

# NOTICE OF ANNUAL GENERAL MEETING

THE FOSCHINI GROUP LIMITED  
(Incorporated in the Republic of South Africa)  
Registration number: 1937/009504/06  
Share code: TFG - TFGP  
(ISIN: ZAE000148466 - ZAE000148516)  
("TFG" or "company")

Notice is hereby given that the 80th annual general meeting of shareholders of TFG will be held at the company's registered office at Stanley Lewis Centre, 340 Voortrekker Road, Parow East, Cape Town on Wednesday, 6 September 2017 at 12h15 to:

1. deal with such business as may lawfully be dealt with at the meeting; and
2. consider and, if deemed fit, pass with or without modification, the ordinary and special resolutions set out hereunder in the manner required by the Companies Act and the company's memorandum of incorporation (MOI), which meeting is to be participated in and voted at by shareholders as at the record date of Friday, 25 August 2017.

It should be noted that TFG made provision for its shareholders or their proxies to participate electronically in the annual general meeting as detailed later in this notice.

## **ORDINARY RESOLUTION NUMBER 1 (PRESENTATION OF ANNUAL FINANCIAL STATEMENTS)**

To receive and adopt the annual financial statements of the company and the Group for the year ended 31 March 2017. The consolidated audited annual financial statements of the company and its subsidiaries (as approved by the Supervisory Board), incorporating the independent auditors' report, the directors' report and the Audit Committee's report for the year ended 31 March 2017 as well as the Social and Ethics Committee's report contained in the 2017 integrated annual report, have been made available and will be presented.

## **ORDINARY RESOLUTION NUMBER 2 (REAPPOINTMENT OF EXTERNAL AUDITORS)**

That upon the recommendation of the Audit Committee, KPMG Inc. be reappointed as auditors (and Mr P Farrand as the designated partner) of the company until the following annual general meeting.

## **ORDINARY RESOLUTION NUMBER 3 (RE-ELECTION OF DIRECTOR)**

That upon the recommendation of the Nomination Committee and the Supervisory Board, shareholders re-elect Mr D Friedland who is retiring by rotation as an independent non-executive director in accordance with the provisions of the MOI; Mr D Friedland, being eligible, offers himself for re-election as an independent non-executive director.

A brief curriculum vitae is included in annexure 1.

## **ORDINARY RESOLUTION NUMBER 4 (RE-ELECTION OF DIRECTOR)**

That upon the recommendation of the Nomination Committee and the Supervisory Board, shareholders re-elect Ms N V Simamane who is retiring by rotation as an independent non-executive director in accordance with the provisions of the MOI; Ms N V Simamane, being eligible, offers herself for re-election as an independent non-executive director.

A brief curriculum vitae is included in annexure 1.

## **ORDINARY RESOLUTION NUMBER 5 (RE-ELECTION OF DIRECTOR)**

That upon the recommendation of the Nomination Committee and the Supervisory Board, shareholders re-elect Mr R Stein who is retiring by rotation as a non-executive director in accordance with the provisions of the MOI; Mr R Stein, being eligible, offers himself for re-election as a non-executive director.

A brief curriculum vitae is included in annexure 1.

## NOTICE OF ANNUAL GENERAL MEETING CONTINUED

### **ORDINARY RESOLUTION NUMBER 6 (ELECTION OF AUDIT COMMITTEE MEMBER)**

That upon the recommendation of the Nomination Committee and the Supervisory Board, shareholders elect Mr S E Abrahams, an independent non-executive director, as a member of the Audit Committee.

A brief curriculum vitae is included in annexure 2.

### **ORDINARY RESOLUTION NUMBER 7 (ELECTION OF AUDIT COMMITTEE MEMBER)**

That upon the recommendation of the Nomination Committee and the Supervisory Board, shareholders elect Ms B L M Makgabo-Fiskerstrand, an independent non-executive director, as a member of the Audit Committee.

