



# RESILIENCE & REINVENTION

**Notice of annual general meeting**

for the year ended 30 September 2023

**PEPKOR HOLDINGS LIMITED**

('Pepkor' or 'the company' or 'the group')

Registration number: 2017/221869/06

JSE share code: PPH

JSE debt code: PPHI

ISIN: ZAE000259479

LEI: 3789006D677C34F69875

# Notice of annual general meeting of shareholders for the year ended 30 September 2023

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 Limited (JSE) Listings Requirements (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 Thursday, 7 March 2024 (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.

Pepkor will conduct the AGM entirely by electronic communication. This allows more shareholders to attend and participate in the AGM. As a consequence, there will be no in-person registration for the AGM. Shareholders are encouraged to make use of the Form of Proxy to cast their votes if they do not wish to participate electronically.

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 social and ethics committee report

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 2023.

The full audited consolidated annual financial statements for the year ended 30 September 2023, together with the reports of the directors, the audit and risk committee and the external auditor, are available on the company's website ([www.pepkor.co.za](http://www.pepkor.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:

- For ordinary resolution numbers 1 to 9 to be adopted, more than 50% of the voting rights exercised on the applicable ordinary resolution must be exercised in favour thereof.
- Ordinary resolution numbers 10 and 11 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 directors whose names appear in ordinary resolution numbers 1 to 3 are the directors who will be retiring and are eligible 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 in terms of ordinary resolution numbers 1, 2, and 3 are included in Annexure B.

##### 2.1.1 Ordinary resolution number 1

*Resolved that Ms F Petersen-Cook, 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 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.*

##### 2.1.3 Ordinary resolution number 3

*Resolved that Ms ZN Malinga, 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.*

*Mr TL de Klerk retires from the board in terms of the company's MOI and is eligible for re-election but will not offer himself for re-election. The company notes his resignation with effect from the conclusion of this AGM. The board would like to thank Mr de Klerk for his dedicated service as a director and wishes him well in his future endeavours.*

### 2.2 Ratification of appointment of director

In terms of the Companies Act and the company's MOI, the company may appoint directors to fill vacancies on the board, provided that such appointments are confirmed by shareholders at the next annual general meeting of the company. The directors appointed by the board since the last annual general meeting of the company are required to be elected by an ordinary resolution of shareholders. The nomination committee of the company supports the election of the director whose name appears on ordinary resolution number 4. The director is available for election. The summary curriculum vitae of the director standing for election in terms of ordinary resolution number 4 is included in annexure B.

#### 2.2.1 Ordinary resolution number 4

*Resolved that Ms RN Ntshingila, who was appointed as a director of the company after the last annual general meeting of the company and who is eligible and available for election, is hereby elected as a director of the company.*

### 2.3 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 5, 6, 7 and 8 be re-appointed as members of the audit and risk committee of the company. The summary curricula vitae of the members of the audit and risk committee are included in Annexure B.

Note:

*For avoidance of doubt, all references to the audit and risk committee of the company refer to the audit committee as contemplated in the Companies Act.*

#### 2.3.1 Ordinary resolution number 5

*Resolved that Ms HH Hickey, 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.*

#### 2.3.2 Ordinary resolution number 6

*Resolved that, subject to the passing of ordinary resolution number 1, 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.*

**2.3.3 Ordinary resolution number 7**

*Resolved that, subject to the passing of ordinary resolution number 3, Ms ZN Malinga, 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.*

**2.3.4 Ordinary resolution number 8**

*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.*

**2.4 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.

**2.4.1 Ordinary resolution number 9**

*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 director in the firm, on the recommendation of the audit and risk committee of the company.*

**2.5 Non-binding advisory vote on Pepkor's remuneration policy**

The reason for ordinary resolution number 10 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 10, if passed, will be to endorse the company's remuneration policy. Ordinary resolution number 10 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.

**2.5.1 Ordinary resolution number 10**

*Resolved that the company's 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.*

**2.6 Non-binding advisory vote on Pepkor's implementation report on the remuneration policy**

The reason for ordinary resolution number 11 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 11, if passed, will be to endorse the company's implementation report in respect of its remuneration policy. Ordinary resolution number 11 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.

**2.6.1 Ordinary resolution number 11**

*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 4 (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 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 chair of the board**

*Resolved that the chair of the board be paid an annual fee of R2 268 500.*

**3.1.2 Special resolution number 1.2: Remuneration of the lead independent director**

*Resolved that a lead independent director of the board, if appointed, be paid an annual fee of R984 100.*

**3.1.3 Special resolution number 1.3: Remuneration of the board members**

*Resolved that each board member be paid an annual fee of R777 200.*

**3.1.4 Special resolution number 1.4: Remuneration of the audit and risk committee chair**

*Resolved that the audit and risk committee chair be paid an annual fee of R583 200.*

**3.1.5 Special resolution number 1.5: Remuneration of the audit and risk committee members**

*Resolved that each member of the audit and risk committee be paid an annual fee of R324 300.*

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**3.1.6 Special resolution number 1.6: Remuneration of the human resources and remuneration committee chair**

*Resolved that the human resources and remuneration committee chair be paid an annual fee of R324 300.*

**3.1.7 Special resolution number 1.7: Remuneration of the human resources and remuneration committee members**

*Resolved that each human resources and remuneration committee member be paid an annual fee of R162 200.*

**3.1.8 Special resolution number 1.8: Remuneration of the social and ethics committee chair**

*Resolved that the social and ethics committee chair be paid an annual fee of R266 200.*

**3.1.9 Special resolution number 1.9: Remuneration of the social and ethics committee members**

*Resolved that each social and ethics committee member be paid an annual fee of R143 200.*

**3.1.10 Special resolution number 1.10: Remuneration of the nomination committee members**

*Resolved that each nominations committee member be paid an annual fee of R78 300.*

**3.1.11 Special resolution number 1.11: Remuneration of the investment committee chair**

*Resolved that the investment committee chair be paid an annual fee of R266 200.*

**3.1.12 Special resolution number 1.12: Remuneration of the investment committee members**

*Resolved that each investment committee member be paid an annual fee of R143 200.*

**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 R162 200.*

**3.2 Financial assistance to subsidiary companies or corporations**

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.*

**3.3 Financial assistance for subscription and/or purchase of securities in the company or in subsidiary companies**

The reason and effect, if passed, of special resolution 3, is to grant the board the authority, until the next annual general meeting of the company, to provide financial assistance to its subsidiary companies and/or financiers of the company and its subsidiaries (group) for the purposes of the subscription for options and/or securities, issued or to be issued by the company or its subsidiary companies, or for the purchase of any securities of the company or its subsidiary companies, to fund the activities of the group.

**3.3.1 Special resolution number 3: Financial assistance for subscription and/or purchase of securities in the company or in subsidiary companies**

*Resolved in terms of section 44(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 financial assistance by way of a loan, guarantee, the provision of security or otherwise to any subsidiary company of the company and/or to any financier of the company or any subsidiary company of the company for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or a subsidiary company of the company, or for the purchase of any securities of the company or a subsidiary company of the company, on the terms and for the 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.*

Notes:

1. The fees are paid for services rendered as non-executive directors and are not based on meetings attended.
2. The fees are to be paid quarterly in arrears, effective 1 April 2024 and are exclusive of value-added tax (VAT). VAT is payable thereon if the non-executive director is VAT registered.
3. The board chair does not receive any further payments for being a member of the board or for participation in committee meetings of the board. The board chair currently also chairs the nomination committee.
4. The annual fee for the chairs of the board committees includes the fee for being a member of the respective committee.
5. The lead independent director (if one is appointed) does not receive the fees proposed for members of the board in terms of special resolution number 1.3.

In terms of and pursuant to the provisions of sections 44 and 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 numbers 2 and 3 above:

- *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 numbers 2 and 3 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.*

### 3.4 General authority to repurchase ordinary shares

The reason for and effect, if passed, of special resolution number 4 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 ordinary shares issued by the company on the basis reflected in special resolution number 4.

The board believes it to be in the best interests of the company to have authority to repurchase shares as and when appropriate opportunities arise. 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.

