

**AFRIMAT LIMITED**

(Registration No. 2006/022534/06)

**FORFEITABLE SHARE PLAN 2018  
(Amended May 2021 & 18 May 2022)**

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1. **INTRODUCTION**

1.1 The Forfeitable Share Plan ('FSP') is introduced as a long-term incentive for selected Employees of the Employer Companies.

1.2 The purpose of the FSP is to provide both an incentive to Participants to deliver the Group's business strategy over the long-term and to be a retention mechanism.

2. **INTERPRETATION**

2.1 In these Rules, unless inconsistent with the context, the following words and expressions shall have the following meanings:

2.1.1 "Act" the Companies Act 71 of 2008, as amended and any re-enactment or replacement thereof;

2.1.2 "Allocated" for purposes of setting the Plan limits in Rule 5, shall mean one Share allocated per Award granted;

2.1.3 "Auditors" the auditors of the Company from time to time;

2.1.4 "Award" an award of a specified number of Retention Shares and/or Performance Shares, in the form of Forfeitable Shares (which will be acquired and held by the

CSDP on behalf of the Participant) made to the Participant on the basis that he may forfeit the Retention Shares and/or Performance Shares in the circumstances set out in the Award Letter and these Rules; and “Awarded” shall bear a similar meaning;

2.1.5 “Award Date” the date, specified in the Award Letter, on which an Award is made to an Employee and the Employee will be deemed to have automatically accepted the Award on this date, unless otherwise specified in the Rules;

2.1.6 “Award Letter” a letter containing the information specified in Rule 6.3 sent by the Company, or its nominee and on the recommendation of the Employer Company, to a Participant informing the Participant of the grant of an Award to him;

2.1.7 “Business Day” any day on which the JSE is open for the transaction of business;

- 2.1.8 “Capitalisation Issue” the issue of shares on capitalisation of the Company’s profits and/or reserves including the Company’s share premium account;
- 2.1.9 “Change of Control” where a person (or persons acting together in concert), who did not have Control of the Company through a transaction, or series of transactions, acquires Control of the Company. For the avoidance of doubt, this excludes internal restructures that may result in the interposition or removal of companies to or from the Group in circumstances where the ultimate or indirect Control of the Company will remain unchanged;
- 2.1.10 “Change of Control Date” the date on which the change of Control of the Company becomes effective;
- 2.1.11 “Closed Period” a closed period as defined in the JSE Listings Requirements applicable to the Company from time to time;
- 2.1.12 “Company” AFRIMAT Ltd (Registration Number 2006/022534/06);

- 2.1.13            “Control”
- means in relation to the Company, that some or other natural person, company, close corporation or other juristic person:
- (a) owns directly or indirectly, over 50% (fifty percent) of the Shares of the Company; or
  - (b) controls directly or indirectly, over 50% (fifty percent) of the voting rights, in relation to the Shares of the Company, exercisable by members in general meeting or otherwise of the Company; or
  - (c) is entitled, directly or indirectly, to appoint a majority of Directors of the board of Directors of the Company, or to appoint or remove Directors having a majority of the votes exercisable at meetings of the board of Directors of the Company;
- 2.1.14            “Country Schedule”
- a schedule to these Rules, adopted by the Remuneration Committee, which

governs the participation in the FSP by Participants employed by the Group in jurisdictions other than South Africa. Such Country Schedule shall form part of the Rules;

2.1.15 "CSDP"

the central securities depository participant appointed by the Company from time to time to hold Forfeitable Shares on behalf of Participants until the Vesting Date;

2.1.16 "Date of Termination of Employment" the date upon which a Participant is no longer employed by, or ceases to hold salaried office in, any Employer Company; provided that, where a Participant's employment is terminated without notice or on terms in lieu of notice, the Date of Termination of Employment shall be deemed to occur on the date on which the termination takes effect, and where such employment is terminated with notice, the Date of Termination of Employment shall be deemed to occur upon the date on which

that notice is received by the relevant Employer Company or Participant;

2.1.17 “Directors” the directors of the Company from time to time;

2.1.18 “Employee” any person holding salaried employment or office with any Employer Company and who has met the performance criteria, as so directed by the Remuneration Committee, in his annual performance review, as may be approved for participation by the Remuneration Committee,

but excluding:

(i) any non-executive director of the Group;

2.1.19 “Employer Company” the Company or any wholly-owned Subsidiary in the Group which employs an Employee and which will have an obligation to procure the delivery of Shares to such Participant;