A brief curriculum vitae is included in annexure 2.

### **ORDINARY RESOLUTION NUMBER 8 (ELECTION OF AUDIT COMMITTEE MEMBER)**

That upon recommendation of the Nomination Committee and the Supervisory Board, shareholders elect Mr E Oblowitz, an independent non-executive director, as a member of the Audit Committee.

A brief curriculum vitae is included in annexure 2.

### **ORDINARY RESOLUTION NUMBER 9 (ELECTION OF AUDIT COMMITTEE MEMBER)**

That upon recommendation of the Nomination Committee and the Supervisory Board, shareholders elect Ms N V Simamane, an independent non-executive director, as a member of the Audit Committee.

A brief curriculum vitae is included in annexure 2.

### **ORDINARY RESOLUTION NUMBER 10 (ELECTION OF AUDIT COMMITTEE MEMBER)**

That upon recommendation of the Nomination Committee and the Supervisory Board, shareholders elect Mr D Friedland, an independent non-executive director, as a member of the Audit Committee.

A brief curriculum vitae is included in annexure 2.

### **ORDINARY RESOLUTION NUMBER 11 (ELECTION OF AUDIT COMMITTEE MEMBER)**

That upon recommendation of the Nomination Committee and the Supervisory Board, shareholders elect Prof F Abrahams, an independent non-executive director, as a member of the Audit Committee.

A brief curriculum vitae is included in annexure 2.

### **ORDINARY RESOLUTION NUMBER 12 (NON-BINDING ADVISORY VOTE ON REMUNERATION POLICY)**

That shareholders endorse, by way of a non-binding advisory vote, the company's remuneration policy as set out in the Remuneration Committee report on pages 119 to 137.



**SPECIAL RESOLUTION NUMBER 1 (NON-EXECUTIVE DIRECTORS' REMUNERATION)**

To approve the remuneration to be paid to non-executive directors for the year ending 1 October 2017 to 30 September 2018, details of which are as follows:

	<b>Excl. VAT</b>
Chairman	R954 000
Director (South African)	R295 000
Director (foreign)	R572 500
Audit Committee Chairperson	R254 500
Risk Committee Chairperson	R170 000
Remuneration Committee Chairperson	R127 500
Social and Ethics Committee Chairperson	R117 000
Member/Invitee of Audit Committee	R127 500
Member/Invitee of Risk Committee	R85 000
Member of Remuneration Committee	R79 500
Member of Social and Ethics Committee	R64 000
Member of Nomination Committee	R42 500
Member of <i>ad hoc</i> Finance Committee	R42 500

**REASON AND EFFECT OF SPECIAL RESOLUTION NUMBER 1**

To approve the remuneration to be paid to non-executive directors for the calendar year commencing 1 October 2017 until 30 September 2018.

**SPECIAL RESOLUTION NUMBER 2 (GENERAL AUTHORITY TO ACQUIRE TFG SHARES)**

That the company, and/or any subsidiary of the company, is hereby authorised, by way of a general authority from time to time, to acquire ordinary shares in the share capital of the company upon such terms and conditions and in such amounts as the directors of the company may from time to time determine, but subject to the MOI of the company, the provisions of the Companies Act and the Listings Requirements as presently constituted and which may be amended from time to time, and subject to the following:

1. The repurchase of securities being effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited).
2. Approval by shareholders in terms of a special resolution of the company, in annual general/general meeting, which shall be valid only until the next annual general meeting or for fifteen (15) months from the date of the resolution, whichever period is shorter.
3. Repurchases may not be made at a price greater than 10% above the weighted average of the market value for the securities for the five (5) business days immediately preceding the date on which the transaction is effected.
4. At any point in time, a company may only appoint one agent to affect any repurchase(s) on the company's behalf.
5. An issuer or its subsidiary may not repurchase securities during a prohibited period as defined in paragraph 3.67 of the Listings Requirements unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and have been submitted to the JSE in writing prior to the commencement of the prohibited period. The issuer must instruct an independent third party, which makes its investment decisions in relation to the issuer's securities independently of, and uninfluenced by, the issuer prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE.
6. The aggregate of acquisitions by subsidiaries of the company may not result in the subsidiaries holding more than 10% of the number of issued shares of any class of shares of the company.
7. The general repurchase by the company of its own securities may not, in the aggregate in any one financial year, exceed 10% of the company's issued share capital of that class in any one financial year.
8. A resolution by the Supervisory Board of Directors that it has authorised the repurchase, that the company and its subsidiary(ies) have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Group.