#### 3.4.1 Special resolution number 4: General authority to repurchase ordinary shares issued by the company

*Resolved that the repurchase by the company of ordinary shares issued by it, on such terms and conditions as may be determined by the board of the company, and the acquisition by any subsidiary of the company of ordinary 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 ordinary 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 shares 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 shares have not traded in such 5 (five) business day period;*
- *the general repurchase of shares 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 effect 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 ordinary shares constituting, on a cumulative basis, 3% (three per cent) of the number of ordinary 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 ordinary shares acquired thereafter; and*
- *the directors shall have passed a resolution, authorising any repurchase and confirming that the group has 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, (i) a pro rata repurchase by the company from all its shareholders; and (ii) intra-group repurchases by the company of its

shares from wholly owned subsidiaries, share incentive schemes pursuant to Schedule 14 of the JSE Listings Requirements and/or non-dilutive share incentive schemes controlled by the company, where such repurchased shares are to be cancelled, 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 2023, and the date of this notice of AGM; and that,

- after having considered the effect of a maximum repurchase of ordinary 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

*M Allie*

**Masood Allie**  
*Company secretary*

19 January 2024

## Record dates and last day to trade

### Record dates

The record date on which shareholders must be recorded in the securities register of the company for the purposes of receiving notice of this AGM is Friday, 12 January 2024.

The record date on which shareholders must be recorded in the securities register of the company for the purposes of being entitled to attend and vote at the AGM is Friday, 1 March 2024.

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, 27 February 2024.

### Attendance, voting and proxies

1. Any shareholder entitled to participate in 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 share 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 or smart card, driver's licence or passport) and authority to do so (where acting in a representative capacity) must either be lodged with the company's transfer secretary, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 or posted to the transfer secretary at Private Bag X9000, Saxonwold 2132, South Africa or e-mailed to [proxy@computershare.co.za](mailto:proxy@computershare.co.za) so as to be received by no later than 09:00 on Tuesday, 5 March 2024, provided that any Form of Proxy not delivered to the transfer secretary by this time may be sent to the chair of the AGM at any time before the appointed proxy exercises any shareholder rights at the AGM, subject to the transfer secretary 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](http://www.smartagm.co.za) by no later than 09:00 on Tuesday, 5 March 2024. 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 in 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, shareholders will be requested to upload proof of identification (i.e. identity document or smart card, driver's licence or passport) and authority to do so (where acting in a representative capacity) as well as to provide details, such as their name, surname, e-mail address, contact number and number of Pepkor shares held.

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

### Participation

Participation in the AGM is through the Lumi website by following the steps set out at [www.smartagm.co.za](http://www.smartagm.co.za).

Once [www.web.lumiagm.com](http://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: **193385674**.

To log in, users must have their username and password, which can be requested from [proxy@computershare.co.za](mailto:proxy@computershare.co.za) or by registering on [www.smartagm.co.za](http://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 [companysec@pepkor.co.za](mailto:companysec@pepkor.co.za), by no later than 14:00 on Monday, 4 March 2024. These questions may be addressed at the AGM or responded to by e-mail. A question facility will also be available on the Lumi platform.



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. In particular, but not exclusively, shareholders acknowledge that they will have no claim against the company and its directors, employees, company secretary, transfer secretary, service providers and advisors, whether for consequential damages or otherwise, arising from a 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**

Masood Allie  
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Tel: +27 21 929 4800  
E-mail: [companysec@pepkor.co.za](mailto:companysec@pepkor.co.za)

**Transfer secretary**

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](mailto:proxy@computershare.co.za)

# Annexure A

## Social and ethics committee report

**The group has significantly enhanced its sustainability endeavours.**

- **Environmental protection**
- **Social responsibility**
- **Governance**

The SEC is a statutory committee of the board that provides oversight of social, ethical and environmental matters relating to the group.

Ethical and responsible business practices underpin the values of Pepkor and its purpose of creating and protecting customer and stakeholder value. The group is committed to social, governance and environmental (UNGC) principles and has aligned its Building Better Business sustainability framework to the UN SDGs.

**Our Building Better Business goals are focused on:**

**enabling affordable living;**

**inclusive growth; and**

**working towards a more sustainable future.**

### **Mainstreaming of ESG**

While large organisations have historically internalised profits and externalised costs, this paradigm has been successfully challenged. With the recognition of the centrality of sustainability, investors, communities, advocates and other stakeholders expect companies to incorporate sustainability/ESG principles into their business strategies. The emphasis is on considering the entire ecosystem in which companies operate, promoting a more responsible and holistic approach to business practices. This includes broadening participation and leaving no one behind as the world transitions to a low carbon economy.

In the South African context, this includes broadening participation to promote inclusivity and equality.

In recent years, the group has significantly enhanced its sustainability endeavours, with a particular emphasis on actively prioritising environmental sustainability, all the while upholding a steadfast commitment to social concerns.

The group aligns to the following primary SDGs, which the committee monitored:



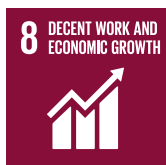
**No poverty. End poverty in all its forms everywhere**

Pepkor contributes to the SDG goal of ending poverty by providing quality products and services at affordable prices. This includes our range of essential items, and lay-by and responsible credit options helping households manage their finances effectively. It aligns with the group’s strategy to make necessary items affordable, enabling people to live with dignity and pride. The Flash business understands the need for consumer accessibility and, through technology and their extensive interconnected network of partners, connects the informal and formal market sectors. In terms of making customers’ lives easier, Flash traders are now able to facilitate SASSA grants distribution to beneficiaries.



**Quality education. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all**

The group prioritises quality education as essential for sustainable development, enhancing employability and overall quality of life. Our philanthropic focus includes ECD and learnerships, which anecdotally exceeds the number of learnerships provided by any other retailer in South Africa (based on publicly available information), targeting youth and people with disabilities, addressing both independence for disabled individuals and youth unemployment. We support social investment initiatives through contributions of time, expertise and products.



**Decent work and economic growth. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**

The group offers diverse employment opportunities, employing over 50 000 individuals, and prioritises employee development through in-house training programmes. We uphold labour standards throughout our operations and value chains, focusing on productive, inclusive and freely associated employment. PepClo, the group’s manufacturing facility that produces affordable schoolwear sold in PEP and Ackermans stores, provides jobs to 1 800 people. The group also adheres to government regulations, emphasising non-discrimination and aligning policies with the Employment Equity Act and Broad-Based Black Economic Empowerment Act. We assess compliance using the B-BBEE generic scorecard, setting targets for individual operating businesses. Key performance indicators (KPIs) are integrated to drive change, participation and improvement.



**Ensure responsible consumption and production patterns. Minimising the natural resources and toxic materials used, and the waste and pollutants generated, throughout the entire production and consumption process.**

We use our extensive network to enhance resource efficiencies, minimise costs and ensure affordable prices. Our environmental commitment focuses on responsible consumption and production in our operating businesses and supply chain, driving efficiency in energy, transport, water and waste. We also strive to procure environmentally friendly supplies, preferring local, where commercially feasible, to reduce carbon emissions. The group’s supplier code of conduct encourages the suppliers to consider the effects of their operations on the environment and to use natural resources (e.g. water, sources of energy and raw materials) in a responsible way while promoting awareness of environmental management and impact reduction.



PEP’s stock donations generated a combined profit of R1.8 million for Taking Care of Business micro-entrepreneurs.

## Leading with governance

### Composition of the committee and responsibilities

The group's governance framework includes principles for ethical leadership, responsible citizenship, adherence to organisational values, strategic guidance, enhanced reporting, environmental awareness and sustainable business practices. The SEC monitors these principles, ensuring compliance, strategic alignment and continuous improvement. The SEC operates within a board-approved terms of reference, focusing on governance and sustainability responsibilities.

### The SEC members

The committee, chaired by independent non-executive director Fagmeedah Petersen-Cook, consists of the CEO and independent non-executive directors Paula Disberry and Zola Malinga. The CEO holds responsibility for managing group sustainability, particularly in relation to sustainability risks. In line with the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV™) compliance, the committee is primarily composed of independent non-executive directors. Executives from HR, internal audit, compliance, investor relations and risk management are invited to committee meetings. During FY23, these committee members and executives were present at all meetings of the committee. The chair also serves as a member of the audit and risk committee, ensuring efficient information flow and alignment of sustainability risks. The human resources and remuneration committee (Remcom) and the board jointly (with recommendations made by the SEC) oversee sustainability incentives for senior executives and operational managers.

