performance for this grant.

FY19 share grants

The performance criteria are measured over three financial years from FY19 to FY21. The performance conditions for the first year of the FY19 grant will remain as per the criteria previously communicated, and summarised below:

Year 1 (FY19) Representing one-third		Weighting
	KPI	
Growth	Growth in headline earnings	60%
Cash generation	Cash conversion (cash generated by operations/EBITDA) Excludes the Capfin and JD Group new book-build in determining the cash generated	25%
Sustainability	B-BBEE, FTSE4Good indicators, compliance and governance	15%

In respect of the growth criteria, this will be varied for the second and third year, FY20 and FY21, as described below. The criteria related to cash generation and sustainability have not been changed.

Year 2 and 3 (FY20 and FY21) Representing two-thirds		Weighting
	KPI	
Growth	Growth in earnings – specific target was set based on budget	30%
	Peer comparison	
	▶ Like-for-like sales	
	▶ EBITDA margin	
	▶ Cost of doing business	20%
	Market share growth – based on Retailers' Liaison Committee market data	10%

FY20 share grants

The performance criteria are measured over three financial years from FY20 to FY22. The share right grants were issued at the start of the lockdown period and were then varied to take into account the impact of the COVID-19 pandemic. It was decided that performance criteria for FY20 and FY21 would be similar to the varied criteria for the FY19 share grants, in addition to being improved to drive and reward exceptional performance with the introduction of stretch and super-stretch targets. The criteria for FY20 and FY21 include:

Year 1 and 2 (FY20 and FY21) Representing two-thirds		Weighting
	KPI	
Growth	Growth in earnings – specific target was set based on budget In the FY20 grant – threshold (50% vesting), stretch (110% vesting) and super-stretch (120% vesting) targets have been introduced. On-target remains at 100% vesting.	25%
	Peer comparison ▶ Like-for-like sales % ▶ EBITDA margin ▶ Cost of doing business	20%
	Market share growth – based on Retailers' Liaison Committee market data	10%
Cash generation	Cash generated by operations and divided by EBITDA – new threshold, stretch and super-stretch targets have been introduced for the FY20 grant.	25%
Sustainability	B-BBEE, FTSE4Good indicators, compliance and governance	20%

In respect of FY22, the growth criterion will only be based on headline earnings per share, detail of which is described more fully below. The criteria for cash generation and sustainability will remain unchanged.

Year 3 (FY22) Representing one-third		Weighting
	KPI	
Growth	Growth in headline earnings per share Introduced new threshold (50% vesting), stretch (110% vesting) and super-stretch (120% vesting) targets, which are based on CPI and GDP. On-target remains at 100% vesting and will be measured on CPI + GDP + 2%. Note: CPI and GDP will be measured as per the official figures released by the South African Reserve Bank.	55%

The following table sets out grants of share rights made to the executive directors in terms of the Pepkor Share Rights Scheme during FY20, including outstanding and unvested share rights as at the financial year-end:

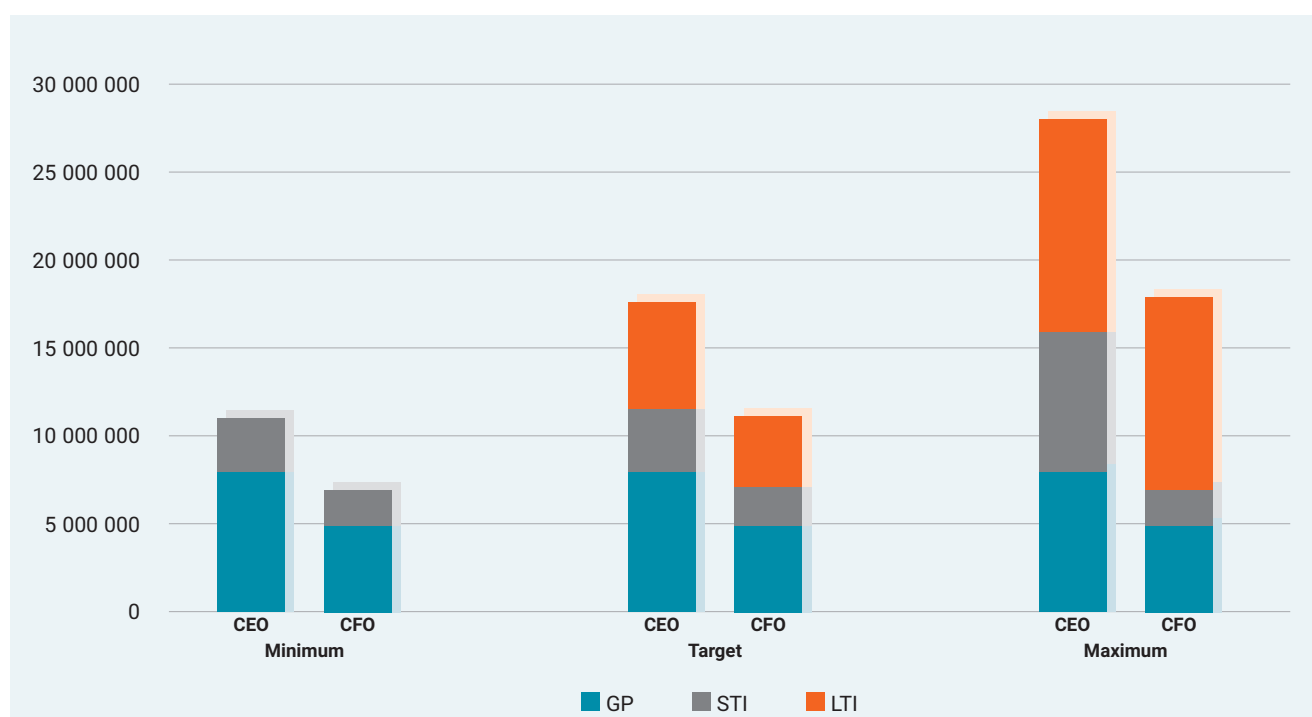
Executive director	Rights held at beginning of the year	Rights granted during the year	Rights vesting or forfeited during the year	Rights held at end of the year
LM Lourens	1 368 079	1 013 832	–	2 381 911
RG Hanekom	927 000	623 365	–	1 550 365

Long-term incentive scheme grants in FY21

Share rights will be granted to executive directors and executive management in terms of the policy defining allocation amount, which is set out in the remuneration policy section on page 8. The grants will be made following the expiry of the share trading closed period, after the publication of this report and before the 2021 AGM. Performance vesting conditions are in line with the policy as set out in the policy section and will be confirmed at the Remcom meeting during which the grants are approved. Long-term incentive scheme grants will have a three-year vesting period that is applicable.

Single figure remuneration

Below is an illustration of the potential consequences on the total remuneration for executive management on a total single figure basis, of applying the remuneration policy under the minimum, on-target and maximum performance outcomes. A total single figure of remuneration received and receivable for the reporting period, and all the remuneration elements that it comprises, each disclosed at fair value.



Total remuneration in FY20

The following table offers a breakdown of the total single figure remuneration earned by the executive directors during the 2020 financial year, reflected based on the cost to the group in terms of its accounting policies, which observe IFRS rules:

Remuneration of the executive directors	Basic remuneration R'000	Company and pension fund contributions R'000	Annual bonus R'000	Deferred cash long-term R'000	Retention bonus R'000	Total remuneration R'000
2020						
LM Lourens	6 237*	1 087	1 188	1 200	3 901	13 613
RG Hanekom	3 689*	704	712	1 200	3 724	10 029
Total	9 926	1 791	1 900	2 400	7 625	23 642
2019						
LM Lourens	6 449	1 021	3 287	1 200	3 901	15 858
RG Hanekom	3 830	650	1 971	1 200	3 724	11 375
Total	10 279	1 671	5 258	2 400	7 625	27 233

Please refer to page 8 for more information on the deferred cash bonus plan.

* Total basic remuneration in FY20 was reduced by R594 000 for LM Lourens and R356 000 for RG Hanekom and relates to salary sacrifices for the period April to June 2020.