# NOTICE OF ANNUAL GENERAL MEETING CONTINUED

## Statement by the Supervisory Board

Pursuant to and in terms of the Listings Requirements, the Supervisory Board hereby states:

1. The intention of the directors of the company is to use the general authority if at some future date the cash resources of the company are in excess of its requirements. In this regard, the directors will take account of, *inter alia*, an appropriate capitalisation structure for the company, the long-term cash needs of the company, and will ensure that any such use is in the interests of shareholders.
2. In determining the method by which the company intends to repurchase its securities, the maximum number of securities to be repurchased and the date on which such repurchase will take place, the Supervisory Board will ensure that:
  1. the company and the Group will be able to pay their debts as they become due in ordinary course of business for the next twelve (12) months;
  2. the assets of the company and the Group will be in excess of the liabilities of the company and the Group for the next twelve (12) months, and for this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements;
  3. the issued share capital and reserves of the company and the Group will be adequate for the purposes of the business of the company and the Group for the next twelve (12) months; and
  4. the working capital available to the company and the Group will be sufficient for the Group's requirements for next twelve (12) months.

The Supervisory Board will notify the shareholders of the terms of the repurchase of the company's shares by publishing an announcement in accordance with the Listings Requirements should the company or its subsidiaries cumulatively repurchase more than 3% of the company's issued share capital.

## REASON AND EFFECT OF SPECIAL RESOLUTION NUMBER 2

The reason for special resolution number 2 is to grant the company a general authority in terms of the Companies Act for the acquisition by the company or any of its subsidiaries of shares issued by the company, which authority shall be valid until earlier of the next annual general meeting of the company or the variation or revocation of such general authority by special resolution at any subsequent general meeting of the company, provided that the general authority shall not extend beyond fifteen (15) months from the date of this annual general meeting. The passing of this special resolution will have the effect of authorising the company or any of its subsidiaries to acquire shares issued by the company.

## Listings Requirements disclosures

Paragraph 11.26 of the Listings Requirements requires the following disclosures:

- Major shareholders (paragraph 11.26(b)(i) - refer to pages 163 and 164)
- Share capital of the company (paragraph 11.26(b)(iii) - refer to note 11 of the 2017 annual financial statements)

## Material changes

Other than the facts and developments reported on in this document, there were no material changes in the financial or trading position of the company and its subsidiaries since the date of signature of this document.

## Directors' responsibility statement

The directors whose names are given on pages 86 to 89 collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts omitted that would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts were made and that this special resolution contains all information required by law and the Listings Requirements.

**SPECIAL RESOLUTION NUMBER 3 (FINANCIAL ASSISTANCE)**

The shareholders approve that the company may provide direct or indirect financial assistance to a related or interrelated company or corporation, provided that such financial assistance may only be provided within two (2) years from the date of the adoption of this special resolution and subject further to sections 44 and 45 of the Companies Act.

**REASON AND EFFECT OF SPECIAL RESOLUTION NUMBER 3**

Section 44 of the Companies Act applies to financial assistance provided by a company to related or interrelated companies in the event that the financial assistance is provided 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 related or interrelated company, or for the purchase of any securities of the company or a related or interrelated company.

Section 45 of the Companies Act applies to financial assistance provided by a company to related or interrelated companies and corporations, including, among others, its subsidiaries.

