



Absa Group Limited

Notice of annual general meeting

2019

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Shareholder diary

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| Tuesday, 4 June 2019 | Annual general meeting |
| Tuesday, 13 August 2019 | 2019 interim results announcement and declaration of interim dividend |
| Tuesday, 10 September 2019 | Last date to trade |
| Wednesday, 11 September 2019 | Ex-dividend date |
| Friday, 13 September 2019 | Record date |
| Monday, 16 September 2019 | Interim dividend payment date |

Contact information

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**Absa Group Limited**

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absa.africa

Dear shareholder,

Notice of publication of our integrated report, annual financial statements and notice of annual general meeting

Please find enclosed the notice of annual general meeting (AGM) of Absa Group Limited, to be held on Tuesday, 4 June 2019 at 10:00 in Boardroom 8.02, Absa Towers West, 15 Troye Street, Johannesburg.

In accordance with section 31(1) of the South African Companies Act, No. 71 of 2008, as amended (Companies Act) you are hereby notified that the Absa Group Limited 2018 Integrated Report and full annual financial statements will be available on the Absa Group website (www.absa.africa) from Tuesday, 30 April 2019.

Should you wish to receive a printed copy of our 2018 Integrated Report or the annual financial statements, you may request these from the Absa Group Limited registered office, situated at Absa Towers West, 15 Troye Street, Johannesburg, 2001, South Africa or from groupsec@absa.co.za

Shareholders are requested to deliver their proxies, preferably via email to proxy@computershare.co.za, and by no later than 24 hours before the commencement time of the AGM to allow time for completion of the administrative processes relating to the meeting.

Proxy forms submitted on the day of the AGM must be emailed simultaneously to the transfer secretaries and the Company Secretary of Absa Group Limited at the following email addresses: proxy@computershare.co.za and groupsec@absa.co.za, to be received before any proxy seeks to exercise any right granted to it under the relevant proxy form.

Nadine Drutman

Group Company Secretary

24 April 2019

Notice of annual general meeting

Absa Group Limited

Incorporated in the Republic of South Africa

Registration number: 1986/003934/06

JSE share code: ABG

ISIN: ZAE000255915

(Absa or the Company)

Notice is hereby given, in terms of section 62(1) of the Companies Act, No. 71 of 2008, as amended (Companies Act) that the 33rd annual general meeting (AGM) of ordinary shareholders of Absa will be held in Boardroom 8.02, Absa Towers West, 15 Troye Street, Johannesburg on Tuesday, 4 June 2019 at 10:00 to transact the following business:

1. To present to shareholders the audited annual financial statements of the Company, together with the reports of the Board of Directors of the Company (Board of Directors), and the Group Audit and Compliance Committee of the Company for the financial year ended 31 December 2018.
2. To present the report of the Social and Ethics Committee of the Company for the financial year ended 31 December 2018.
3. To consider and, if deemed fit, to pass the ordinary resolutions set out in this notice of AGM, with or without modifications.
4. To consider and, if deemed fit, to endorse the non-binding resolutions set out in this notice of AGM on the Company's remuneration policy and implementation report, with or without modifications.
5. To consider and, if deemed fit, to pass the special resolutions set out in this notice of AGM, with or without modifications.

In accordance with sections 59(1) (a) and (b) of the Companies Act, the record date for the purposes of determining the shareholders of the Company entitled to receive the notice of AGM (being the date on which a shareholder must be registered in the Company's register of shareholders in order to receive notice of the AGM), is Friday, 26 April 2019.

The last day to trade in Absa shares in order for a shareholder to be recorded on the securities register of the Company to be entitled to attend, participate and vote at the AGM is Tuesday, 21 May 2019, and the record date for attendance, participation and voting at the AGM is Friday, 24 May 2019.

Agenda

1. Presentation of the annual financial statements and reports

The audited annual financial statements of Absa Group Limited, including the reports of the directors and Group Audit and Compliance Committee (to be presented by the chairman of the committee) for the year ended 31 December 2018, are available in summarised form together with this document, with the full annual financial statements available on the Company's website at www.absa.africa.

2. Presentation of the report of the Social and Ethics Committee

The report of the Social and Ethics Committee for the year ended 31 December 2018 will be presented by the chairman of the committee, with time for questions. The report is included in the 2018 Integrated Report on page 80 and accessible on the Company's website.

3. Profiles

Brief profiles of the directors standing for election and re-election and those of the Group Audit and Compliance Committee members are set out from pages 13 to 15 of this notice of AGM.

Ordinary resolutions

For an ordinary resolution to be approved by the shareholders, it must be supported by more than 50% of the voting rights exercised on the resolution, save for ordinary resolution number 6, which requires 75% of the voting rights exercised to pass.

Ordinary resolution number 1 Re-appointment of the external auditor

Resolved that Ernst & Young Inc. (EY) and the designated audit partner, Ernest van Rooyen, be and is hereby re-appointed as the Company's external auditor to hold office until the conclusion of the next AGM.

Motivation

In terms of section 64(2) (a) of the Banks Act No. 94 of 1990, as amended (Banks Act) as read with section 90(1) of the Companies Act, each year at its AGM, a public company must appoint an auditor who complies with the requirements of section 90(2) by way of an ordinary resolution of the shareholders entitled to exercise voting rights on that resolution. As contemplated in section 90(3) of the Companies Act, the name of the designated individual auditor forms part of the resolution.