- 2.1.20 “Financial Year” the financial year of the Company currently running from 1 March to 28 February of each year;
- 2.1.21 “Forfeitable Shares” the Shares purchased in accordance with the Award, held for the benefit of the Participant;
- 2.1.22 “FSP” the AFRIMAT Ltd Forfeitable Share Plan 2018 constituted by these Rules, as amended from time to time;
- 2.1.23 “Group” the Company and its Subsidiaries from time to time;
- 2.1.24 “JSE” the exchange operated by the JSE Limited (registration number 2005/022939/06), a public company duly registered and incorporated with limited liability in accordance with the company laws of South Africa, licensed as an exchange under the Securities Services Act, No. 36 of 2004, as amended and any re-enactment or replacement thereof;
- 2.1.25 “Liquidation Date” the date on which any successful application for the final or provisional

		liquidation of the Company is lodged at the relevant court;
2.1.26	“LRA”	the Labour Relations Act 66 of 1995, as amended and any re-enactment or replacement thereof;
2.1.27	“Majority of Operations”	more than 50% of the Company’s operations, when measured in terms of the revenue generated on an annual basis and as disclosed in the Company’s annual financial statements for the prior year;
2.1.28	“Other Share Plans”	includes but are not limited to, the AFRIMAT Ltd Share Appreciation Rights Plan (SAR) Plan as amended;
2.1.29	“Participant”	an Employee who has accepted or is deemed to have accepted an Award made to him under the FSP and includes the executor of such employee’s deceased estate where appropriate;
2.1.30	“Performance Condition”	a condition imposed as a condition of Vesting of an Award of Performance Shares under Rule 6;

- 2.1.31      “Performance Period”      the period in respect of which a Performance Condition is to be satisfied, as set out in the Award Letter;
- 2.1.32      “Performance Shares”      Forfeitable Shares that are subject to the Vesting Condition and Performance Condition;
- 2.1.33      “Recharge Agreement”      an agreement in force from time to time between the Company and an Employer Company regulating the funding of the Settlement;
- 2.1.34      “Remuneration Committee”      the remuneration committee of the board of Directors of the Company or any other committee appointed by the board of Directors of the Company for purposes of the FSP, the members of which do not hold any executive office with the Group and who will not be eligible for participation in the FSP;
- 2.1.35      “Retention Shares”      Forfeitable Shares that are subject to the Vesting Condition;
- 2.1.36      “Retirement”      in relation to a Participant, retirement in terms of the rules of the Participant’s

- Employer Company's pension or provident fund or, in relation to a Participant who is not a member of such fund, reaching the age of retirement pursuant to a service contract between the Participant and his current employer;
- 2.1.37 "Rights Issue" the offer of any securities of the Company to all ordinary shareholders of the Company pro rata to their holdings;
- 2.1.38 "Rights Issue Share" a Share which a Participant can acquire in terms of a Rights Issue by virtue of Forfeitable Shares awarded to him;
- 2.1.39 "Rules" these Rules of the FSP, as amended from time to time;
- 2.1.40 "Settlement" delivery to a Participant of the benefit of Forfeitable Shares to which a Participant is entitled pursuant to the making of an Award of Performance Shares and/or Retention Shares to a Participant, in accordance with the Settlement method stipulated in Rule 6.6 and the words "Settle" and "Settled" shall bear a corresponding meaning;

2.1.41	“Settlement Date”	the date on which Settlement shall occur;
2.1.42	“Share”	an ordinary listed share in the capital of the Company;
2.1.43	“Subsidiary”	a company which is a subsidiary of the Company, within the meaning of the Act or “Subsidiary” as defined in Accounting Statement IAS 27 (Consolidated and separate financial statements);
2.1.44	“Total Guaranteed Pay”	the total guaranteed pay of a Participant;
2.1.45	“Vesting Condition”	the condition of continued employment with the Group for the duration of the Vesting Period, as specified in Rule 8;
2.1.46	“Vesting Date”	the date or dates on which a Participant becomes unconditionally entitled to the Forfeitable Shares free of any restrictions and forfeiture, and “Vest”, “Vesting” and “Vested” shall be construed accordingly. In the case of Retention Shares this shall be on fulfilment of the Vesting Condition and in the case of Performance Shares on fulfilment of both the Vesting

Condition and the Performance Condition;

2.1.47 “Vesting Period” the period or periods commencing on the Award Date and ending on the Vesting Date as specified in the Award Letter for which the Participant should fulfil the Vesting Condition.

2.2 The headings in these Rules are inserted for reference purposes only and shall in no way govern or affect the interpretation hereof.

2.3 If any provision in a definition is a substantive provision conferring rights or imposing obligations on any party, effect shall be given to it as if it were a substantive provision.

2.4 Unless the context indicates otherwise, an expression that denotes any gender includes the others; a natural person includes a created entity (corporate or unincorporated) and the singular includes the plural, and *vice versa* in each case.

2.5 References in these Rules to any statutory provisions include a reference to those provisions as amended or replaced from time to time and include any regulations made under them.

3. **THE FSP**

These Rules shall be applicable to all Awards made in terms of the FSP.

4. **OPERATION OF THE FSP**

4.1 **Basis upon which Awards are made**

4.1.1 The basis upon which the Awards are made includes the following:

4.1.1.1 The Forfeitable Shares are held for the benefit of the Participant subsequent to the Settlement Date, subject to forfeiture and disposal restrictions; and

4.1.1.2 Vesting of Awards, in the form of both Performance Shares and Retention Shares, is subject to the Vesting Condition for the duration of the Vesting Period, unless otherwise stated in Rule 9; and

4.1.1.3 In addition, Vesting of Awards in the form of Performance Shares will also be subject to the Performance Conditions as measured over the Performance Period.