### Statutory responsibilities

The committee operates in terms of defined terms of reference aligned with statutory regulations. It ensures ethical governance, responsible corporate citizenship and stakeholder inclusivity as per the principles contained in King IV™. The committee's responsibilities cover various areas such as health, safety, consumer relations, labour, environment, B-BBEE compliance, and anti-bribery and corruption. Operational management is responsible for ensuring compliance with regulations. The SEC working group and ESG champions in our operational businesses drive strategic ESG priorities, fostering a decentralised approach in the group's implementation process.

### Policies and structure

The group maintains a strict stance on regulatory compliance, with the committee overseeing ethics, fraud and corruption and human rights. In FY24, a centralised ethics and fraud hotline will enhance monitoring and reporting. The group remains vigilant about legal and regulatory changes, including bills such as the Employment Equity Act Amendment Bill and the Climate Change Bill and Extended Producer Responsibility Act. It also engages with international sustainability reporting regulation such as the ISSB and JSE Sustainability and Climate Change reporting guidelines to ensure the group works towards alignment with best practice disclosure frameworks. We are monitoring the proposed guidance notice on climate-related risk practices and disclosures for insurers and the requirements on our Abacus business.

## Social

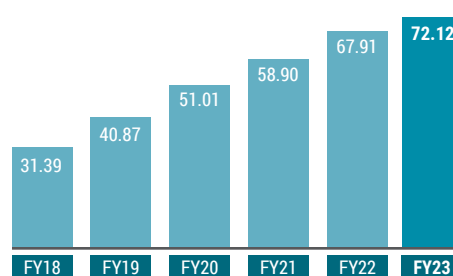
The group is committed to enhancing the employability of South African youth through learnerships, graduate recruitment and internships. The graduate and internship initiative emphasises IT skills and accounting, aiming to nurture black talent in South Africa. In FY23, the group extended support to 4 100 learners through learnerships and 700 learners with disabilities.

## B-BBEE

The group acknowledges that building an inclusive and diverse workforce is essential to the sustainable performance of the business. As a responsible corporate citizen, the group acknowledges our responsibility to ensure a more inclusive economy. During the year, R78 million was invested in various enterprise and supplier development (ESD) initiatives to support local manufacturing. Another notable investment was in the Flash business, providing support for local Flash traders. Since the inception of the SEC, the committee has focused on the implementation and performance of B-BBEE requirements, which has consistently improved over the past six years.

The committee has liaised with the Remcom to ensure that B-BBEE continues to be a specific KPI to encourage behaviour that will serve to further improve the transformation of the group.

### B-BBEE score improvement



The SEC maintains its oversight of using targeted talent development programmes that were previously introduced with support from the relevant Sector Education and Training Authorities (SETAs). These programmes serve as a specific avenue for nurturing black talent, with the ultimate goal of achieving demographic representation across all business levels. As part of our talent development strategy, Pepkor provides middle management and operating business executives with opportunities to enrol in business programmes. Additionally, the group has rolled out various entry-level and junior management initiatives.

The SEC continues to monitor the group's focus on procurement and enterprise development activities in order to advance job creation in, and the growth of, the South African economy.

### Responsible sourcing

The Pepkor supplier code of conduct was enhanced to include environmental matters and successfully rolled out and signed off by clothing, footwear and homeware (CFH) trade suppliers. The revised code has committed the group to collaborate with suppliers to enhance social and environmental standards. This includes upholding health and safety standards and procuring sustainable products and materials. Compliance with the supplier code of conduct is mandatory for all Pepkor suppliers, and a significant portion, 94% of the CFH trade supplier base, has already entered into a Memorandum of Acceptance (MoA) in this regard.

Within its own operations, the group is dedicated to optimising the use of natural resources, procuring eco-friendly supplies and prioritising local sourcing whenever possible to minimise the environmental impact of transportation. In FY23, 246 million units were sourced locally and R2 billion was spent on local small, medium and micro enterprises (SMMEs).

## Environmental

The board has adopted an environmental policy for the group, which was revised in FY23 in order to be more reflective of the group's current environmental ambitions.

Our 'road to green', which is a strategic goal in the Building Better Business framework, further focuses on advancing energy efficiencies and reducing carbon emissions in our own operations and in the supply chain.

Work on sustainability risks and opportunities continued this year, with further integration into existing risk management processes of operating businesses. Scenario analysis will help to quantify some of these risks and opportunities in the future.

Addressing energy security during recurring load shedding was a major challenge in the past year and will continue to be so in the near future. To manage this issue, the group introduced back-up power generation, allocating R62 million to renewable energy sources, and initiating energy-efficiency projects, such as replacing conventional lights with LED lighting.

While there was a trade-off involving increased diesel consumption for generators installed in the PepClo business this year, resulting in increased Scope 1 emissions, this allowed manufacturing operations to continue and employees to earn a full wage.

In the coming year, the group aims to further increase its investment in solar PV projects by 2.5 MWp, taking the total installed capacity to 8.5 MWp. It also targets to use 2 000 tonnes of second-hand boxes in operations and further optimise packaging to reduce waste. Low carbon practices make business sense as it leads to lower cost of doing business to serve our customers better.

### Metrics and targets

With a more robust data management process, a carbon emissions baseline was established in FY22 and work commenced on setting targets that will be incorporated into three-year budgets and strategic

plans from FY24 onwards. With better visibility of current and planned initiatives, the group is in a better position to set measurable and realistic targets that will in turn be incorporated in incentives.

The group's internal audit team is responsible for the verification of non-financial indicators to ensure the data used for target-setting and reporting is reliable. An external expert reviews the accuracy and completeness of the group's Scopes 1, 2 and 3 carbon emissions.

### Progress

In order to better understand our stakeholder priorities and measure our efforts against broader market environments, we undertook to investigate all ESG ratings and understand those that matter the most to our stakeholders. The process helped us to identify gaps and deepen our policy and strategy. The visible result of these efforts are seen in our ESG rating improvements with all major rating agencies and against our peers. The SEC commends the team for their outstanding performance and for being featured in the FTSE/JSE RI Index for the second consecutive year. We also applaud the group's first submission on climate change to the CDP.

In the 2021 financial year (FY21), we committed to align our climate change initiatives with the TCFD recommendations and released our inaugural TCFD report in FY22. During the year, we incorporated sustainability risks and opportunities in the risk management process, which involved board members, the SEC working group and operating businesses to analyse current sustainability risks and the potential of new ones. The group risk manager offered guidance on identifying, measuring, assessing and disclosing these sustainability risks and opportunities. These insights were then integrated into the risk registers of the respective businesses.

**Fagmeedah Petersen-Cook**

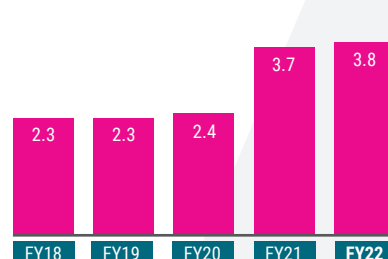
*Chair of the social and ethics committee*

## Pepkor FTSE score improvement

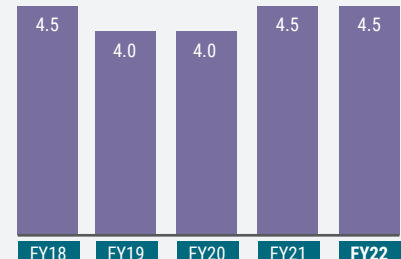
### Environment



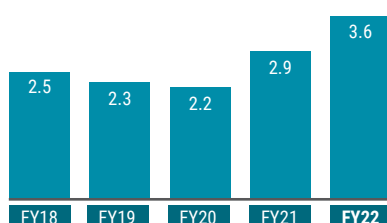
### Social



### Governance



### ESG rating



The group's aim is to maintain our positions with all major rating agencies and to make incremental improvements in accordance with our strategic plans.