The JSE Listings Requirements require audit firms and individual auditors, prior to being appointed or re-appointed by listed companies, to be accredited. The Group Audit and Compliance Committee (GACC) has confirmed that EY together with their designated auditor are duly accredited and independent. As recommended by King IV, the GACC, with reference to audit quality indicators, confirmed that the audit quality for the year ended 31 December 2018 was satisfactory.

The Board recognises that there are a limited number of professional audit firms able to accept the risk of conducting an audit the size and complexity of the Absa Group and is comfortable that EY displays the necessary skills and experience in conducting an audit of this nature.

The EY partners have been rotated every five years, as required by section 94 of the Companies Act, with the most recent rotation being in 2016. EY is a Level 1 Empowered Supplier in terms of South Africa's Department of Trade and Industry's Code of Good Practice on Broad-Based Black Economic Empowerment.

The Prudential Authority of South African Reserve Bank allowed a dispensation to Absa Group Limited and Absa Bank Limited to engage with a sole auditor in the 2018 financial year in view of the special circumstances arising following the removal of KPMG Inc and due to the non-availability of other suitable firms due to independence issues. These conditions continue to prevail into the 2019 financial year. During this year we will initiate a process towards engaging a second audit firm in terms of the Prudential Authority's requirements for joint auditors.

In light of the above, the GACC recommended and the Board endorsed the proposed re-appointment by shareholders of EY as the Company's auditor to serve until the conclusion of the next AGM.

Ordinary resolution number 2 Re-election of retiring directors

Resolved that each of the directors named below in 2.1 to 2.5, who retire in terms of the provisions of the Company's Memorandum of Incorporation (MOI) on director rotation, and being eligible and available, and having offered themselves for re-election, be and is hereby re-elected in terms of section 68(2)(a) of the Companies Act by way of a series of votes, as directors of the Company:

- 2.1 Alex Darko as an independent non-executive director
- 2.2 Daisy Naidoo as an independent non-executive director
- 2.3 Francis Okomo-Okello as an independent non-executive director
- 2.4 Mohamed Husain as an independent non-executive director
- 2.5 Peter Matlare as an executive director

Motivation

The Company's MOI requires that one-third of the directors retire at each AGM. Independent directors who have served on the Board for more than nine years are subjected to annual rotation, and may offer themselves for re-election. Mohamed Husain has served on the Board for more than ten consecutive years, and accordingly retires in terms of the nine-year rule. He has offered himself for re-election. Yolanda Cuba, who has also served on the Board for more than nine years, has decided to retire from the Board at the end of the AGM.

Based on the outcome of the externally facilitated Board assessments, determinations by the Board as to skills, capacity, experience, and independence (as well as a declaration of independence and capacity by all independent non-executive directors), the Board has determined that the performance of each of the directors standing for re-election meets the required standards expected of them in terms of their duties and responsibilities and that they remain eligible for re-election. The Board therefore recommends their re-election by shareholders.

Ordinary resolution number 3
Election of director

Resolved that the director named in 3.1 below, who, having been appointed by the Board subsequent to the 2018 AGM and on the date set out below, and who is required to be elected by the shareholders at the next AGM in terms of the Company's MOI, be and is hereby elected in terms of section 68(2) (a) of the Companies Act, as a director of the Company:

3.1 Siphon Pityana, as an independent non-executive director (appointment effective 1 May 2019).

Motivation

In terms of the Company's MOI, the appointment by the Board of any persons as directors of the Company during the year subsequent to the last AGM requires election by shareholders at the first AGM of the Company following the appointment of such persons. Siphon Pityana was appointed by the Board as a director of the Company subsequent to the 2018 AGM. The Board recommends his election by shareholders.

Ordinary resolution number 4
Re-appointment of the Group Audit and Compliance Committee (GACC) members

Resolved that each of the independent non-executive directors named in 4.1 to 4.5 below, be and is hereby re-appointed, by way of a series of votes, as members of the GACC to serve until the next AGM.

4.1 Alex Darko (subject to re-election in terms of Ordinary Resolution 2.1)

4.2 Colin Beggs

4.3 Daisy Naidoo (subject to re-election in terms of Ordinary Resolution 2.5)

4.4 Mohamed Husain (subject to re-election in terms of Ordinary Resolution 2.4)

4.5 Tasneem Abdool-Samad

Motivation

Section 94(2) of the Companies Act requires public companies (and private companies that meet certain criteria), to appoint an audit committee comprising at least three members who are independent non-executive directors of the Company at each AGM. Section 64 of the Banks Act exempts banks from this provision of the Companies Act. The annual appointment of the audit committee is widely practiced by other corporates outside of the banking sector. The Board believes the practice is good governance and therefore elects to propose the appointment of the members of the GACC annually.

The Board has reviewed the composition of the GACC against the requirements of the Companies Act and the Banks Act, and has confirmed that the committee complies with the relevant regulatory requirements and that the members have the necessary knowledge, skills and experience to enable the committee to perform its duties in terms of these statutes. The Board therefore recommends to the shareholders the re-election of the members named above.

Profiles of the directors named in this resolution are in Annexure A: Directors' profiles from page 13.