NED fees in 2020

The following is a summary of fees paid to NED for their services as directors:

	2020 R'000	2019 R'000
JB Cilliers**	1 344	1 451
TL de Klerk*	640	57
PJ Dieperink*	–	574
LJ du Preez*	861	636
PE Erasmus	–	262
MJ Harris	288	690
WYN Luhabe**	750	354
SH Müller**	1 181	1 355
J Naidoo**	1 819	2 071
F Petersen-Cook**	1 242	1 046
DM van der Merwe*	–	696
JD Wiese**	605	621
Total	8 730	9 813

All fees listed above exclude VAT and VAT will be added where directors are registered for VAT.

* Relates to remuneration received for services provided to Steinhoff. The fees to directors include fees paid as directors of ultimate holding company Steinhoff where directors serve on the board of the company and holding company. The amount payable to Steinhoff for the attendance of Pepkor board meetings as well as being non-executive Pepkor board members amounts to R1.50 million (2019: R1.96 million). In FY20, the non-executives of Steinhoff made a donation of 30% of fees to the Solidarity Fund and CoCare Voucher Programme that amounted to R132 954 for the period April to June 2020.

** The non-executive directors (excluding F Petersen-Cook and non-executives of Steinhoff) donated a total of R507 409 (30%) of their fees to the Solidarity Fund and CoCare Voucher Programme for the period April to June 2020. This was deducted from the quarterly fees that were paid. F Petersen-Cook received her full fees for the period but donated an amount of R105 730 (30%) to various charities.

ANNEXURE D

Major shareholders of the company and number of authorised and issued shares in the company

Major shareholders of the company

Beneficial shareholders holding 1% or more	No. of shares	%
Steinhoff International Holdings Limited	2 479 994 370	67.75
Lancaster 101 Proprietary Limited	306 141 663	8.36
Allan Gray	66 926 795	1.83
GIC Private Limited	45 782 933	1.25
Alexander Forbes Investments	42 986 105	1.17
Old Mutual	42 971 585	1.17
Coronation Fund Managers	42 101 526	1.15
Government Pension Fund – Norway	40 914 575	1.12
Total	3 067 819 552	83.81
Fund managers holding 1% or more	No. of shares	%
Coronation Fund Managers	111 596 779	3.05
Allan Gray Asset Management	110 189 273	3.01
GIC Asset Management	44 869 933	1.23
Old Mutual Investment Group	44 773 557	1.22
Total	311 429 542	8.51

Data as at 25 September 2020.

Number of authorised and issued shares in the company

	No. of shares	Rm
Authorised share capital		
Ordinary shares of no par value	20 000 000 000	–
Issued share capital		
Stated capital – ordinary shares of no par value	3 660 350 881	67 234

CORPORATE INFORMATION

PEPKOR HOLDINGS LIMITED

(Pepkor or the company)

Registration number 2017/221869/06

JSE share code PPH

JSE debt code PPHI

ISIN ZAE000259479

Executive directors

LM Lourens (Chief executive officer)

RG Hanekom (Chief financial officer)

Non-executive directors

WYN Luhabe* (Chairman)

JB Cilliers#

TL de Klerk

LJ du Preez

J Naidoo

SH Müller*

F Petersen-Cook*

JD Wiese

* Independent # Lead independent

Registered address

36 Stellenberg Road

Parow Industria 7493

(PO Box 6100, Parow East 7500, South Africa)

Telephone: 021 929 4800

E-mail: info@pepkor.co.za

Company secretary

Pepkor Proprietary Limited

36 Stellenberg Road

Parow Industria 7493

(PO Box 6100, Parow East 7500, South Africa)

Transfer secretaries

Computershare Investor Services Proprietary Limited

Rosebank Towers

15 Biermann Avenue

Rosebank 2196

(Private Bag X9000, Saxonwold 2132, South Africa)

Equity sponsor

PSG Capital Proprietary Limited

Stellenbosch office

1st Floor, Ou Kollege Building

35 Kerk Street

Stellenbosch 7600

(PO Box 7403, Stellenbosch 7599, South Africa)

Sandton office

2nd Floor, Building 3, 11 Alice Lane

Sandhurst

Sandton 2196

(PO Box 650957, Benmore 2010, South Africa)

Debt sponsor

Rand Merchant Bank (A division of FirstRand Bank Limited)

1 Merchant Place, Corner Fredman Drive and Rivonia Road

Sandton 2196

(PO Box 786273, Sandton 2146, South Africa)

Auditor

PricewaterhouseCoopers Inc.