4.2 The Remuneration Committee may from time to time, in its discretion:

4.2.1 call upon the Employer Companies to make recommendations to the Remuneration Committee as to which of their respective Employees they recommend to incentivise by the Award of Forfeitable Shares; and

4.2.2 approve proposed Awards to the Employees.

4.3 The Remuneration Committee will have the final authority to decide:

4.3.1 which Employees will participate in the FSP in respect of each Award;

- 4.3.2 the aggregate quantum of Awards to be made to all Employees;
  - 4.3.3 the Vesting Period and Vesting Date;
  - 4.3.4 the terms of the Performance Condition and Performance Period; and
  - 4.3.5 all other issues relating to the governance of the FSP.
- 4.4 If, and when, the Remuneration Committee approves the granting of an Award, the Remuneration Committee shall notify the Company and the Employer Company of each Employee who has been approved for participation in the FSP.
- 4.5 The number of Forfeitable Shares subject to an Award made to an Employee will primarily be based on the Employee's Total Guaranteed Pay, grade, performance, retention requirements and market benchmarks.
- 4.6 The Company or its nominee shall issue an Award Letter to every Employee who has been approved for participation in the FSP as soon as is practically possible after receiving the Remuneration Committee's notification in terms of Rule 4.3.
- 4.7 The Employer Companies will, however, remain responsible to procure the Settlement of the benefits in terms of the FSP to the Participants employed by them on the Settlement Date, or as may otherwise be regulated under the Recharge Agreement.
- 4.8 Day to day administration of the FSP will be performed by the Company acting on the Remuneration Committee's instructions.



5. **FSP LIMITS**

5.1 **Overall company Limit**

5.1.1 Subject to Rule 5.1.3, the maximum aggregate number of Shares which may at any time be Allocated to all Participants in respect of this FSP shall not exceed 10,000,000 (ten million) Shares , which equates to approximately 7% of the number of issued Shares as at 22 February 2018 either alone or when aggregated with the Other Share Plans, in each case as determined pursuant to the provisions applicable to the relevant Other Share Plans. To the extent that there is a discrepancy between the number of Shares and the percentage of issued Shares it represents, the number of Shares will take precedence.

5.1.2 The limit referred to in Rule 5.1.1 shall exclude Awards that have lapsed as a result of forfeiture thereof by Participants.

5.1.3 The Directors must, where required, adjust the number of Shares available for the FSP (without the prior approval of the Company in a general meeting) and the number of Shares subject to existing Awards to take account of a sub-division or consolidation of the Shares of the Company. Such adjustment should give the Participant an entitlement to an equivalent fair value of the equity capital of the Company as that to which he was entitled prior to the occurrence of the relevant event.

5.2 **Individual limit**

Subject to the provisions of Rule 11, the maximum number of Shares allocated in respect of all unvested Awards granted to any Participant in respect of this FSP, shall not exceed 0.7% of the number of issued Shares, either alone or when aggregated with the Other Share Plans, in each case as determined pursuant to the provisions applicable to the Other Share Plans.

6. **MAKING AND SETTLEMENT OF AWARDS**

6.1 **Time when Awards may be made**

6.1.1 Subject to Rule 3, the Remuneration Committee may select any Employee for participation in the FSP, and make an Award to such Employee after any of the following dates:

6.1.1.1 the day after the publication of the Company's annual results for any period; or

6.1.1.2 any day on which there are no restrictions on the making of Awards being restrictions imposed by a Closed Period, restricted period, statute, order, regulation or directive, or by any code adopted by the Company based on the provisions contained in the King Report on Corporate Governance relating to dealings in securities by directors or the listings requirements of the JSE, as the case may be.

6.1.2 However, the Remuneration Committee may, on behalf of an Employer Company, and subject to the restrictions mentioned in Rule 6.1.1.2, allow an Employee to join the FSP part way through a Financial Year of the Company.

6.2 **Performance Condition**

6.2.1 The Vesting of an Award of Performance Shares will be subject to the satisfaction of the Performance Condition and any other conditions set by the Remuneration Committee.

6.2.2 Any such Performance Condition and any further condition imposed under Rule 6.2.1 shall be:

- (i) objective; and
- (ii) set out in, or attached in the form of a schedule to, the Award Letter.

6.3 **Award Letter**

6.3.1 The Award Letter shall be in writing and shall specify the terms of the Award including:

6.3.1.1 the name of the Employee;

6.3.1.2 the Award Date;

6.3.1.3 the number of Forfeitable Shares Awarded to the Participant as Performance Shares;

- 6.3.1.4 the number of Forfeitable Shares Awarded to the Participant as Retention Shares;
- 6.3.1.5 the Vesting Date(s);
- 6.3.1.6 the Vesting Condition;
- 6.3.1.7 the Vesting Period(s);
- 6.3.1.8 the Performance Condition applicable to the Performance Shares;
- 6.3.1.9 the Performance Period applicable to the Performance Shares; and
- 6.3.1.10 any other relevant terms and conditions.