Ordinary resolution number 5 **Placing of the authorised but unissued ordinary share capital under the control of the directors**

Resolved that, subject to any applicable legislation and the JSE Listings Requirements, the authorised but unissued ordinary shares of the Company (other than those specifically identified and authorised for issue in terms of any other authority by shareholders), be and are hereby placed under the control of the directors. The aggregate number of ordinary shares able to be allotted and issued in terms of this resolution shall be limited to the lower of 5% (five percent) of the number of ordinary shares in issue as at 31 December 2018 and the maximum number of authorised but unissued ordinary shares from time to time.

Motivation

In terms of the Company's MOI, the shareholders of the Company have to approve the placement of the unissued ordinary shares under the control of the Directors. The Directors have decided to seek annual renewal of this authority, in accordance with best practice. The percentage of authorised but unissued shares is, at the date hereof 3.7%. The directors have no current plans to make use of this authority, but are seeking its renewal to ensure that the Company has maximum flexibility in managing the Group's capital resources.

Ordinary resolution number 6 **Approval of the Absa Group Limited Share Incentive Plan Rules**

Resolved that,

- 6.1 the Absa Group Limited Share Incentive Plan (SIP) Rules which will be available for inspection prior to and at the meeting and signed by the Chairman for the purposes of identification, are hereby approved;
- 6.2 the directors of the Company be and are hereby authorised to do all such things as they consider necessary or expedient for the purposes of implementing and giving effect to the SIP.

The principal terms (salient features) of the SIP are summarised on pages 17 to 21 attached hereto as Annexure B. A copy of the rules of the SIP are available for inspection during normal business hours at the Company's registered office, 7th Floor, Absa Towers West, 15 Troye Street, Johannesburg from 30 April 2019 until 4 June 2019.

In terms of the JSE Listings Requirements, ordinary resolutions on share incentive schemes require the support of 75% of voting rights exercised to pass.

Motivation

The Absa Group Limited Share Incentive Plan is proposed as an equity-settled plan to provide employees with the opportunity to share in the longer-term success of the Group, whilst providing alignment between the Participants' and shareholders' interests. The proposed Share Incentive Plan will be primarily used as an incentive to Participants to deliver the Group's business strategy over the long term, through the award of Performance Awards, Deferred Awards and Retention Awards.

Non-binding advisory votes

If the remuneration policy or the implementation report, or both, are voted against by 25% or more of the voting rights exercised, the Board will implement certain measures.

Non-binding advisory vote number 1 The Company's remuneration policy

Resolved to endorse, by way of a non-binding advisory vote, the Company's remuneration policy (excluding the remuneration of the non-executive directors for their services as directors and members of Board committees) set out in pages 50 to 57 of the 2018 Integrated Report.

Non-binding advisory vote number 2 The Company's remuneration implementation report

Resolved to endorse, by way of a non-binding advisory vote, the Company's remuneration implementation report (excluding the remuneration of the non-executive directors for their services as directors and members of Board committees) set out in pages 58 to 72 of the 2018 Integrated Report.

Motivation for non-binding votes numbers 1 and 2

King IV recommends and the JSE Listings Requirements require a listed company to table its remuneration policy and implementation report for separate non-binding advisory votes by shareholders at the AGM. This vote enables shareholders to express their views on the remuneration policies adopted and on their implementation.

These resolutions are of an advisory nature only and a failure to pass either one or both of them will therefore not have any legal consequences relating to existing arrangements. Even though these resolutions are non-binding, if the remuneration policy or the implementation report, or both, are voted against by 25% or more of the voting rights exercised, the Board will, as recommended by King IV and required by the JSE, implement certain measures, including:

- a) an invitation to dissenting shareholders (those who voted against the policy and/or implementation report) to engage with the Company; and
- b) the manner and timing of such engagement.

Thereafter, the Company will engage with the shareholders to address the matters of concern. The Company's remuneration policy and implementation report are included on pages 50 to 57 and 58 to 72 of the 2018 Integrated Report, respectively.

Special resolutions

For a special resolution to be approved by the shareholders, it must be supported by 75% of the voting rights exercised on that resolution.

Special resolution number 1 Remuneration of non-executive directors

Resolved that the proposed remuneration (plus Value Added Tax (VAT) thereon, when applicable) as set out in the table on page 7, be and is hereby approved to be payable to non-executive directors for their services as directors of the Company for the period 1 June 2019 to, and including, the last day of the month preceding the date of the next AGM.

| | Proposed remuneration 1 June 2019 – 31 May 2020 ⁵ R | Remuneration 1 May 2018 – 31 May 2019 R | Change % |
|--|--|--|-------------|
| Board Chairman ¹ | 6 501 939 | 6 192 323 | 5 |
| Board members ² | 585 867 | 557 968 | 5 |
| Group Audit and Compliance Committee (GACC) member ³ | 337 365 | 321 300 | 5 |
| Group Risk and Capital Management Committee (GRCMC) member ³ | 331 228 | 315 456 | 5 |
| Group Remuneration Committee (RemCo) member ³ | 192 715 | 183 538 | 5 |
| Directors' Affairs Committee (DAC) member | 119 991 | 114 278 | 5 |
| Group Credit Risk Committee (GCRC) member ⁴ | 105 879 | 100 837 | 5 |
| | 3 268 per facility reviewed | 3 112 per facility reviewed | |
| Social and Ethics Committee (SEC) member ³ | 134 984 | 125 566 | 7.5 |
| Disclosure Committee (DC) member ⁴ | 90 751 | 90 751 | 0 |
| Information Technology Committee (ITC) member ⁴ | 158 000 | 140 444 | 12.5 |
| Board Finance Committee (BFC) member ⁴ | 23 429 per meeting | 22 313 per meeting | 5 |
| Separation Oversight Committee (SC) ⁴ | 23 429 per meeting | 22 313 per meeting | 5 |
| Special Board meeting | 37 774 per meeting | 35 976 per meeting | 5 |
| Special (<i>ad hoc</i>) Board committee and sub-committee meetings | 23 429 per meeting | 22 313 per meeting | 5 |
| <i>Ad hoc</i> attendance | 5 173 per hour | 4 927 per hour | 5 |