5 Silo Square

V&A Waterfront

Cape Town 8012

(PO Box 2799, Cape Town 8000, South Africa)

FORM OF PROXY



PEPKOR HOLDINGS LIMITED

(Registration number: 2017/221869/06) | JSE share code: PPH | JSE debt code: PPHI | ISIN: ZAE000259479 | (Pepkor or the company)

Proxy

To be completed by certificated shareholders and dematerialised shareholders with own-name registration only. For use at the annual general meeting of Pepkor to be held by electronic participation at 09:00 on Wednesday, 10 March 2021 (AGM), and at any adjournment thereof.

If shareholders have dematerialised shares with a central securities depository participant (CSDP) or broker, other than with own-name registration, they must arrange with such CSDP or broker to provide them with the necessary written authorisation to attend and vote at the AGM, or the shareholders concerned must instruct the CSDP or broker as to how they wish their votes to be recorded at the AGM. This must be done in terms of the custody agreement entered into between the shareholder and the CSDP or broker concerned.

I/We (Full name(s) in block letters)

of (address)

being the registered holder(s) of ordinary shares (insert number of shares held), hereby appoint:

- | | | |
|----|----|--------------------|
| 1. | of | or failing him/her |
| 2. | of | or failing him/her |

3. the chairman of the AGM, as my/our proxy, to vote for me/us and on my/our behalf at the AGM of Pepkor for purposes of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions to be proposed thereat and at each adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name(s) in accordance with the following instructions (see Notes on the reverse hereof):

		NUMBER OF VOTES (ONE VOTE PER SHARE)		
		In favour	Against	Abstain
1.	Presentation of the annual financial statements and the reports of the directors, the audit and risk committee and the social and ethics committee	Non-voting		
2.1	Re-election of directors who retire by rotation			
2.1.1	Ordinary resolution number 1: Re-election of WYN Luhabe			
2.1.2	Ordinary resolution number 2: Re-election of LJ du Preez			
2.1.3	Ordinary resolution number 3: Re-election of JB Cilliers			
2.2	Re-appointment of the audit and risk committee members			
2.2.1	Ordinary resolution number 4: Re-appointment of JB Cilliers			
2.2.2	Ordinary resolution number 5: Re-appointment of F Petersen-Cook			
2.2.3	Ordinary resolution number 6: Re-appointment of SH Müller			
2.3	Re-appointment of auditor			
2.3.1	Ordinary resolution number 7: Re-appointment of PricewaterhouseCoopers Inc.			
2.4	Non-binding advisory vote on Pepkor's remuneration policy			
2.4.1	Ordinary resolution number 8: Approval of remuneration policy			
2.5	Non-binding advisory vote on Pepkor's implementation report on the remuneration policy			
2.5.1	Ordinary resolution number 9: Approval of implementation report on remuneration policy			
3.1	Remuneration of non-executive directors			
3.1.1	Special resolution number 1.1: Chairman			
3.1.2	Special resolution number 1.2: Lead independent director			
3.1.3	Special resolution number 1.3: Board members			
3.1.4	Special resolution number 1.4: Audit and risk committee chairman			
3.1.5	Special resolution number 1.5: Audit and risk committee members			
3.1.6	Special resolution number 1.6: Human resources and remuneration committee chairman			
3.1.7	Special resolution number 1.7: Human resources and remuneration committee members			
3.1.8	Special resolution number 1.8: Social and ethics committee chairman			
3.1.9	Special resolution number 1.9: Social and ethics committee members			
3.1.10	Special resolution number 1.10: Nomination committee chairman			
3.1.11	Special resolution number 1.11: Nomination committee members			
3.1.12	Special resolution number 1.12: Non-scheduled extraordinary meetings			
3.1.13	Special resolution number 1.13: Director approved by Prudential Authority			
3.2	Financial assistance to subsidiary companies			
3.2.1	Special resolution number 2: Intercompany financial assistance			
3.3	General authority to repurchase shares			
3.3.1	Special resolution number 3: General authority to repurchase shares issued by the company			

Shareholder must indicate as follows how their votes must be exercised: Insert an 'X' in the appropriate block if you wish to vote all your shares in the same manner. If not, insert the number of votes in the appropriate block. The total number of votes may not exceed the total to which the shareholder is entitled. Unless otherwise instructed, a shareholder's proxy may vote as he/she thinks fit.