# Annexure B

## Curricula vitae

### 1. Refer to agenda point 2.1 – Ordinary resolution numbers 1, 2, and 3: Re-election of directors who retire by rotation

#### Fagmeedah Petersen-Cook (48)

BBusSc (Act.Sc.), FIFoA, Certificate in Climate Change and Sustainability, FASSA, PGDip Global Business OXON, PGDip (MgtPrac) UCT GSB, CD(SA) IoDSA

#### Independent non-executive director

Fagmeedah was appointed as an independent non-executive director during April 2018 and is the designated insurance director for the group. She is an actuary with over 25 years' technical experience in the financial services sector and brings enterprise risk management skills to the boardroom. She previously served as the chief investment officer at the Eskom Pension and Provident Fund and an executive director of Prudential. Fagmeedah served on the board of Telkom SOC as a non-executive director, where she chaired the investment committee until retiring from that board in 2022. Fagmeedah champions ESG principles at the various companies where she is involved. She currently serves on the boards of, inter alia, Absa Pension Fund, Famous Brands, Africa Reinsurance SA, Capitalworks Fund III and Momentum Medical Scheme. Fagmeedah was also appointed as curator of 3sixty Life Limited during February 2023.

#### Wendy Luhabe (66)

BCom

#### Independent non-executive chair

Wendy was appointed as an independent non-executive director on 1 January 2019 and as chair of the board on 1 December 2020. She graduated with a BCom and an Advanced Management Programme and is a recipient of four honorary doctorates. She has been a social entrepreneur for over 30 years with a focus on the economic empowerment of women. Wendy is a founder member of WIPHOLD (South Africa's first investment company for women) and founder of WPEF, South Africa's first venture capital company for women. She has served as a non-executive director across diverse industries since 1992 and was chair of Vodacom and Industrial Development Corporation and also served as non-executive director of Tiger Brands and Telkom, among others. Wendy currently serves as chair of Libstar Holdings Limited and as non-executive director of Compagnie Financière Richemont SA.

#### Zola Malinga (45)

BAcc (Hons), CA(SA)

#### Independent non-executive director

Zola was appointed as an independent non-executive director on 1 June 2021. She is a CA(SA) and is the co-founder and executive director of Jade Capital Partners, a company with a portfolio of investments in the real estate and industrial sectors. Zola has experience in investment banking, real estate, corporate finance and investment management, having held roles at Investec Corporate Finance, Standard Bank Investment Banking and Standard Bank Real Estate finance divisions. She currently serves on the boards of Grindrod Bank and SAPPI.

### 2. Refer to agenda point 2.2 – Ordinary resolution number 4: Ratification of appointment of director

#### Nunu Ntshingila (60)

BA, MBA

#### Independent non-executive director

Nunu was appointed as an independent non-executive director on 15 November 2023. She has extensive experience in technology, marketing and advertising, having served in a number of business leadership roles. Nunu served as Facebook's regional director for Africa from September 2015 to September 2022. Prior to that she was the group CEO of Ogilvy Africa from January 2004 to January 2012, and executive chair of Ogilvy & Mather until August 2015. Nunu has also served as a director of Transnet, Old Mutual, Telkom, Ogilvy Global and Ivanhoe Mines.

**3. Refer to agenda point 2.3 – Ordinary resolution numbers 5, 6, 7 and 8: Re-appointment of the members of the audit and risk committee of the company**

**Hester Hickey (70)**

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BCompt (Hons), CA(SA)

**Independent non-executive director**

Hester was appointed as an independent non-executive director on 1 June 2021. She is a CA(SA) and holds a BCompt (Hons). Hester has held non-executive positions in several JSE-listed companies and has significant experience as a member and chair of audit committees. She was the former chair of the South African Institute of Chartered Accountants. Hester currently also serves on the boards of Barloworld and Northam Platinum.

**Fagmeedah Petersen-Cook (48)**

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For curricula vitae refer to point 1 above.

**Zola Malinga (45)**

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For curricula vitae refer to point 1 above.

**Steve Müller (62)**

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

**Independent non-executive director**

Steve was appointed as an independent non-executive director on 18 August 2017. He held roles at KPMG and Rand Merchant Bank Limited before joining Genbel Investments Limited, where he served as an executive director of Gensec Bank Limited, heading the Investment Banking division from 1999 to 2004. From 2004 to 2008, Steve managed various structured equity funds for Sanlam Capital Markets. Steve has served as a non-executive director on the boards of several companies over the last 25 years. He is currently also an independent non-executive director of KAP Limited.

# Annexure C

## Remuneration policy and implementation report

### The scope and aim of the remuneration policy

The various divisional 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 operating businesses before incorporation into the group. In all cases, policies have been adapted to support the performance-focused culture of the group. We continue to make progress to ensure greater alignment on remuneration, policies and practices across the group.

The policies in place apply to each of our operating businesses, which all need to attract, motivate and retain critical and specialist skills. Each operating business is also required to develop a robust recruitment strategy. The group's competitive advantage in these areas flows from an intricate and in-depth knowledge of the retail, financial services, telecommunications and informal fintech market value chains. This includes supply chains and the nurturing of key supplier relationships, goal-orientated marketing strategies and development of customer value propositions, offering the right product at the right price and at the convenience of our customers. These relationships and capabilities are all people-driven and depend on good systems, practices and policies. To be successful, each operating 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, our operating 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.

### The remuneration framework

While different policies may develop in each operating 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 group, 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 each group.



| Responsibility level  | Grade level  | Guaranteed pay  | Short-term incentives  | Long-term incentives   |
|---|--------------|---|--|--|
| Operational and logistics employees   | D1 and below | Salaries are reviewed annually based on an assessment of the competence of the employee or via a collective bargaining process. | A commission or gain-sharing or outcomes-based bonus may be awarded as an add-on to guaranteed pay. In some instances, a guaranteed thirteenth cheque applies. | Skills development is encouraged and subsidised, facilitating career advancement.<br><br>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.        |
| Administrative employees  |              |   |  |  |
| Line managers (Heads of departments)  | D2 to D5     | Guaranteed pay is reviewed annually based on an assessment of the competence of the employee.                                   | A performance bonus may be earned, based on the performance of the department or operating business.   | The incentives, as outlined above, apply to this group of employees.<br><br>Additionally, some employees – who are identified by the CEO and his executive team through succession planning processes as having high potential or are key for retention – may be awarded LTIs. |
| Executive management (The members of the group and operating business executive committees) | E and F      |   | A performance bonus may be earned based on the performance of the operating business. Financial and non-financial criteria are used as measures.               | Employees participate in LTI schemes based on group and operating business performance.  |
| Executive directors (Shouldering the responsibility for group strategy)                     | F            |   | A performance bonus may be earned as above but calculated based on group performance. Financial and non-financial criteria are used as measures.               |  |

## Remuneration governance

### The policy governing terms of employment

Employment contracts are terminable on six months' notice for executive directors and between one and three months' notice for the executive management team.

Remuneration packages, including the entitlement to LTIs, are reviewed annually, aligning interests with shareholders.

A fixed-term employment contract has been put in place for the COO up until December 2026. No other fixed-term employment contracts have been entered into with any other employees on the executive management team, or executive directors. As confirmed in the background statement, the COO will receive incentives which aim to ensure that he remains in the employment of the group until December 2026.

### The remuneration package

Remuneration is defined as a package containing three elements:

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

### The market positioning of guaranteed pay

The guaranteed packages of the executive management team and executive directors are reviewed annually. A detailed external benchmarking exercise is done every two years by the Remcom, based on reputable salary surveys. The survey providers used for FY23 were REMchannel and Willis Towers Watson.

The following approach is observed in the annual review exercise:

- The guaranteed pay of each member of the executive management team and executive directors are reviewed relative to market comparatives. The 50th percentile of market comparative is used as the target.
- The group CEO makes recommendations to the Remcom concerning the pay level of each executive based on the market comparatives and taking into account the competence and performance of the individual and the criticality of their contribution to the group.
- The level of the index applying to the remuneration of the group CEO is proposed by the chair of the board and considered 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 considered by the Remcom.