¹ The Group Chairman's fees cover her chairmanship and membership of all Board committees and sub-committees (excluding the Separation Oversight Committee), including the chairmanship of the boards of Absa Bank Limited and Absa Financial Services Limited.

² Executive directors of the Company do not receive fees as members of the Company Board and Board committees.

³ The GACC, GRCMC, RemCo and SEC chairmen receive fees equal to two-and-a-half times (2.5x) the fee payable to the members of these committees.

⁴ The chairmen of Board committees and sub-committees other than the GACC, GRCMC, RemCo and SEC receive fees equal to twice the fee payable to members of these committees.

⁵ The fees indicated above are exclusive of VAT. Where applicable, VAT will be levied by the non-executive directors and such fees plus VAT will be paid to the non-executive directors concerned (subject to the issue of a valid tax invoice reflecting fees plus VAT).

Full particulars of all remuneration and benefits paid to the Directors during 2018 are included on page 74 of the 2018 Integrated Report.

Motivation

In terms of section 66(8) and 66(9) of the Companies Act, remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by the shareholders within the previous two years and if not prohibited by the Company's MOI. Absa Group's MOI provides for payment of such remuneration.

If approved by the shareholders at the AGM, the fees as set out in the table above, will be payable to the non-executive directors on the Board until the conclusion of the month preceding the next AGM.

As set out in the Binding General Ruling 41, which was issued by the South African Revenue Service, dated 10 February 2017 and became effective on 1 June 2017, VAT was levied on the fees of the non-executive directors, provided such directors are registered for VAT payment. If approved, the remuneration, including any VAT payable thereon, will be paid to the non-executive directors on the Board.

Special resolution number 2 General authority to repurchase the Company's securities

Resolved that, pursuant to the Company's MOI, and subject to section 48 of the Companies Act, the JSE Listings Requirements and any other stock exchange on which the securities in the capital of the Company may be quoted or listed from time to time, the Board be and is hereby authorised, by way of a general authority, to approve the repurchase by the Company or any of its subsidiaries, of the Company's ordinary shares from time to time provided that:

- a) this authority shall be valid only until the date of the next AGM of the Company or for 15 (fifteen) months from the date of the resolution, whichever is the earlier, and may be varied or revoked by a special resolution at any general meeting of the Company at any time prior to the stated expiry date;
- b) the repurchase of ordinary shares is effected through the order book operated by the JSE trading system, and is done without any prior understanding or arrangement between the Company or the relevant subsidiary and the counterparty;
- c) the Company or the relevant subsidiary is authorised thereto by its MOI;
- d) approval being given in terms of a special resolution of shareholders of the Company or the relevant subsidiary in an annual general/general meeting;
- e) repurchases may not be made at a price greater than 10% (ten percent) above the weighted average of the market value for the ordinary shares for the 5 (five) business days immediately preceding the date on which the repurchase is effected;
- f) at any point in time, the Company or the relevant subsidiary may only appoint one agent to effect any repurchases on the Company's behalf;
- g) the Company or the relevant subsidiary does not repurchase securities during a prohibited period (as defined in terms of the JSE Listings Requirements) unless it has 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 has been submitted to the JSE in writing prior to the commencement of the prohibited period;
- h) an announcement containing full details of such repurchases is published as soon as the Company has repurchased ordinary shares constituting, on a cumulative basis, 3% (three percent) of the number of ordinary shares in issue prior to the repurchases and for each 3% (three percent), on a cumulative basis, thereafter;
- i) the general repurchase of any ordinary shares is (notwithstanding the 20% (twenty percent) limit set by the JSE Listings Requirements) limited to a maximum of 5% (five percent) of the Company's issued ordinary share capital in any one financial year; and
- j) the Board of the Company, by resolution, has authorised the repurchase and acknowledges that the Company and its subsidiaries have passed the solvency and liquidity test immediately after the repurchase and that, since the test was performed, there have been no material changes to the financial position of the Company and/or the Group.

Directors' statement

The Board undertakes that this authority will only be used if the circumstances are conducive and appropriate for such repurchases. The Board further confirms that, after having considered the effect of any repurchases of ordinary shares pursuant to this general authority and subject to the relevant law and regulations aforementioned, that they will not undertake such repurchase of ordinary shares unless:

- a) the Company and the Group would be able to repay their debts in the ordinary course of business for the period of 12 (twelve) months after the date of the notice of the AGM;
- b) the assets of the Company and the Group, fairly valued in accordance with International Financial Reporting Standards and the Company's accounting policies used in the latest audited Group financial statements, will be in excess of the liabilities of the Company and the Group for the period of 12 (twelve) months after the date of the notice of the AGM;
- c) the Company and the Group will have adequate capital and reserves for ordinary business purposes for the period of 12 (twelve) months after the date of the notice of the AGM; and
- d) the working capital of the Company and the Group will be adequate for ordinary business purposes for the period of 12 (twelve) months after the date of the notice of the AGM.