**6.4 Award of Forfeitable Shares**

6.4.1 An Award shall:

- 6.4.1.1 be personal to the Employee to whom it is addressed and may only be acted on by such Employee; and
- 6.4.1.2 unless otherwise stated in the Award Letter, indicate that the Award will be deemed to have been accepted automatically by the Employee on the Award Date unless the Employee specifically rejects the Award in writing to the Company within five Business Days of the Award Date.

6.5 Save for Securities Transfer Tax which the Employer Company will recover from the Participant, the Participant will give no consideration for the grant of an Award. The method of recovering the Securities Transfer Tax amount will be agreed between the Employer Company and the Participant prior to the Settlement Date.

6.6 **Settlement of Awards**

6.6.1 Awards will be Settled through the delivery of Shares acquired on the market by the CSDP, acting in terms of the mandate given by the Employer Company to Settle the Shares on the Employer Company's behalf. It is recorded that the Company shall not issue new Shares nor use existing shares held in treasury in Settlement of any Award;

6.6.2 All costs and expenses incurred by the CSDP (including the costs of acquisition of the Shares), shall be borne and paid for directly by the Employer Company, or recharged by the Company to the Employer Company as regulated in the Recharge Agreement.

6.6.3 Subject to Rule 14.3, following the making of the Award, the Company or relevant Employer Company shall within 30 (thirty) days of the Award Date procure the Settlement of that number of Forfeitable Shares to the Participant in one of the following ways:

6.6.3.1 The Employer Company will incur an expense by making a cash contribution to the appointed CSDP equal in value to the required number of Shares in Settlement of the Award on the

basis that the CSDP will acquire the required number of Shares on the market for delivery to the Participant; or

6.6.3.2 The Company will make a cash contribution to the CSDP equal in value to the required number of Shares in Settlement of the Award on the basis that the CSDP will acquire the required number of Shares on the market for delivery to the Participant, whereupon the Company will recharge such costs to the relevant Employer Company in terms of the Recharge Agreement.

6.6.4 For the avoidance of doubt, it is recorded that the Shares will upon acquisition by the CSDP as envisaged in Rule 6.6.3.1 or 6.6.3.2, be held for the benefit of the Participant and will never be acquired by the Employer Company or Company.

6.7 **Ownership in respect of Forfeitable Shares and Participant's rights before the Vesting Date**

6.7.1 Following the making of the Award, the Remuneration Committee will procure that the Shares are held by the CSDP for the absolute benefit of the Participants as beneficial owners of the Forfeitable Shares, but subject to the provisions of Rule 9. The Forfeitable Shares may not be disposed of or otherwise encumbered at any time from the date of their Settlement, up to and including the Vesting Date, except that on a Participant's death (as envisaged in Rule 9.2) his Forfeitable Shares may be transferred to the executor of his estate.

- 6.7.2 The Forfeitable Shares shall be subject to the control of the CSDP acting on instructions from the Company from the Settlement Date up to and including the Vesting Date where after the Participant shall, subject to Rule 9, have unrestricted ownership of the Forfeitable Shares and may request the release of the Forfeitable Shares from the CSDP.
- 6.7.3 Except for the restrictions envisaged in Rule 6.7.1, the Participant has all other shareholder rights in respect of the Forfeitable Shares from the Settlement Date to the Vesting Date or the Date of Termination of Employment, whichever occurs first.
- 6.7.4 The Participant shall provide his Employer Company with, and the Participant shall consent to his Employer Company furnishing the CSDP with, any information relating to the Participant's identification that the CSDP may require in order to ensure compliance with the Financial Intelligence Centre Act, 2001 or any other applicable legislation.
- 6.7.5 The Participant shall, where required, enter into a written agreement with the CSDP, in a form approved by the Employer Company, relating to the holding of the Forfeitable Shares by the CSDP during the Vesting Period.
- 6.7.6 The Employer Company shall not be liable for any loss or damage arising from any act or omission of the CSDP engaged by the Company, or any employee, director, or representative of the CSDP in connection with or arising out of the holding of, or transacting in, the Forfeitable Shares.

7. **REVIEW OF PERFORMANCE CONDITION**

7.1 In respect of an Award of Performance Shares, should an event occur at any point during the Performance Period which causes the Remuneration Committee to consider that the Performance Condition is no longer appropriate, the Remuneration Committee may substitute or vary the Performance Condition in such manner as:

7.1.1 is reasonable in the circumstances; and

7.1.2 produces a fairer measure of performance and is not materially less or materially more difficult to satisfy.

The Award will then take effect subject to the Performance Condition as so substituted or varied.

7.2 As soon as reasonably practicable after the end of the Performance Period in relation to an Award of Performance Shares, the Remuneration Committee shall review the Performance Condition as specified in the Award Letter and determine the extent to which it has been satisfied.