## Peer comparison group (Retail)

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

| Retail sector                   |                             |
|---------------------------------|-----------------------------|
| Clothing, footwear and homeware | Other retailers             |
| Mr Price Group Limited          | Shoprite Holdings Limited   |
| The Foschini Group Limited      | Clicks Group Limited        |
| Truworths International Limited | Pick n Pay Holdings Limited |
| Woolworths Holdings Limited     | The Spar Group Limited      |

## Package structures

Guaranteed pay (GP) is contracted on the basis that the executive directors and executive management are required to put more of their remuneration at risk than other employees. They are, however, incentivised via their participation in an STI scheme. The total remuneration of these individuals will reach market level if the targeted score is obtained in terms of the STI scheme. To illustrate the above, the following package structuring policy is in place and will typically apply in FY24 to executive directors, executive management and line managers.

| Element of package<br>Percentages are of total cost of employment (TCOE) at target | Executive directors | Executive management at group level | Line managers |
|--|---------------------|-------------------------------------|---------------|
| GP   | 67%                 | 67%                                 | 83%           |
| STI at target  | 33%                 | 33%                                 | 17%           |
| TCOE   | 100%                | 100%                                | 100%          |
| Maximum bonus (% of GP)  | 100%                | 100%                                | 40%           |

## The form and scale of STIs

Each executive serving on an executive committee will qualify for an STI at the end of each financial year, based on targeted pay at risk, as reflected in the table above. Incentives are measured and determined as follows:

- ▶ The executive concerned has a performance scorecard reflecting both financial and non-financial performance criteria. The criteria are weighted between 70% and 90% based on financial criteria, and between 10% and 30% based on non-financial criteria.
- ▶ The financial criteria for executive management are tied to the financial performance of the operating business, where the target is equal to the approved budget for the operating business or a percentage of operating profit growth for the operating business or earnings growth of the group. The non-financial criteria include objectives based on set targets. The targets are reset annually. Non-financial performance criteria achievement will be rated by the group CEO and approved by the Remcom at the end of each year.
- ▶ In the case of the executive directors and COO, the financial target is based on the growth in group earnings and the non-financial target is focused on reaching our B-BBEE goals agreed annually in advance with the committee.
- ▶ The bonus will be provided and accounted for in the year to which it relates and paid out in the following financial year after it has been approved. In the case of the component pertaining to B-BBEE, this will be accounted for and paid following the period to which it relates.

For FY24, the Remcom has approved that earnings\* growth between 10% and 30% will result in an STI of between 30% and 90% of the guaranteed package for the executive directors and COO.

Additionally, the STI component for B-BBEE was retained for FY24. Executive directors and the COO will be awarded an incentive of 10% of guaranteed pay upon achievement of an improved level 6 B-BBEE contributor status (not discounted) for FY24 as approved by the Remcom. For FY24, a threshold has been introduced where earnings\* growth of at least consumer price index (CPI) plus gross domestic product (GDP) needs to be achieved before payment of this element becomes due, thereby ensuring that all STIs are self-funded by profits generated during the relevant financial year.

The Remcom believes structuring the STIs as financial criteria equalling 90% and non-financial criteria equalling 10% is appropriate for FY24. The above could result in a maximum STI of 100% for executive directors and executive management.

| STI measure          | Weighting % | Threshold (as a % of GP) | On-target (as a % of GP) | Maximum (as a % of GP) |
|----------------------|-------------|--------------------------|--------------------------|------------------------|
| Earnings* growth     | 90          | 30                       | 40                       | 90                     |
| B-BBEE               | 10          | 10                       | 10                       | 10                     |
| Total (as a % of GP) | 100         | 40                       | 50                       | 100                    |

\* Earnings are defined as 'profit' for the year from continuing operations as disclosed in the financial results of the group, excluding the effect for the implementation of new International Financial Reporting Standards (IFRS) in the year of implementation – resulting in normalised earnings. Earnings further exclude abnormal one-off items outside management's control.

### The form and scale of LTIs

The Pepkor Holdings Limited executive share rights scheme takes the form of full value shares, subject to performance vesting conditions, either based wholly on Pepkor's performance or, in the case of executive management, based on Pepkor and/or applicable business performance criteria. The rights are granted annually with effect from the beginning of the financial year during which the grant was made. Grants are made annually in March. Each grant issued is subject to a three-year performance period.

Participants are awarded share rights in terms of the company's LTI plan based on the following guidelines:

- ▶ Each designated employee will receive an allocation amount based on the approved levels determined annually by the Remcom. This allocation value will be used to determine the number of share rights granted to each employee based on the 30-day volume-weighted average price (VWAP) on 30 September of each year. Guaranteed pay will be used to ensure that these allocations do not exceed the maximum allocation percentage allowed as per the rules of the scheme.
- ▶ More share rights can be awarded to an employee if this is approved by the Remcom on the recommendation of the CEO, on the grounds of the criticality of their skills and knowledge, or in relation to the operations or needs of the group. In the case of the CEO, the committee would make the recommendation.
- ▶ In awarding share rights, the performance vesting conditions are sufficiently challenging, which, together with the requirement of continuous employment, evaluates them as being worth approximately 70% of their face value on the date of the grant, in the Remcom's judgement.
- ▶ An amount of 172 500 000 (one hundred and seventy-two million five hundred thousand) unissued ordinary shares of no par value in the company may be used for the implementation of the Pepkor Holdings Limited executive share rights scheme over the life of the scheme. This represents less than 5% of Pepkor's total issued share capital.

LTIs continue to be reviewed to ensure they sufficiently motivate and retain key talent in line with best market practices. Provisions are made in the scheme rules relating to resignation, dismissal, death, retrenchment, ill health, disability, injury and sale of employer company.

FY23 share grants were allocated based on the following performance criteria:

|                        | Key performance indicators and targets  | Weighting  |
|------------------------|---|--|
| <b>Growth</b>          | <p><b>Statutory headline earnings* per share</b></p> <ul style="list-style-type: none"> <li>▶ Threshold: CPI + GDP (50% vesting)</li> <li>▶ On-target: CPI + GDP + 2% (100% vesting)</li> <li>▶ Stretch: CPI + GDP + 4% (110% vesting)</li> <li>▶ Super stretch: CPI + GDP + 6% (120% vesting)</li> </ul> | <p style="text-align: right; font-size: 2em; font-weight: bold;">70%</p>                                   |
| <b>Cash generation</b> | <p><b>Cash conversion<sup>^</sup></b></p> <ul style="list-style-type: none"> <li>▶ Threshold: 70% (50% vesting)</li> <li>▶ On-target: 80% (100% vesting)</li> <li>▶ Stretch: 85% (110% vesting)</li> <li>▶ Super stretch: 90% (120% vesting)</li> </ul>   | <p style="text-align: right; font-size: 2em; font-weight: bold;">15%</p>                                   |
| <b>Sustainability</b>  | <p><b>B-BBEE compliance</b> – Level 7 (not discounted) will result in a 100% vesting</p> <p><b>FTSE/JSE Responsible Investment Index</b> – inclusion in the index will result in 100% vesting</p>   | <p style="font-size: 2em; font-weight: bold;">10%</p> <p style="font-size: 2em; font-weight: bold;">5%</p> |

\* Earnings are defined as 'headline earnings' from continuing operations as disclosed in the financial results of the group, excluding the effect for the implementation of new IFRS in the year of implementation – resulting in normalised earnings. Earnings further excludes abnormal one-off items outside management's control.

<sup>^</sup> Cash generated by operations and divided by earnings before interest, taxation, depreciation and amortisation (EBITDA).

Vesting between threshold and on-target will be calculated on a pro rata linear sliding scale basis and vesting of stretch and super stretch will be cliff vesting. CPI and GDP will be measured as per the official figures released by Stats SA.

In aggregate, performance over the three-year performance period will result in a 42.5% vesting for threshold performance, 100% for on target and 117% at the maximum.