For the purposes of considering the special resolution and in compliance with paragraph 11.26 of the JSE Listings Requirements, certain information is either listed below or has been included in the integrated reporting suite:

- a) Directors and management – refer to pages 14 and 16, of the 2018 Integrated Report.
- b) Major shareholders – refer to page 207 of the 2018 financial results booklet.
- c) Material changes – there have been no material changes in the financial or trading position of the Company and its subsidiaries since 31 December 2018.
- d) Directors' interests in securities – refer to page 93 of the annual financial statements.
- e) Share capital of the Company – refer to page 92 of the annual financial statements.

The directors, whose names are set out on page 14 of the 2018 Integrated Report, collectively and individually accept full responsibility for the accuracy of the information contained in this notice and accompanying documents and certify that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement false or misleading and that they have made all reasonable enquiries in this regard, and further that this notice contains all information required by law and the JSE Listings Requirements.

There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Company is aware), which may or have had a material effect on the Company's financial position over the 12 (twelve) months preceding the date of this notice of AGM.

Motivation

The reason for special resolution number 2 is to grant the Board of directors a general authority to approve repurchases of the Company's ordinary securities by the Company or any of its subsidiaries. The Company's MOI provides for the shareholders to grant authority to the Board, via a special resolution, to approve the repurchase of securities issued by the Company, subject to the relevant provisions of the Companies Act, the Banks Act and the JSE Listings Requirements. The existing general authority, granted by members at the previous AGM held on 15 May 2018, is due to expire and requires renewal.

The Directors are of the opinion that it would be in the best interests of the Company to extend such general authority and thereby allow the Company or any subsidiary of the Company to be in a position to repurchase the securities issued by the Company through the order book of the JSE, should the market conditions and price justify such action.

The proposed general authority would enable the Company or any subsidiary of the Company to repurchase up to a maximum of 42 387 534 (forty-two million, three hundred and eighty-seven thousand, five hundred and thirty-four) ordinary shares (5% (five percent)) of 847 750 679 (eight hundred and forty-seven million, seven hundred and fifty thousand, six hundred and seventy-nine) ordinary shares in issue as at 31 December 2018, with a stated upper limit on the price payable, which reflects the JSE Listings Requirements.

The effect of passing the special resolution will be to permit the Company or any of its subsidiaries, by way of a general authority, to repurchase, in terms of the Companies Act, ordinary shares issued by the Company. This authority will only be used if circumstances are appropriate.

Special resolution number 3 Financial assistance to a related or inter-related company

Resolved that the Company be and is hereby authorised, in terms of a general authority contemplated in section 45(3) (a) (ii) of the Companies Act, to provide direct or indirect financial assistance (as defined in section 45(1) of the Companies Act (Financial Assistance)) for a period of two years from the date of this resolution, to the following categories of persons (Categories of Persons):

- a) related or inter-related company or corporation; and/or
- b) member of a related or inter-related corporation;

subject to, in relation to each grant of Financial Assistance to the Categories of Person of such Financial Assistance, compliance with the Company's MOI and the Companies Act, including but not limited to the Board of the Company being satisfied that:

- a) pursuant to section 45(3)(b)(i) of the Companies Act, immediately after providing the Financial Assistance, the Company would satisfy the solvency and liquidity test (as contemplated by section 4(1) of the Companies Act);
- b) pursuant to section 45(3)(b)(ii) of the Companies Act, the terms under which the Financial Assistance is proposed to be given are fair and reasonable to the Company; and
- c) any conditions or restrictions in respect of the granting of the Financial Assistance set out in the Company's MOI have been satisfied.

Motivation

Section 45 of the Companies Act regulates the provision of Financial Assistance by the Company to certain categories of persons. The term 'Financial Assistance' has been defined in the Companies Act in wide terms and includes lending money, guaranteeing a loan or obligation, and securing any debt or obligation, but excludes lending money in the ordinary course of business by a company whose primary business is the lending of money.

The Companies Act stipulates that the Board of the Company may provide Financial Assistance as contemplated in section 45 of the Companies Act to the Categories of Persons, provided that the shareholders of the Company passed a special resolution within the previous two years which approves such Financial Assistance generally for such Categories of Persons.

The effect is that this will allow the Board of the Company, always subject to applicable law, in particular the solvency and liquidity requirements as set out in the Companies Act, to provide Financial Assistance to the said Categories of Persons.

Important meeting information

| | |
|------------------|---|
| Date | Tuesday, 4 June 2019 at 10:00. |
| Venue | Boardroom 8.02, Absa Towers West, 15 Troye Street, Johannesburg. |
| Time | The AGM will start promptly at 10:00. Shareholders wishing to attend are advised to be in the Boardroom 8.02 no later than 09:45. Reception staff at the Absa Towers West will direct shareholders to the AGM venue. Refreshments will be served after the AGM. |
| Security | Secure parking is provided at the venue by prior arrangement. Attendees are requested not to bring cameras, electronic or recording devices. Cellular telephones should be switched off for the duration of the proceedings. |
| Admission | Shareholders, representatives of shareholders and proxies attending the AGM are requested to register at the registration desk in the reception area at the venue. Proof of identity may be required for registration purposes. |

Proxy and voting procedures

1. General

A shareholder entitled to attend and vote at the AGM may appoint one or more persons as his/her proxy to attend, speak and vote in his/her behalf. Shareholders wishing to attend the AGM must confirm with the Company's transfer secretaries that their shares are in fact registered in their own name.