Thus both sections 44 and 45 of the Companies Act provide that the financial assistance may only be provided pursuant to a special resolution passed by shareholders within the previous two (2) years.

The passing of this special resolution will have the effect of authorising the company to provide financial assistance to related and interrelated companies and corporations.

**ORDINARY RESOLUTION NUMBER 13 (GENERAL AUTHORITY OF DIRECTORS)**

Any director of the company is authorised to do all such things and sign all such documents as may be necessary for, or incidental to, the implementation of ordinary resolutions 1 to 12 and special resolutions 1 to 3 proposed at the company's annual general meeting to be held on Wednesday, 6 September 2017.

To transact any other business that may be transacted at an annual general meeting.

**Voting requirements**

An ordinary resolution requires the support of more than 50% of the voting rights exercised on the resolution to be adopted.

A special resolution requires the support of more than 75% of the voting rights exercised on the resolution to be adopted.

**General instructions**

Members are encouraged to attend, speak and vote at the annual general meeting.

Meeting participants (including shareholders and proxies) will be required to provide proof of identity before being entitled to attend and/or participate in the meeting. Forms of identification include identity documents, driver's licence and passports.

If you hold shares in certificated form (in other words, you have not dematerialised your TFG shares) or are registered as an own-name dematerialised shareholder, then:

- you may attend and vote at this meeting; alternatively
- you may appoint a proxy to represent you at this meeting by completing the attached form of proxy and lodging it with the transfer secretaries of TFG by 12h15 on Tuesday, 5 September 2017. Any forms of proxy not lodged by this time may be handed to the Chairperson of the annual general meeting immediately prior to its commencement. The completion of a proxy form will not preclude a shareholder from attending the annual general meeting.

## NOTICE OF ANNUAL GENERAL MEETING CONTINUED

Where you are entitled and wish to appoint a proxy, the proxy does not have to be a TFG shareholder and you may appoint more than one proxy to exercise voting rights attached to different securities held by you that entitled you to vote.

If you have dematerialised your shares and are not registered as an own-name dematerialised shareholder (in other words, you have specifically instructed your CSDP not to hold your shares in your own name on TFG's uncertificated securities register) then, subject to the custody agreement between yourself and your CSDP or broker:

- if you wish to attend the meeting, you must contact your CSDP or broker and obtain the relevant letter of representation from it; or
- if you are unable to attend the meeting but wish to be represented at the meeting, you must contact your CSDP or broker and furnish it with your voting instructions in respect of the meeting. You must not complete the attached form of proxy. The instructions must be provided in accordance with the custody agreement between yourself and your CSDP or broker within the time period required by your CSDP or broker.

CSDPs, brokers or their nominees recorded in the company's uncertificated securities register should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares in the company, vote by either appointing a duly authorised representative to attend and vote at the meeting or by completing the attached form of proxy in accordance with the instructions thereon and lodging it with the transfer secretaries of the company by 12h15 on Tuesday, 5 September 2017.

### Electronic participation

The company has made provision for shareholders or their proxies to participate electronically in the annual general meeting by way of telephone conference call.

Should you wish to participate in the annual general meeting by telephone conference call, you or your proxy must complete the application form attached to this document and return it to the transfer secretaries of the company by no later than 12h15 on Friday, 25 August 2017.

By order of the Supervisory Board

### D van Rooyen

*Group Company Secretary*

29 June 2017

# NOTICE OF ANNUAL GENERAL MEETING

## ANNEXURE 1

### BRIEF CURRICULUM VITAE OF DIRECTORS STANDING FOR RE-ELECTION

In terms of the MOI, each year, one-third (or a number closest to) of the non-executive directors are subject to retirement by rotation and are eligible for re-election.

The Nomination Committee has considered the confirmation, performance and attendance of the following directors retiring by rotation:

- Mr D Friedland
- Ms N V Simamane
- Mr R Stein

The Nomination Committee has no hesitation in recommending these directors for reappointment by the shareholders.