7.3 If the Remuneration Committee is satisfied that the Performance Condition has been fulfilled, the Remuneration Committee shall calculate the number of Shares that Vest in each Participant based on the extent to which the Performance Condition has been satisfied, and shall notify the Participant of this fact accordingly.



7.4 If the Remuneration Committee is satisfied that the Performance Condition has not been fulfilled, no Performance Shares will Vest. The Participant will be notified of such fact accordingly. Performance Conditions shall not be retested.

7.5 Any Performance Shares which do not Vest as a result of the non-fulfilment of the Performance Condition shall lapse on the Vesting Date.

7.6 In the event that the Performance Condition has to be reviewed prior to the end of the Performance Period, as envisaged by Rules 9.2.1, 9.3 and 10.1, the Remuneration Committee will have regard to the following when determining whether, and the extent to which, the Performance Condition has been satisfied:

7.6.1 where the event which triggers the early review occurs within 6 months of the end of the Company's Financial Year, the Performance Condition will be reviewed by reference to the results reported by the Company in respect of the previous Financial Year; and

7.6.2 where the event which triggers the early review occurs more than 6 months after the end of the Company's Financial Year, the Performance Condition will be reviewed by reference to the results reported by the Company in respect of the forthcoming Financial Year.

## 8. **VESTING OF THE FORFEITABLE SHARES**

8.1 Subject to Rules 9 and 10, an Award of Retention Shares will Vest on the date or dates specified in the Award Letter to be the Vesting Date, provided that the Participant has satisfied the Vesting Condition.

8.2 Subject to Rules 9 and 10, an Award of Performance Shares will Vest on the later of:

8.2.1 the date on which the Remuneration Committee determines that the Performance Condition has been satisfied; and

8.2.2 the expiry of the Vesting Period, provided that the Participant has satisfied the Vesting Condition.

8.3 The effect of an Award Vesting will be that the restrictions imposed on the Forfeitable Shares shall cease to apply and the risk of forfeiture will lift.

## 9. **TERMINATION OF EMPLOYMENT AND DEATH**

### 9.1 **Resignation or dismissal**

9.1.1 If a Participant's employment with any Employer Company terminates prior to the Vesting Date by reason of:

(i) his resignation; or

(ii) any dismissal which is not a no-fault dismissal in terms of the LRA,

his Award will be forfeited in its entirety and will lapse immediately on the Date of Termination of Employment. For the avoidance of doubt, any Awards which have already Vested will be unaffected by this provision.

### 9.2 **Death, retrenchment, Retirement, ill-health, injury, disability and sale of Employer Company**

9.2.1 Subject to the Remuneration Committee determining otherwise in its absolute discretion, if a Participant's employment with any Employer Company terminates prior to the Vesting Date by reason of:

- (i) Death; or
- (ii) Retrenchment, as determined in accordance with the Employer Company's policy; or
- (iii) Retirement or early retirement or
- (iv) ill-health, injury or disability, as determined to the satisfaction of the Remuneration Committee; or
- (v) a no-fault dismissal in terms of the LRA; or
- (vi) the Participant's Employer Company ceasing to be a member of the Group or the undertaking in which he is employed being transferred to a transferee which is not a member of the Group,

a portion of his Award shall Vest on the Date of Termination of Employment or as soon as reasonably practicable thereafter. The portion of the Award which shall Vest will be calculated in accordance with Rules 9.2.2, 9.2.3 and 9.2.4.

9.2.2 In determining the portion of an Award which shall Vest the Remuneration Committee will in respect of an Award of Performance Shares, calculate whether, and the extent to which the Performance

Condition has been satisfied in accordance with Rule 7.6 and, if it has been satisfied, the number of Forfeitable Shares that Vest.

9.2.3 The number of Forfeitable Shares subject to an Award of Performance Shares calculated to Vest under Rule 9.2.2 and Forfeitable Shares subject to an Award of Retention Shares will be pro-rated as follows:

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

where:

- (i) V = the number of Forfeitable Shares that will Vest in accordance with Rule 9.2.1;
- (ii) X = the number of complete months served from the Award Date to the Date of Termination of Employment (rounded down to the nearest whole month, if applicable);
- (iii) Y = the total number of months in the relevant Vesting Period;  
and
- (iv) Z = the number of Forfeitable Shares subject to an Award of Performance Shares calculated to Vest in accordance with Rule 9.2.2 or the number of Forfeitable Shares subject to an

Award of Retention Shares, in respect of the relevant Vesting Period.

9.2.4 To the extent that there is more than one Vesting Date and more than one Vesting Period in respect of a particular Award, the calculation set out in Rule 9.2.3 should be carried out in respect of each Vesting Period with Y reflecting the total number of months in the relevant Vesting Period and Z reflecting the proportion of the Award applicable to that specific Vesting Period.

9.2.5 The portion of the Award that does not Vest will lapse on the Date of Termination of Employment. For the avoidance of doubt, any Awards which have already Vested will be unaffected by this provision.