Should the shares be registered in any other name or in the name of a nominee company, it is the shareholder's responsibility to make the necessary arrangements with that party in whose name the shares are registered to be able to attend and vote in their personal capacity. The proxy form contains detailed instructions in this regard.

2. Delivery of completed proxies

Completed proxy forms should be delivered by email at proxy@computershare.co.za or by post to the transfer secretaries, Computershare Investor Services Proprietary Limited, at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (PO Box 61051, Marshalltown, 2107) to be received before any proxy seeks to exercise any right granted to it under the relevant proxy form.

To facilitate administration of the meeting, shareholders are encouraged to deliver proxy forms as soon as possible but not later than 24 hours prior to the start of the meeting, i.e. by 10:00 on Monday, 3 June 2019.

Proxy forms delivered on the day of the meeting must be delivered by email to the transfer office of the Company at proxy@computershare.co.za with a copy thereof to the Company Secretary of the Company at groupsec@absa.co.za to be received by both of them, or (ii) by hand to the Company Secretary at the meeting before the person so empowered seeks to exercise any right granted to it under such instrument.

3. Certificated shareholders and dematerialised shareholders with 'own name' registration

If you are the registered holder of certificated Absa Group Limited ordinary shares or hold dematerialised Absa Group Limited ordinary shares in your own name, and you are unable to attend the AGM but wish to be represented at the AGM or, if you wish to participate via electronic communication, you must complete and return the attached proxy in accordance with the instructions under paragraph 2 on the above page and also included on the proxy form.

4. Dematerialised shareholders without 'own name' registration

If you are the holder of dematerialised Absa Group Limited ordinary shares which are not in your own name and you do not wish to attend the AGM in person, you must timeously provide your participant or stockbroker with your voting instructions for the AGM in terms of the custody agreement entered into with your participant or stockbroker. If you wish to attend the AGM in person, then you must request your participant or stockbroker timeously to provide you with the necessary letter of representation to attend and vote your shares. Shareholders without own name registration should not complete the attached proxy form.

5. Electronic participation

Shareholders wishing to participate in the AGM via electronic communication are requested to deliver written notice by email (preferably to groupsec@absa.co.za) or by post or physically to the registered office of the Company, at 7th Floor, Absa Towers West, 15 Troye Street, Johannesburg (attention Nadine Drutman, Group Company Secretary) by not later than 10:00 on Thursday, 30 May 2019. For the notice to be valid, it must contain:

- a) if the shareholder is an individual, a certified copy of his/her identity document and/or passport; or
- b) if the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution. The resolution must provide the particulars of the person authorised to represent the relevant entity at the general meeting via electronic communication; and
- c) a valid email address and/or facsimile number.
- d) By no later than 10:00 on Friday, 31 May 2019, the Company shall, with reasonable efforts, notify a shareholder, who has delivered a valid notice, at the contact address/number of the relevant details through which the shareholder can participate.
- e) Shareholders participating via electronic communication still need to submit completed proxy forms in order for their votes to be counted as the electronic communication facilities are not equipped with voting facilities.

6. Voting requirements

Voting will be by way of a poll and every shareholder present in person or by proxy shall have one vote for each ordinary share held in the Company.

7. Proof of identification

Shareholders or their proxies are required to provide satisfactory identification before being entitled to attend or participate in a shareholders' meeting. Acceptable forms of identification include valid identity documents, driver's licences or passports.

8. Enquiries

Any shareholder having queries regarding the AGM or the above may contact the Group Company Secretary, Nadine Drutman, on +27 (0)11 350 5347 or groupsec@absa.co.za.

9. Results of the AGM

The results of the meeting will be announced via SENS and posted on the Company's website as soon as practicably possible, but not later than 48 hours after the end of the meeting.

By order of the Board

Nadine Drutman

Group Company Secretary

Johannesburg
24 April 2019

Annexure A: Directors' profiles (ages as at 24 April 2019)

Board Committees

| | |
|--------------|---|
| DAC | Directors' Affairs Committee |
| GACC | Group Audit and Compliance Committee |
| GRCMC | Group Risk and Capital Management Committee |
| RemCo | Group Remuneration Committee |
| SEC | Social and Ethics Committee |
| ITC | Information Technology Committee |
| BFC | Board Finance Committee |
| GCRC | Group Credit Risk Committee |
| MC | Models Committee |
| SC | Separation Oversight Committee |

Directors standing for election/re-election to the Board, and/or re-appointment to the GACC

Alex Darko, independent non-executive (66)

Qualifications: MSc (MIS), Fellow of Chartered Certified Accountants (FCCA)

Appointed: October 2014

Committees: ITC (Chairman), RemCo (Chairman – from November 2018), DAC, GACC, SC

Alex held a number of senior positions at Dun & Bradstreet, including director of UK shared services, director of finance – Dun & Bradstreet Europe Limited and head of accounting re-engineering. He later moved back to Ghana and worked for Ashanti Goldfields in a number of senior roles. Alex was vice-president, knowledge and information at AngloGold Ashanti from 2005 to 2010. Alex is a director at Nkululeko Leadership Consulting where he advises organisations on leadership, culture, strategy, and change management.