#### D FRIEDLAND (64)

BCom, Certificate in the Theory of Accountancy, CA(SA)

**Appointed:** 2013

**Member of:** Remuneration, Audit and Risk Committees

**Also a director of South African listed companies:** Pick n Pay Stores Limited and Investec Limited

**Also a director of a foreign listed company:** Investec PLC

David is a chartered accountant with extensive audit experience from a broad range of listed retail companies. He served as international partner at Arthur Andersen from 1990 and as a partner at KPMG from 2002. David was Head of Audit and Risk at KPMG (Cape Town) and was the lead audit partner for several listed companies. In 2013, David retired as a partner at KPMG and was appointed to the boards of Investec Limited and Investec PLC in March 2013, serving as the Group Audit Committee Chairman. He stepped down as the Audit Committee Chairman on 1 April 2017 to assume the role of Chairman of the Board Risk and Capital Committee. David also serves on the audit and risk committee for Pick n Pay Stores Limited.

#### N V SIMAMANE (58)

BSc (Biochem) (Hons)

**Appointed:** 2009

**Member of:** Audit, Risk and Social and Ethics Committees

**Also a director of South African listed companies:** Cashbuild Limited, Oceana Group, Hollard Insurance, Hollard Life Insurance and SA Post Office

Nomahlubi has extensive business, marketing and communications experience, having previously held the positions of Marketing Manager at Unilever, Marketing Director of British American Tobacco and Managing Director of BLGK Bates Advertising Agency. She is currently the CEO of Zanusi Brand Solutions, a branding consultancy she founded in 2001. She has worked in the United States and Kenya and has been recognised as a seasoned business woman, having won two Business Women of the Year Awards in 2009. She was also named the 2013 Enterprising Woman in Fort Lauderdale, Florida, USA.

#### R STEIN (68)

BCom, CA(SA)

**Appointed:** 2015

**Member of:** Risk and Nomination Committees

**Meetings attended by invitation:** Audit Committee

Ronnie was previously our CFO. He retired from this position at the end of June 2015 after serving 19 years with our Group. Prior to joining our Group, he was an accountant and auditor in public practice. He was a partner at Kessel Feinstein for 15 years. Following his retirement Ronnie remains on the Supervisory Board in a non-executive capacity.

# NOTICE OF ANNUAL GENERAL MEETING

## ANNEXURE 2

### BRIEF CURRICULUM VITAE OF DIRECTORS PROPOSED FOR ELECTION TO THE AUDIT COMMITTEE

In terms of the MOI and section 94(2) of the Companies Act, the Audit Committee is required to be elected by shareholders at each annual general meeting.

In terms of King III, the Audit Committee must comprise a minimum of three independent non-executive directors and further, in terms of the regulations of the Companies Act, at least one-third of the members of the committee must have academic qualifications or experience in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.

Having regard to the above requirements, the Nomination Committee considered the expertise, experience and independence requirements of the members offering themselves for election and recommended to the Supervisory Board that the Supervisory Board proposes the following candidates to shareholders:

- Mr S E Abrahams
- Mr D Friedland
- Ms B L M Makgabo-Fiskerstrand
- Mr E Oblowitz
- Ms N V Simamane
- Prof F Abrahams

#### **S E ABRAHAMS (78)**

FCA, CA(SA)

**Appointed:** 1998

**Member of:** Audit and Nomination Committees

**Chairman of:** Audit Committee

**Open invitation:** Risk Committee

**Also a director of a South African company:** Investec Bank Limited

Sam is a very experienced director. He was formerly an international partner and South African managing partner of Arthur Andersen. Sam is currently the Chairman of Investec Securities (Pty) Ltd and Chairman of The Victor Daitz Foundation, one of the largest charitable foundations in South Africa.