### 9.3 **Other terminations and exceptional circumstances**

9.3.1 Subject to the Remuneration Committee determining otherwise in its absolute discretion, if the Participant ceases to be in the employment of any Employer Company before the end of the Vesting Period for any other reason, a portion of his Award shall Vest on the Date of Termination of Employment or as soon as reasonably practicable thereafter. The portion of the Award which shall Vest will be calculated in accordance with Rule 9.2.2, 9.2.3 and 9.2.4. The portion of the Award that does not Vest will lapse on the Date of Termination of Employment. For the avoidance of doubt, any Awards which have already Vested will be unaffected by this provision.

- 9.3.2 For the purposes of this Rule 9, a Participant will not be treated as ceasing to be an Employee of an Employer Company if, on the same date on which he ceases to be an Employee of an Employer Company, he is employed by another Employer Company.

10. **CHANGE OF CONTROL**

- 10.1 Subject to Rule 10.6 and subject also to the Remuneration Committee determining otherwise in its absolute discretion, in the event of a Change of Control of the Company occurring before the Vesting Date which directly results in:

10.1.1 the Shares ceasing to be listed on the JSE or;

10.1.2 the Majority of Operations of the Company being merged with those of another company or companies; or

10.1.3 the FSP being terminated

a portion of the Award held by a Participant will Vest on the Change of Control Date, or as soon as reasonably practicable thereafter. The portion of the Award which shall Vest will be calculated in accordance with Rule 10.2, 10.3 and 10.4.

- 10.2 In determining the portion of the Award which shall Vest the Remuneration Committee will, in respect of an Award of Performance Shares, calculate whether and the extent to which the Performance Condition has been satisfied

in accordance with Rule 7.6 and, if it has been satisfied, the number of Forfeitable Shares that Vest.

- 10.3 The number of Forfeitable Shares subject to an Award of Performance Shares calculated to Vest under Rule 10.2 and Forfeitable Shares subject to an Award of Retention Shares will be pro-rated as follows:

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

where:

- (v) V = the number of Forfeitable Shares that will Vest in accordance with Rule 10.1;
- (vi) X = the number of complete months served from the Award Date to the Change of Control Date (rounded down to the nearest whole month, if applicable);
- (vii) Y = the total number of months in the relevant Vesting Period;  
and
- (viii) Z = the number of Forfeitable Shares subject to an Award of Performance Shares calculated to Vest in accordance with Rule 10.2 or the number of Forfeitable Shares subject to an

Award of Retention Shares, in respect of the relevant Vesting Period.

- 10.4 To the extent that there is more than one Vesting Date and more than one Vesting Period in respect of a particular Award, the calculation set out in Rule 10.3 should be carried out in respect of each Vesting Period with Y reflecting the total number of months in the relevant Vesting Period and Z reflecting the proportion of the Award applicable to that specific Vesting Period.
- 10.5 The portion of the Award that does not Vest on the Change of Control Date will continue to be subject to the terms of the Award Letter relating thereto, unless the Remuneration Committee, in its absolute discretion, determines that the terms of the Award Letter relating thereto are no longer appropriate. In this case, the Remuneration Committee shall make adjustments to the number of Awards or convert Awards into awards in respect of shares in one or more other companies, provided the Participant is no worse off. The Remuneration Committee may also vary the Performance Condition in accordance with Rule 7.1.
- 10.6 If there is an internal reconstruction or other event which does not involve:
- 10.6.1 any Change of Control; or
  - 10.6.2 any change in the ultimate Control of the Company; or
  - 10.6.3 a Change of Control which does not result directly in an event specified in Rules 10.1.1, 10.1.2 or 10.1.3; or



- 10.6.4 if any other event happens which may affect the Awards, including the Shares ceasing to be listed on the JSE,
- the Award held by a Participant shall not Vest as a consequence of that event and shall continue to be governed by the Rules of the FSP. However, the Remuneration Committee may take such action as it considers appropriate to protect the interests of Participants following the occurrence of such event, including converting Awards into awards in respect of shares in one or more other companies, provided the Participant is no worse off. The Remuneration Committee may also vary the Performance Condition relating to Performance Shares in accordance with Rule 7.1.

## 11. **VARIATION IN SHARE CAPITAL**

### 11.1 **Capitalisation Issue, subdivision or consolidation of shares, liquidation, etc**

- 11.1.1 In the event of a:
- (i) Capitalisation Issue; or
  - (ii) a subdivision of Shares; or
  - (iii) a consolidation of Shares; or
  - (iv) the Company being put in liquidation for the purpose of reorganisation; or

- (v) any other event affecting the share capital of the Company, other than an Rights Issue; or
- (vi) the Shares ceasing being listed on the JSE; or
- (vii) the Company making distributions including a distribution in specie or a payment in terms of section 46 of the Act, other than a dividend paid in the ordinary course of business out of the current year's retained earnings,

Participants shall continue to participate in the FSP. However the Remuneration Committee shall make such adjustment to the number of Forfeitable Shares comprised in the relevant Award or take such other action to ensure that the Participant is no worse off as a consequence of that event. The Remuneration Committee may also vary the Performance Condition relating to Performance Shares in accordance with Rule 7.1.