Colin Beggs, independent non-executive (70)

Qualifications: BCom (Hons), CA(SA)

Appointed: June 2010

Committees: GACC (Chairman), BFC, DAC, GRCMC, SC

Colin is the former senior partner and chief executive officer of PricewaterhouseCoopers (PwC) in Southern Africa and retired from that position in June 2009. He was also the chairman of the SAICA board in 2002/3 and was a member of the Accounting Practices Board. Colin is a non-executive director of Sasol Limited, SAB Zenzele Holdings Limited and the Ethics Institute of South Africa. Colin is also an independent non-executive director of Absa Bank Limited.

Daisy Naidoo, independent non-executive (46)

Qualifications: BCom, CA(SA), MACC (Tax)

Appointed: May 2016

Committees: GACC, GCRC, RemCo

Daisy started her career in 1994 at Ernst & Young in Durban. She held various positions at South African Breweries, Deloitte and Sanlam Capital Markets, where she headed up the debt structuring unit between 2008 and 2010. Daisy is a non-executive director of Strate Proprietary Limited, Hudaco Industries Limited, Mr Price Group Limited and Anglo American Platinum Limited.

Francis Okomo-Okello, independent non-executive (69)

Qualification: LLB (Hons)

Appointed: October 2014

Committees: SEC

Francis is an Albert Parvin fellow of Woodrow Wilson School of Public and International Affairs, Princeton University, and a fellow of The Kenya Institute of Bankers. He is also an Advocate of the High Court of Kenya. He serves as chairman of TPS Eastern Africa Limited (Serena Group of Hotels and Lodges), and as a non-executive director of the Nation Media Group. Currently, Francis is the executive director in charge of legal and corporate affairs at Industrial Promotion Services Group of Companies, an affiliate of the Aga Khan Fund for Economic Development. He also serves as a member of the advisory board of the Strathmore Business School (Strathmore University, Nairobi) and is a member of the advisory committee of the Aga Khan University, Faculty of Arts and Sciences – East Africa.

Mohamed Husain, independent non-executive (Lead Independent Director) (58)

Qualification: BProc

Appointed: November 2008

Committees: SEC (Chairman), DAC, GACC, RemCo, SC

Mohamed has been an attorney for 33 years, during which time he has represented a diverse range of state, institutional and individual clients in all areas of corporate practice. He is a past president of the London-based Commonwealth Lawyers Association and of the Law Society of the Northern Provinces. He is a past chairman of the Attorneys Insurance Indemnity Fund. He was a founder, member and councillor of the Law Society of South Africa. Currently, he serves on its audit and risk committees and chairs the remuneration committee. Mohamed has served as Judge of the High Court of South Africa. Mohamed serves as director of Knowles Husain Lindsay Incorporated and KLH Investments Proprietary Limited and is the non-executive chairman of Andulela Investment Holdings Limited. Mohamed is also an independent non-executive director of Absa Bank Limited.

Peter Matlare, executive (Deputy Chief Executive Officer) (59)

Qualifications: BSc (Hons) (Political Science); MA (South African Studies)

Appointed: December 2011

Committee: SC

Peter joined the Board as an independent non-executive director in 2011. In August 2016, he was appointed Deputy Chief Executive Officer responsible for regional operations and he remains on the Board as an executive director. Peter began his career with the Urban Foundation and Citibank and gained international experience, particularly in Europe. He was previously chief executive officer of the South African Broadcasting Corporation, chief strategy and business development officer of Vodacom SA Proprietary Limited and executive director of commercial at Vodacom SA

Sipho Pityana, independent non-executive (59)

Qualifications: BA (Hons), MSc

Appointed: May 2019

Committees: RemCo, GCRC

Sipho is joining the board as an independent non-executive director on 1 May 2019. He is a former executive director of Nedcor Investment Bank Holdings (2002 – 2004), responsible for strategic business development.

Sipho is the founder and chairman of Izingwe Capital, a black-owned investment company founded in 2004, which invests in a number of South Africa's blue chip corporates. He is also the non-executive chairman of JSE listed companies AngloGold Ashanti and Onelox Group.

He is the president of Business Unity South Africa (BUSA), and a member of the Community of Chairmen of the World Economic Forum.

Tasneem Abdool-Samad, independent non-executive (45)

Qualifications: BCom, CA(SA)

Appointed: February 2018

Committee: GACC, BFC, GCRC

Tasneem joined the Absa Bank Board as an independent director in 2016, and joined the Board (Absa Group) as an independent non-executive director on 1 February 2018 at which point she stepped down from the Absa Bank Board. She started her career at Deloitte in KwaZulu-Natal. She then moved to the University of the Witwatersrand, where she was a lecturer in auditing from 2003 to 2006. In 2006 she re-joined Deloitte, and is a former member of the Deloitte South Africa board. Tasneem is a non-executive director of Absa Financial Services Limited (chairing the audit committee), Reunert Limited, Long4Life Limited and Crookes Brothers Limited.