#### **D FRIEDLAND (64)**

BCom, Certificate in the Theory of Accountancy, CA(SA)

**Appointed:** 2013

**Member of:** Remuneration, Audit and Risk Committees

**Also a director of South African listed companies:** Pick n Pay Stores Limited and Investec Limited

**Also a director of a foreign listed company:** Investec PLC

David is a chartered accountant with extensive audit experience from a broad range of listed retail companies. He served as international partner at Arthur Andersen from 1990 and as a partner at KPMG from 2002. David was Head of Audit and Risk at KPMG (Cape Town) and was the lead audit partner for several listed companies. In 2013, David retired as a partner at KPMG and was appointed to the boards of Investec Limited and Investec PLC in March 2013, serving as the Group Audit Committee Chairman. He stepped down as the Audit Committee Chairman on 1 April 2017 to assume the role of Chairman of the Board Risk and Capital Committee. David also serves on the audit and risk committee for Pick n Pay Stores Limited.



**B L M MAKGABO-FISKERSTRAND (43)****Appointed:** 2012**Member of:** Audit, Risk and Social and Ethics Committees**Also a director of a South African listed company:** Sun International Limited

Tumi is founder and executive director of AfricaWorldwide Media and director of Tumi Makgabo Enterprises, focusing on enterprise development in South Africa and across the African continent. In addition, Tumi served as the Vice Chairperson of the World Economic Forum's Global Agenda Council on Women's Empowerment and as a member of its Council on Africa for two years. In 2008, she was nominated to the World Economic Forum's Forum of Young Global Leaders, which is a multi-stakeholder community of exceptional leaders below the age of 40, selected from around the world.

**E OBLOWITZ (59)**

BCom, CA(SA), CPA(Isr)

**Appointed:** 2010**Member of:** Audit, Remuneration and Risk Committees**Chairman of:** Remuneration and Risk Committees**Also a director of a South African listed company:** Tencor Limited

Eddy has considerable audit, finance and business advisory experience, having spent 21 years in professional practice, most notably as a senior partner of the Cape Town, Durban and Port Elizabeth offices of Arthur Andersen. In addition, he served as a member of the firm's worldwide Retail and Distribution Industry Team. He is currently the Executive Chairman of Stonehage Fleming South Africa, which provides multi-family office, wealth management and advisory services to an extensive local and international client base.

**N V SIMAMANE (58)**

BSc (Biochem) (Hons)

**Appointed:** 2009**Member of:** Audit, Risk and Social and Ethics Committees**Also a director of South African listed companies:** Cashbuild Limited, Oceana Group, Hollard Insurance, Hollard Life Insurance and SA Post Office

Nomahlubi has extensive business, marketing and communications experience, having previously held the positions of Marketing Manager at Unilever, Marketing Director of British American Tobacco and Managing Director of BLGK Bates Advertising Agency. She is currently the CEO of Zanusi Brand Solutions, a branding consultancy she founded in 2001. She has worked in the United States and Kenya and has been recognised as a seasoned business woman, having won two Business Women of the Year Awards in 2009. She was also named the 2013 Enterprising Woman in Fort Lauderdale, Florida, USA.

# NOTICE OF ANNUAL GENERAL MEETING

## ANNEXURE 2 CONTINUED

**PROF F ABRAHAMS (54)**

BEcon (Hons), MCom, DCom

**Appointed:** 2003

**Member of:** Audit, Remuneration and Social and Ethics Committees

**Chairperson of:** Social and Ethics Committee

**Also a director of South African listed companies:** Clicks Group Limited, Iliad Africa Limited and Lewis Group Limited

Fatima has extensive experience in industrial psychology and is known for her academic work. She was also a non-executive director of Transnet, B2B Africa (Pty) Ltd and Chairperson of Victoria & Alfred Waterfront Holdings. She has served on the audit and risk, as well as the transformation and remuneration committees of many of the companies she was involved in, and built up sound business experience over the years.