11.2 The Company shall notify the Participants of any adjustments which are made under this Rule 11.1. Where necessary, in respect of any such adjustments, the Auditors, acting as experts and not as arbitrators and whose decision shall be final and binding on all persons affected thereby, shall confirm to the Company in writing that these are calculated on a non-prejudicial basis.

### 11.3 **Rights Issue**

11.3.1 In the event of a Rights Issue, a Participant shall be entitled to participate in any Rights Issue in respect of his Forfeitable Shares and any

additional Shares subject to the Awards as a result of any event referred to in Rule 11.1 above.

11.3.2 If a Rights Issue is proposed, the Remuneration Committee shall notify the Participants of that Rights Issue in writing. The written notice shall specify:

11.3.2.1 the terms and conditions of the Rights Issue as contained in the letter of allocation accompanying the Rights Issue;

11.3.2.2 the number of Rights Issue Shares offered;

11.3.2.3 the price payable in respect of the Rights Issue Shares and any costs incidental to the purchase of the Rights Issue Shares, including Securities Transfer Tax; and

11.3.2.4 the date by which the Participant should notify the Remuneration Committee if he intends to purchase the Rights Issue Shares;

11.3.3 If any Participant intends to purchase the Rights Issue Shares he shall:

11.3.3.1 notify the Remuneration Committee of his intention by the date specified in the notice sent to him or her in terms of Rule 11.3.2;

11.3.3.2 simultaneously pay the full price in respect of the Rights Issue Shares and costs incidental to the purchase of the Rights Issue Shares, including Securities Transfer Tax; and

- 11.3.3.3 be deemed to have authorised the CSDP to take all necessary steps and sign all documents to purchase the Rights Issue Shares for his or her benefit.
- 11.3.4 If the Participant fails to notify the Remuneration Committee of his intention to purchase the Rights Issue Shares by the date specified in the notice in terms of Rule 11.3.2 he shall be deemed to have waived his right to take up any Rights Issue Shares in terms of the Rights Issue. In this instance the CSDP shall sell the rights pertaining to the Right Issue on behalf of the Participant and remit such proceeds to that Participant.
- 11.3.5 The Rights Issue Shares will not be subject to any restrictions in terms of the FSP and shall Vest immediately upon acquisition in terms of the Rights Issue.
- 11.4 If the Company is placed into liquidation for purposes other than reorganisation, the Award shall ipso facto lapse as from the Liquidation Date.

## 12. **FORFEITURE AND LAPSE OF AWARDS**

- 12.1 Notwithstanding any other provision of the Rules, an Award shall lapse on the earliest of:
- 12.1.1 Subject to Rule 9, the Date of Termination of Employment;
- 12.1.2 The Liquidation Date, in accordance with Rule 11.4 and
- 12.1.3 Any other date provided for under these Rules.

- 12.2 If Forfeitable Shares are forfeited under the FSP, the Company retains the right to:
- 12.2.1 Instruct the CSDP to sell or to procure the sale of any forfeited Forfeitable Shares on such terms as the Company, in its sole and absolute discretion, may consider appropriate;
- 12.2.2 Retain the proceeds of any sale referred to in Rule 12.2.1 net of any deductions that may be owing to the CSDP; and
- 12.2.3 Take such further steps as the Company, in its sole and absolute discretion, may consider appropriate to deal with the Forfeitable Shares which have been forfeited and any dividends that might have been paid to Participants after an Award has lapsed as envisaged in Rule 12.1 but before the Shares so forfeited are actually disposed of as envisaged in Rule 12.2.1.

13. **MALUS AND CLAWBACK**

- 13.1 The Forfeitable Shares (Performance Shares and/or Retention Shares, as the case may be) will be subject to such adjustments and deductions (malus) or recovery (clawback) as may be required to be made upon reasonable evidence, but in the sole discretion of the Remuneration Committee acting

reasonably, that the Participant contributed to, or was materially responsible for:

- 13.1.1 the need for restatement of the Company's or any member of the Group's financial results because of fraud, dishonesty or other misconduct;
  - 13.1.2 misstating or misreporting or fraudulent or dishonest concealment of any clinical or trial data;
  - 13.1.3 personally acting fraudulently or dishonestly in a manner that adversely affects the Company's reputation or which is characterised as gross misconduct;
  - 13.1.4 directing an employee, contractor, or advisor to act fraudulently, dishonestly, or to undertake other misconduct; and
  - 13.1.5 breaching their material obligations to the Company through error, omission, or negligence.
- 13.2 The Company will make any determination for adjustment, deduction, clawback, recovery, or non-payment of amounts in its sole discretion and in accordance with any applicable law or regulation.

#### 14. **FURTHER CONDITIONS**

- 14.1 In circumstances where the tax and/or regulatory requirements of a particular jurisdiction where a Participant works makes the delivery of Shares impossible or impractical, the Directors can direct that the Participants be paid a cash

amount in lieu of Shares on the Vesting Date. A separate Country Schedule detailing the provisions in respect of such jurisdiction may be adopted in addition to, or instead of, paying a cash amount in lieu of Shares on the Vesting Date.