Signed at _____ on this _____ day of _____ 2021

Signature _____

Assisted by (where applicable) _____ (state capacity and full name)

Any power of attorney and any instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of the power of attorney, must be forwarded to the company's transfer secretary, Computershare Investor Services Proprietary Limited, at the address stated below so as to reach them before the time fixed for commencement of the AGM. (Refer to 'Voting' in the notice of AGM as a suggestion to avert a potential administrative burden at the AGM.)

Notes to Form of Proxy:

1. This Form of Proxy should only be used by certificated shareholders or shareholders who have dematerialised their shares with own-name registration.
2. All other shareholders who have dematerialised their shares through a CSDP or a broker, and wish to attend the AGM, must arrange with such CSDP or broker to provide them with the necessary written authorisation to attend the AGM or, should they not wish to attend, the shareholders must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.
3. A shareholder may insert the name(s) of one or more proxies, none of whom need to be a shareholder of the company, in the space provided, with or without deleting the phrase 'the chairman of the AGM'. The person whose name appears first on the Form of Proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are indicated, the proxy shall be exercised by the chairman of the AGM.
4. A shareholder's instruction on the Form of Proxy must be indicated by the insertion of a number of shares in the appropriate space provided, or an 'X' if the shareholder wishes to vote all the shares. Failure to comply with the above will be deemed to authorise the chairman of the AGM, if the chairman is the authorised proxy, to vote in favour of the resolutions at the AGM, or any other proxy to vote or to abstain from voting at the AGM 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, but the total of the votes cast, together with any abstentions recorded, may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.
5. Forms of Proxy must be completed and lodged at or posted to the transfer secretaries, Computershare Investor Services Proprietary Limited (Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 or Private Bag X9000, Saxonwold 2132, South Africa), or emailed to proxy@computershare.co.za to be received by the transfer secretaries by no later than 09:00 on Monday, 8 March 2021, provided that any Form of Proxy not delivered to the transfer secretaries by this time may be sent to the chairman of the AGM at any time before the appointed proxy exercises any shareholder rights at the AGM, subject to the transfer secretaries verifying the Form of Proxy and proof of identification before shareholder rights are exercised.
6. The completion and lodging of this Form of Proxy shall not preclude the shareholder from attending, speaking and voting at the AGM to the exclusion of any proxy appointed in terms hereof.
7. Should this Form of Proxy not be completed and/or received in accordance with these notes, the chairman of the AGM may accept or reject it, provided that, in the case of acceptance, the chairman is satisfied as to the manner in which the shareholder's votes are to be recorded.
8. Documentary evidence establishing the authority of the person signing this Form of Proxy in a representative or other legal capacity must be attached to this Form of Proxy unless previously recorded by the transfer secretaries or waived by the chairman of the AGM.
9. The chairman shall be entitled to reject the authority of a person signing this Form of Proxy:
 - 9.1. under a power of attorney; or
 - 9.2. on behalf of a company or on behalf of another entity, unless that person's power of attorney or authority has been deposited and registered by the transfer secretaries at the address stated herein before the time fixed for commencement of the AGM.
10. Where shares are held jointly, all joint holders are required to sign the Form of Proxy. When there are joint registered holders of any shares, any one of such persons may vote at the AGM in respect of such shares as if he/she is solely entitled thereto, but, if more than one of such joint holders be present or represented at any AGM, that one of the said persons whose name stands first in the register in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased shareholder, in whose name any shares stand, shall be deemed joint holders thereof.
11. 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.
12. Any alterations of or correction to this Form of Proxy must be initialled by the signatory(ies).
13. It is the intent that all voting at the AGM will take place by way of a poll.
14. On a poll, every shareholder participating electronically or represented by proxy shall have one vote for every share held by such shareholder.



PEPKOR
Holdings Limited

www.pepkor.co.za