## Clawback and malus provision

Clawback and malus provisions were first incorporated in the letters of allocation in respect of the March 2018 grants and have been incorporated 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 the 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 already vested), in respect of any participant or all participants, on the occurrence of one or more of the following events:

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

## NED fees

The proposed 2024 fees will be presented to shareholders for consideration at the AGM to be held in March 2024 and, if approved, will be effective from 1 April 2024 to 31 March 2025.

|   | 2023      | 2024      | % change |
|---|-----------|-----------|----------|
| <b>Board of directors</b>                         |           |           |          |
| Chair   | 2 150 300 | 2 268 600 | 5.5      |
| Lead independent*                                 | 932 800   | 984 100   | 5.5      |
| Member  | 736 700   | 777 200   | 5.5      |
| <b>Audit and risk committee</b>                   |           |           |          |
| Chair   | 552 800   | 583 200   | 5.5      |
| Member  | 307 400   | 324 300   | 5.5      |
| <b>Human resources and remuneration committee</b> |           |           |          |
| Chair   | 307 400   | 324 300   | 5.5      |
| Member  | 153 700   | 162 200   | 5.5      |
| <b>Nomination committee</b>                       |           |           |          |
| Member  | 74 200    | 78 300    | 5.5      |
| <b>Social and ethics committee</b>                |           |           |          |
| Chair   | 252 300   | 266 200   | 5.5      |
| Member  | 135 700   | 143 200   | 5.5      |
| <b>Investment committee</b>                       |           |           |          |
| Chair   | 252 300   | 266 200   | 5.5      |
| Member  | 135 700   | 143 200   | 5.5      |
| <b>Insurance</b>                                  |           |           |          |
| Insurance director                                | 153 700   | 162 200   | 5.5      |

\* Currently, no lead independent has been appointed and the listed fee is only an indication should one be appointed in the future.

All fees listed above exclude VAT. The cycle for NED fees runs from April to March of each year, after it has been approved at the AGM by shareholders.

Pepkor used the following surveys to benchmark the NED fees:

- PwC – Non-executive directors: Practices and fees trends report
- Willis Towers Watson – The JSE Companies Non-Executive Directors Remuneration Survey

Based on these benchmarks, the remuneration paid to NEDs is considered to be fair and responsible, and the increase is in line with inflation.

## Application of discretion

The group remuneration framework provides a clear guideline for remuneration practices. Although the basis for short- and long-term awards are rigid, the Remcom has the discretion regarding who will participate in variable pay remuneration. The Remcom determines the overall quantum of the STIs 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 management. If a material deviation from the remuneration policy occurs, this will be disclosed in the annual remuneration report. Discretion would include, but is not limited to:

- ensure that Pepkor's employees 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 our strategic objectives and secure positive outcomes in the short, medium and long term; and
- ensure that the remuneration of executive directors, executives and managers is determined based on the remuneration philosophies applicable with due cognisance of operating business specific past practices and successes.

## 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:

- consulting with independent remuneration advisors affiliated with the South African Reward Association (SARA);
- applying the principle of equal pay for work of equal value;
- benchmarking the levels of roles, using a job grading system (REMeasure, Old Mutual);
- using reputable salary survey providers REMchannel (Old Mutual) and Willis Towers Watson; and
- providing the Remcom with suitable and market-related recommendations.

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

## Pay policy mix

Below is a theoretical illustration of the potential consequences on the total remuneration for the current executive directors and COO, on a total single-figure basis, of applying the remuneration policy under the minimum, on-target and maximum performance outcomes. The total single-figure remuneration includes all remuneration elements receivable for a defined reporting period, each disclosed at fair value.



## Minimum shareholding requirements

In line with good market practice, the Remcom introduced MSR for the CEO and CFO as from FY23. The aim is to ensure that the interests of executive directors, the COO and shareholders are aligned. From FY24 the MSR will be expanded to include the COO.

The stipulated conditions for MSR are as follows:

- Shareholding must be accumulated over a period of five years from the introduction of the MSR policy on 1 October 2022 or five years from the appointment of an employee into the CEO, COO or CFO role.
- The Remcom will regularly review the progress towards these requirements to ensure compliance with the policy.
- All shares held on 30 September every year will be used to report in the annual remuneration report and reflective as a percentage of annual guaranteed package.

The minimum shareholding requirement as a percentage of annual guaranteed package is as follows:

CEO: 150%

CFO: 100%

COO: 100%

In part 3, the current shareholding of the executive directors and COO has been included under the section Executive director and COO interests on page 22.

## Implementation of remuneration policy

This section discloses the details of the group's executive directors and COO's remuneration 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 Equity and Debt Listings Requirements and King IV™. The section also discloses the details regarding NED fees.

The executive directors and COO are the prescribed officers of the group in terms 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 FY23 and is expected to do so again in the next financial year. Furthermore, it can be confirmed that no deviations from the policy occurred in FY23 and no circumstances warranted the application of any malus or clawback provisions.

## Guaranteed pay benchmarking and increases for FY24

Benchmarking in the current year was undertaken based on salary information from REMchannel and Willis Towers Watson. The survey found that the guaranteed pay of the executive management team across the group was positioned at a comparative ratio of 101% relative to market 50th percentile. This was compared to companies and roles of a similar size in South Africa. This is close to the expectation of the pay structuring target, explained in the policy section of this document, as there is a skew towards variable pay in the pay structure of executive management.

A salary increase of 5.5% was approved to be implemented in FY24 for the guaranteed package of the CFO, compared to a general increase approved for other employees (including bargaining unit employees) generally ranging between 5% and 7%.

## STI outcomes in FY23

The following bonuses were awarded to the executive directors and COO in respect of the financial performance of the group for FY22 and FY23:

| Executive director and COO | Bonus awarded FY23 |         | Bonus awarded FY22 |         |
|----------------------------|--------------------|---------|--------------------|---------|
|                            | R'000              | % of GP | R'000              | % of GP |
| LM Lourens                 | –                  | –       | 4 450              | 54      |
| PJ Erasmus*                | –                  | –       | –                  | –       |
| RG Hanekom                 | 514                | 10      | 2 749              | 54      |
| SNN Cardinaal*             | –                  | –       | –                  | –       |

\* Appointed 1 October 2022

The Remcom approved the following STI categories for FY23:

- Financial – earnings\* growth (between 10% and 90% of GP)
- Non-financial – B-BBEE targets (between 5% and 10% of GP)

In FY23, no incentives were awarded on the financial component of STIs. The growth in normalised earnings\* for FY23, based on this definition, was -9.2% in terms of this category.

Additionally, a maximum incentive of 10% of guaranteed pay is allocated for executive directors based on the B-BBEE verification results if the target of 55 points is exceeded. The B-BBEE score for the FY22 measurement period resulted in a 10% payment to the executive directors in FY23.

\* Earnings are defined as 'profit' for the year from continuing operations as disclosed in the financial results of the group, excluding the effect for the implementation of new IFRS in the year of implementation – resulting in normalised earnings. Earnings further exclude abnormal one-off items outside management's control.

## LTI scheme

### FY20 share grants

The performance criteria were measured over a three-year performance period, being FY20 to FY22. In years 1 and 2 (FY20 – FY21), a performance score of 109.00% was achieved, which contributed two-thirds to the total vesting. In year 3 (FY22), a performance score of 100.63% was achieved, which contributed one-third to the total vesting.

This resulted in a final vesting percentage of 106.2% of the total award. The following tables set out targeted performance compared to performance achieved per key performance criteria over the three years.

### Years 1 and 2 (FY20 – FY21)

| Performance criteria   | Description                                  | Weighting % | Target       | Result achieved | % of award vesting |
|------------------------|--|-------------|--------------|-----------------|--------------------|
| <b>Growth</b>          | Earnings                                     | 25.00       | 5 600        | 6 748           | 30.00              |
|                        | Peer comparison: Like for like               | 6.67        | 2nd best     | Best            | 7.33               |
|                        | Peer comparison: EBITDA margin               | 6.67        | 2nd best     | Best            | 7.33               |
|                        | Peer comparison: Cost of doing business %    | 6.67        | 2nd best     | Best            | 7.33               |
|                        | Market share growth (RLC) <sup>^</sup>       | 10.00       | 6.09%        | 10.22%          | 12.00              |
| <b>Cash generation</b> | Cash conversion                              | 25.00       | 80.00%       | 110.80%         | 30.00              |
| <b>Sustainability</b>  | B-BBEE rating Year 1                         | 5.00        | 55.00 points | 51.01 points    | 3.00               |
|                        | B-BBEE rating Year 2                         | 5.00        | 55.00 points | 59.00 points    | 5.00               |
|                        | Compliance and governance Years 1 and 2      | 5.00        | 80%          | 80%             | 5.00               |
|                        | FTSE/JSE Responsible Investment Index Year 1 | 2.50        | 2.90 points  | 2.20 points     | 0.00               |
|                        | FTSE/JSE Responsible Investment Index Year 2 | 2.50        | Improvement  | > 15%           | 2.00               |
| <b>Total</b>           |  | 100.00      |              |                 | 109.00             |