14.2 An Employer Company may withhold any amount required:

14.2.1 to meet any costs in respect of the Vesting of the Award for which the Participant is liable; or

14.2.2 for employees' tax,

from the Participant's remuneration or any other amount due by the Employer Company to the Participant.

14.3 The Employer Company will delay the Settlement or Vesting of the Award to the Participant if the acquisition or disposal of the Shares would otherwise:

14.3.1 occur during a Closed Period; or

14.3.2 be in contravention of any code adopted by the Company relating to dealings in securities by directors; or

14.3.3 be prohibited by insider trading legislation or any other legislation or regulations,

until such time as the Settlement or Vesting of the Award will no longer constitute such a contravention.

14.4 The rights of Participants under this FSP are determined exclusively by these Rules.

14.5 Except as otherwise provided in the Rules, the Participant has no right to any compensation, damages or any other sum or benefit by reason of the fact that:

14.5.1 he ceased to be a Participant in the FSP; or

14.5.2 any of his rights or expectations under this FSP were reduced or lost.

14.6 Where a Participant is transferred from one Employer Company to another Employer Company:

14.6.1 all Awards granted to such Participant by the first Employer Company shall remain in force on the same terms and conditions as set out in these Rules; and

14.6.2 the second Employer Company shall assume a pro-rata portion of the first Employer Company's obligations in respect of the relevant Awards in consideration for obtaining the Participant's services from the first Employer Company.

## 15. **AMENDMENTS AND TERMINATION**

15.1 The Remuneration Committee may at any time alter, vary or add to these terms and conditions as it thinks fit. Amendments to these terms and conditions may only affect Awards to Participants that have already been made if they are to the advantage of Participants



15.2 The Remuneration Committee may also make minor amendments for ease of the administration of the FSP, to comply with or take account of the provisions of any proposed or existing legislation or to obtain or maintain favourable, taxation or regulatory treatment of any Employer Company or any present or future Participant, including the adoption of a Country Schedule for the benefit of Employees of the Group working outside South Africa.

15.3 The Remuneration Committee may terminate the FSP at any time, but Awards granted before such termination will continue to be valid and as described in the provisions of the FSP.

16. **DOMICILIUM AND NOTICES**

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

16.1.1 the Company: the Company Secretary and the Remuneration Committee: The address and telefax number of the Registered Office of the Company from time to time;

16.1.2 Employer Company: The address and telefax number of the Registered Office of the Employer Company from time to time;

16.1.3 Each Participant: The physical address, telefax number and electronic address from time to time reflected as being his address, telefax number

and/or electronic address in the Employer Company's relevant system from time to time.

16.2 Any of the above persons shall be entitled from time to time, by written notice to the other, to vary its *domicilium* to any other physical address within the Republic of South Africa and/or its facsimile number and/or (in the case of a Participant) his electronic address; provided in the case of a Participant such variation is also made to his details on the Employer Company's payroll system.

16.3 Any notice given and any delivery or payment made by any of the above persons to any other which is:

16.3.1 delivered by hand during the normal business hours of the addressee at the addressee's *domicilium* for the time being shall be rebuttably presumed to have been received by the addressee at the time of delivery;

16.3.2 delivered by courier during the normal business hours of the addressee at the addressee's *domicilium* for the time being shall be rebuttably presumed to have been received by the addressee on the third day after the date of the instruction to the courier to deliver to the addressee;

16.3.3 posted by prepaid registered post from an address within the Republic of South Africa to the addressee at the addressee's *domicilium* for the time being shall be rebuttably presumed to have been received by the addressee on the seventh day after the date of posting.

- 16.4 Any notice given that is transmitted by electronic mail and/or facsimile to the addressee at the addressee's electronic address and/or facsimile address (as the case may be) for the time being shall be presumed, until the contrary is proved by the addressee, to have been received by the addressee on the date of successful transmission thereof.
- 16.5 Any notice or other document given to any Participant pursuant to the FSP may be delivered to him or sent by post to him at his home address according to the records of the Employer Company or such other address as may appear to the Directors to be appropriate. Notices or other documents sent by post will be deemed to have been given 7 days following the date of posting if sent by post.
- 16.6 Any notice or document given to the Employer Company pursuant to the FSP may be delivered to it or sent by post to its registered office marked for the attention of the company secretary of the Employer Company, or such other address as may be specified by the Employer Company and the documents will not be deemed to have been received before actual receipt by the company secretary of the Employer Company.

17. **DISPUTES**

Any dispute arising under the FSP shall be referred to the decision of an appropriate expert, nominated by the Directors for that purpose who shall act as an expert and not as an arbitrator and whose decision shall in the absence of manifest error be final and binding upon all persons affected thereby.

18. **GOVERNING LAW**

South African law governs the FSP. All Employer Companies and Participants submit to the jurisdiction of the South African courts as regards any matter arising under the FSP.

These FSP rules were duly adopted by the Remuneration Committee at its meeting held on 22 February 2018.

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**Chairman of the Remuneration Committee**