<sup>^</sup> RLC – Retailers' Liaison Committee

## Year 3 (FY22)

| Performance criteria   | Description                           | Weighting % | Target       | Result achieved | % of award vesting |
|------------------------|---------------------------------------|-------------|--------------|-----------------|--------------------|
| <b>Growth</b>          | Headline earnings per share           | 55.00       | 10.53%       | 15.70%          | 66.00              |
| <b>Cash generation</b> | Cash conversion                       | 25.00       | 80.00%       | 72.50%          | 15.63              |
| <b>Sustainability</b>  | B-BBEE rating                         | 10.00       | 55.00 points | 67.91 points    | 10.00              |
|                        | Compliance and governance             | 5.00        | 80%          | 90%             | 5.00               |
|                        | FTSE/JSE Responsible Investment Index | 5.00        | Improvement  | > 15%           | 4.00               |
| <b>Total</b>           |                                       | 100.00      |              |                 | 100.63             |

## Executive director and COO interests

The following table sets out grants of share rights made to the executive directors and COO in terms of the Pepkor Holdings Limited executive share rights scheme during FY23, including outstanding and unvested share rights as at the financial year-end. It also includes current shareholding of the executive directors and COO as at 30 September 2023.

| Executive director and COO | At the beginning of the year (FY20, FY21 and FY22 allocations) | Additional rights due to exceeding on-target conditions | Allocated during the year (FY23 allocation) | Vested and/or forfeited during the year (FY20 allocation) | At the end of the year (FY21, FY22 and FY23 allocations) | Actual number of shares held at 30 September 2023 | Total value of shareholding at 30 September 2023 (VWAP R16.36) | Value as a % of FY23 annual GP |
|----------------------------|--|---|---|---|--|---|--|--------------------------------|
| PJ Erasmus                 | –  | –   | –   | –   | –  | –   | –  | N/A                            |
| RG Hanekom                 | 2 123 849  | 38 649  | 514 717                                     | (662 014)   | 2 015 201  | 778 327   | 12 733 430   | 234                            |
| SNN Cardinaal              | –  | –   | 766 090                                     | –   | 766 090  | –   | –  | –                              |
| <b>Total</b>               | 2 123 849  | 38 649  | 1 280 807                                   | (662 014)   | 2 781 291  | 778 327   | 12 733 430   |                                |

## LTI scheme grants in FY24

Share rights will be granted in terms of the remuneration policy and allocation levels. Performance vesting conditions are in line with the policy as set out in the policy section and will be confirmed by the Remcom. LTI scheme grants will have a three-year performance period.

## Total remuneration in FY23

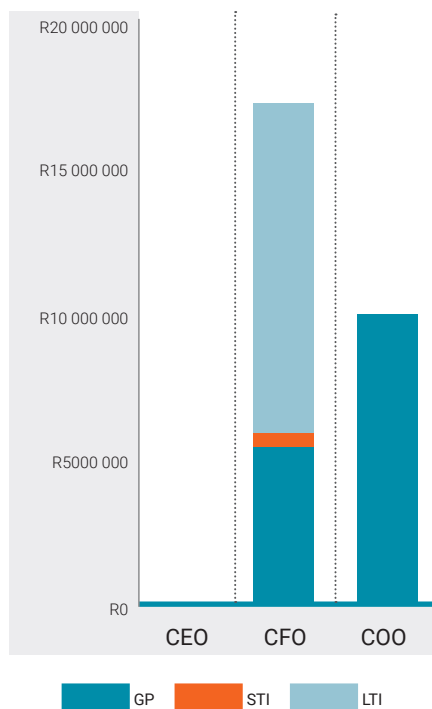
The following table offers a breakdown of the total single-figure remuneration earned by the executive directors and COO during FY23, reflected based on the cost to the group in terms of its accounting policies, which observe IFRS rules.

| Remuneration of the executive directors | Basic remuneration R'000 | Company contributions and benefits R'000 | Short-term incentive R'000 | Long-term incentive R'000 | Total remuneration R'000 |
|---|--------------------------|--|----------------------------|---------------------------|--------------------------|
| <b>FY22</b>                             |                          |  |                            |                           |                          |
| LM Lourens                              | 7 168                    | 1 146                                    | 4 450                      | 15 939                    | 28 703                   |
| RG Hanekom                              | 4 218                    | 917                                      | 2 749                      | 10 723                    | 18 607                   |
| <b>Total</b>                            | 11 386                   | 2 063                                    | 7 199                      | 26 662                    | 47 310                   |
| <b>FY23</b>                             |                          |  |                            |                           |                          |
| PJ Erasmus                              | –                        | –  | –                          | –                         | –                        |
| RG Hanekom                              | 4 462                    | 982                                      | 514                        | 11 461                    | 17 419                   |
| SNN Cardinaal                           | 9 685                    | 392                                      | –                          | –                         | 10 077                   |
| <b>Total</b>                            | 14 147                   | 1 374                                    | 514                        | 11 461                    | 27 496                   |



### Actual remuneration outcomes

In the graph below, the actual remuneration outcomes for FY23 have been illustrated.



### NED fees in 2023

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

|                 | FY22<br>R'000 | FY23<br>R'000 |
|-----------------|---------------|---------------|
| TL de Klerk*    | 801           | 848           |
| P Disberry      | 815           | 848           |
| LJ du Preez*    | 942           | 966           |
| PJ Erasmus      | 721           | –             |
| HH Hickey       | 1 255         | 1 385         |
| IM Kirk         | 1 016         | 1 110         |
| WYN Luhabe      | 1 996         | 2 089         |
| ZN Malinga      | 1 098         | 1 146         |
| LI Mophatlane   | 929           | 966           |
| SH Muller       | 1 385         | 1 445         |
| F Petersen-Cook | 1 686         | 1 541         |
| <b>Total</b>    | <b>12 644</b> | <b>12 344</b> |

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

\* Relates to remuneration received for services provided to Ibox Group (formerly Steinhoff). The fees to directors include fees paid as directors of the ultimate holding company, Ibox Group, where directors serve on the board of the company and holding company. The amount payable to Ibox Group for the attendance of Pepkor board meetings, as well as being non-executive Pepkor board members amounts to R1.81 million (2022: R1.74 million).

# Annexure D

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

| <b>Beneficial shareholders holding 1% or more</b> | <b>Number of shares</b> | <b>%</b>     |
|---|-------------------------|--------------|
| Ainsley Holdings Proprietary Limited              | 1 541 708 550           | 42.04        |
| Government Employees Pension Fund (PIC)           | 331 439 424             | 9.04         |
| Titan Premier Investments Proprietary Limited     | 199 394 550             | 5.44         |
| GIC Asset Management Private Limited              | 113 729 455             | 3.10         |
| Government of Norway                              | 95 953 475              | 2.62         |
| SAHPL Proprietary Limited                         | 68 720 747              | 1.87         |
| Various retail investors                          | 59 097 962              | 1.61         |
| Coronation Top 20 Fund                            | 48 278 950              | 1.32         |
| <b>Total</b>                                      | <b>2 458 323 113</b>    | <b>67.04</b> |

| <b>Fund managers holding 1% or more</b>          | <b>Number of shares</b> | <b>%</b>     |
|--|-------------------------|--------------|
| PIC  | 250 890 836             | 6.84         |
| Titan Premier Investments Proprietary Limited    | 199 394 550             | 5.44         |
| Coronation Asset Management Proprietary Limited  | 191 728 727             | 5.23         |
| GIC Asset Management Private Limited             | 112 713 955             | 3.07         |
| The Vanguard Group Incorporated                  | 81 776 078              | 2.23         |
| Value Capital Partners                           | 81 351 242              | 2.22         |
| Sanlam Investment Management Proprietary Limited | 78 141 365              | 2.13         |
| Allan Gray Proprietary Limited                   | 68 147 914              | 1.86         |
| Fairtree Asset Management Proprietary Limited    | 67 118 301              | 1.83         |
| BlackRock Advisors LLC                           | 59 070 534              | 1.61         |
| Camissa Asset Management                         | 51 312 821              | 1.40         |
| Truffle Asset Management Proprietary Limited     | 49 170 299              | 1.34         |
| Abax Investments                                 | 42 192 450              | 1.15         |
| Sanlam Private Investments                       | 39 472 105              | 1.08         |
| <b>Total</b>                                     | <b>1 372 481 177</b>    | <b>37.43</b> |

| <b>Number of authorised and issued shares in the company</b> | <b>Number of shares</b> | <b>Rm</b> |
|--|-------------------------|-----------|
| <b>Authorised share capital</b>                              |                         |           |
| Ordinary shares of no par value                              | 20 000 000 000          | –         |
| <b>Issued share capital</b>                                  |                         |           |
| Stated capital – ordinary shares of no par value             | 3 667 426 643           | 66 943    |

# Corporate information

## PEPKOR HOLDINGS LIMITED

('Pepkor' or 'the company' or 'the group')  
(Incorporated in the Republic of South Africa)

### Executive directors

PJ Erasmus (Chief executive officer)  
RG Hanekom (Chief financial officer)

### Non-executive directors

WYN Luhabe (Chair)\*  
TL de Klerk  
P Disberry\*  
LJ du Preez  
HH Hickey\*  
IM Kirk\*  
ZN Malinga\*  
LI Mophatlane\*  
SH Müller\*  
NR Ntshingila (appointed 15 November 2023)\*  
F Petersen-Cook\*

\* Independent

### Registration number

2017/221869/06

### Share code

PPH

### Debt code

PPHI

### ISIN

ZAE000259479

### LEI

3789006D677C34F69875

### Registered address

36 Stellenberg Road, Parow Industria 7493

### Postal address

PO Box 6100, Parow East 7501

### Telephone

021 929 4800

### Contact

E-mail: [investors@pepkor.co.za](mailto:investors@pepkor.co.za)

### Investor relations and debt officer

Ian Nel

E-mail: [investors@pepkor.co.za](mailto:investors@pepkor.co.za)

### Press enquiries

E-mail: [press@pepkor.co.za](mailto:press@pepkor.co.za)

### Company secretary

Masood Allie

E-mail: [companysec@pepkor.co.za](mailto:companysec@pepkor.co.za)

### Auditor

PricewaterhouseCoopers Inc.  
5 Silo Square, V&A Waterfront  
Cape Town 8012  
PO Box 2799, Cape Town 8000

### Equity sponsor

Investec Bank Limited  
(Registration number 1969/004763/06)  
100 Grayston Drive, Sandown  
Sandton 2196  
PO Box 78055, Sandton 2146

### Debt sponsor

Rand Merchant Bank (A division of FirstRand Bank Limited)  
(Registration number 1929/001225/06)  
1 Merchant Place, Corner Fredman Drive and Rivonia Road  
Sandton 2196  
PO Box 786273, Sandton 2146

### Corporate broker

Rand Merchant Bank  
(A division of FirstRand Bank Limited)

### Transfer secretary

Computershare Investor Services Proprietary Limited  
Rosebank Towers, 15 Biermann Avenue, Rosebank 2196





# Form of proxy

## PEPKOR HOLDINGS LIMITED

(Registration number: 2017/221869/06) | JSE share code: PPH | JSE debt code: PPHI | ISIN: ZAE000259479 | LEI: 3789006D677C34F69875 | (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 Thursday, 7 March 2024 (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 chair 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 report of the social and ethics committee  | Non-voting                           |         |         |
| 2.1 Re-election of directors who retire by rotation   | Non-voting                           |         |         |
| 2.1.1 <b>Ordinary resolution number 1:</b> Re-election of F Petersen-Cook   |                                      |         |         |
| 2.1.2 <b>Ordinary resolution number 2:</b> Re-election of WYN Luhabe  |                                      |         |         |
| 2.1.3 <b>Ordinary resolution number 3:</b> Re-election of ZN Malinga  |                                      |         |         |
| 2.2 Ratification of appointment of director   | Non-voting                           |         |         |
| 2.2.1 <b>Ordinary resolution number 4:</b> Appointment of RN Ntshingila   |                                      |         |         |
| 2.3 Re-appointment of the audit and risk committee members  | Non-voting                           |         |         |
| 2.3.1 <b>Ordinary resolution number 5:</b> Re-appointment of HH Hickey  |                                      |         |         |
| 2.3.2 <b>Ordinary resolution number 6:</b> Re-appointment of F Petersen-Cook  |                                      |         |         |
| 2.3.3 <b>Ordinary resolution number 7:</b> Re-appointment of ZN Malinga   |                                      |         |         |
| 2.3.4 <b>Ordinary resolution number 8:</b> Re-appointment of SH Müller  |                                      |         |         |
| 2.4 Re-appointment of auditor   | Non-voting                           |         |         |
| 2.4.1 <b>Ordinary resolution number 9:</b> Re-appointment of PricewaterhouseCoopers Inc.  |                                      |         |         |
| 2.5 Non-binding advisory vote on Pepkor's remuneration policy   | Non-voting                           |         |         |
| 2.5.1 <b>Ordinary resolution number 10:</b> Approval of remuneration policy   |                                      |         |         |
| 2.6 Non-binding advisory vote on Pepkor's implementation report on the remuneration policy  | Non-voting                           |         |         |
| 2.6.1 <b>Ordinary resolution number 11:</b> Approval of implementation report on remuneration policy  |                                      |         |         |
| 3.1 Remuneration of non-executive directors   | Non-voting                           |         |         |
| 3.1.1 <b>Special resolution number 1.1:</b> Board chair   |                                      |         |         |
| 3.1.2 <b>Special resolution number 1.2:</b> Lead independent director   |                                      |         |         |
| 3.1.3 <b>Special resolution number 1.3:</b> Board members   |                                      |         |         |
| 3.1.4 <b>Special resolution number 1.4:</b> Audit and risk committee chair  |                                      |         |         |
| 3.1.5 <b>Special resolution number 1.5:</b> Audit and risk committee members  |                                      |         |         |
| 3.1.6 <b>Special resolution number 1.6:</b> Human resources and remuneration committee chair  |                                      |         |         |
| 3.1.7 <b>Special resolution number 1.7:</b> Human resources and remuneration committee members  |                                      |         |         |
| 3.1.8 <b>Special resolution number 1.8:</b> Social and ethics committee chair   |                                      |         |         |
| 3.1.9 <b>Special resolution number 1.9:</b> Social and ethics committee members   |                                      |         |         |
| 3.1.10 <b>Special resolution number 1.10:</b> Nomination committee members  |                                      |         |         |
| 3.1.11 <b>Special resolution number 1.11:</b> Investment committee chair  |                                      |         |         |
| 3.1.12 <b>Special resolution number 1.12:</b> Investment committee members  |                                      |         |         |
| 3.1.13 <b>Special resolution number 1.13:</b> Director approved by Prudential Authority   |                                      |         |         |
| 3.2 Financial assistance to subsidiary companies or corporations  | Non-voting                           |         |         |
| 3.2.1 <b>Special resolution number 2:</b> Intercompany financial assistance in terms of section 45 of the Companies Act   |                                      |         |         |
| 3.3 Financial assistance for subscription/purchase of securities  | Non-voting                           |         |         |
| 3.3.1 <b>Special resolution number 3:</b> Financial assistance for the subscription and/or purchase of securities in the company or in subsidiary companies in terms of section 44 of the Companies Act |                                      |         |         |
| 3.4 General authority to repurchase shares  | Non-voting                           |         |         |
| 3.4.1 <b>Special resolution number 4:</b> General authority to repurchase shares issued by the company  |                                      |         |         |

Shareholders 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 \_\_\_\_\_ 2024

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 chair 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 chair 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 chair of the AGM, if the chair 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 secretary, Computershare Investor Services Proprietary Limited (Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 or Private Bag X9000, Saxonwold 2132, South Africa), or e-mailed to [proxy@computershare.co.za](mailto:proxy@computershare.co.za) to be received by the transfer secretary by no later than 09:00 on Tuesday, 5 March 2024, provided that any Form of Proxy not delivered to the transfer secretary by this time may be sent to the chair of the AGM at any time before the appointed proxy exercises any shareholder rights at the AGM, subject to the transfer secretary 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 chair of the AGM may accept or reject it, provided that, in the case of acceptance, the chair 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 secretary or waived by the chair of the AGM.
9. The chair 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 secretary 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 secretary.
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.



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