Other directors of the Company (not up for re-election)

Daniel Hodge, non-executive (46)

Qualifications: ACA, MA (Hons)

Appointed: May 2017

Committees: GRMC

Daniel is currently the Chief Compliance Officer, Barclays International. He was previously the Barclays PLC Group Treasurer since 2013. He joined Barclays in 1999 and has held a number of roles in both the investment bank and in treasury during his 17 years with the firm. He was appointed managing director in 2008 and has held a number of senior management positions since, including head of execution for the structured finance division, and corporate and investment bank treasurer.

Daniel is a qualified chartered accountant and holds an MA (Hons) from Oxford University.

Jason Quinn, executive (Group Financial Director) (44)

Qualifications: BAcc (Hons); CA(SA)

Appointed: September 2016

Committees: MC (Chairman), GRMC, GCRC, ITC, SC

Before joining the Absa Group, Jason was a partner at Ernst & Young Inc. He joined the Group in 2008 as the financial controller and was appointed as the head of finance in 2014 after holding several senior finance positions. Jason is a director of Absa Bank Limited, Absa Financial Services Limited, Woolworths Financial Services (Pty) Limited and is an employer-appointed trustee of the Absa Pension Fund.

Mark Merson, independent non-executive (50)

Qualifications: ACA; MA (Hons)

Appointed: January 2014

Committees: BFC (Chairman); became Chairman of GRMC and GCRC from 1 February 2019

Mark joined the Board in January 2014 as a non-executive director and became an independent non-executive director with effect from October 2017. Mark is a graduate of Oxford University, chartered accountant and was previously a partner in the financial services consulting practice of Arthur Andersen and Deloitte. From 2003 through 2016, he served Barclays PLC in a variety of roles including group financial controller, head of investor relations, CFO for the Corporate and Investment Bank; and deputy group finance director. Mark is a director of Veritum Partners Limited, an independent non-executive director of Absa Bank Limited and is Chairman of Absa Securities UK Limited.

René van Wyk, executive (Chief Executive Officer) (62)

Qualifications: BCom; BCompt (Hons), CA(SA)

Appointed: February 2017; as Executive Director – 1 February 2019; and Chief Executive Officer: 1 March 2019

Committees: GCRC, GRMC, DC, MC, ITC, SC and attendee of BFC, DAC, RemCo and GACC

René joined the Board as an independent non-executive director in February 2017. On 1 March 2019 he took up the role of Chief Executive Officer and he remains on the Board as an executive director effective from 1 February 2019. René is the former Registrar of Banks and Head of Banking Supervision of the South African Reserve Bank and retired from that position in May 2016. He was a partner in the KPMG financial services group and then between 1993 and 2011, René was with Nedbank Group where he occupied various positions, in the risk field notably executive director responsible for risk at Nedcor Investment Bank and was chief executive officer of Imperial Bank (a Nedbank subsidiary). René is also a director of Absa Bank Limited.

Wendy Lucas-Bull, independent non-executive (Group Chairman) (65)

Qualification: BSc

Appointed: April 2013

Committees: DAC (Chairman), SC (Chairman), BFC, GRMC, GCRC, SEC, ITC, RemCo, Attendee of the GACC

Wendy is one of the founders of the Peotona Group. She was previously chief executive of FirstRand Limited's retail businesses and prior to that an executive director of Rand Merchant Bank Holdings. Former non-executive directorships include those at Barclays PLC, Anglo American Platinum Limited, the Development Bank of Southern Africa, Alexander Forbes, Eskom, Nedbank, Telkom, Aveng (deputy chairman), Lafarge Industries (chairman), the South African Financial Markets Advisory Board, Discovery Holdings, Dimension Data PLC, and the Momentum Group. She was also a member of the President's Advisory Council on Black Economic Empowerment. Wendy is chairman of Absa Bank Limited and Absa Financial Services Limited.

Yolanda Cuba, independent non-executive (41) (Retiring)

Qualifications: BCom (Statistics), BCom (Hons Accounting), CA(SA)

Appointed: December 2006

Committees: BFC, GCRC, RemCo

Yolanda became chief executive officer of Mvelaphanda Group Limited in 2007. She joined the South African Breweries Limited as executive director for development and decision support in September 2011 and was subsequently appointed as executive director for strategy and business support. Yolanda was appointed as chief officer: strategy and new business at Vodacom Group Limited in November 2014. She was appointed chief executive of Vodafone Ghana in March 2016. She is a member of the Nelson Mandela Foundation Investment and Endowment Committee.

Annexure B: Salient Features: Absa Group Limited Share Incentive Plan

Introduction

Absa Group Limited ('Absa' or 'the Company' or 'the Group') intends to adopt a new share plan, namely the Absa Group Limited Share Incentive Plan ('SIP'). The purpose of the SIP is twofold, namely, (i) to provide Employees of Employer Companies in the Group with the opportunity to share in the longer-term success of the Company, whilst providing alignment between the Participants' and shareholders' interests; and (ii) to provide each Employer Company with a retention mechanism to utilise and retain critical and scarce skills.

The SIP provides Participants with the opportunity to receive conditional rights to shares in Absa ('Conditional Shares'). The Vesting of the Conditional Shares is subject to the Employment Condition and may be subject to the satisfaction of the Performance Condition(s).

Where terms are capitalised, these bear the meaning ascribed in the SIP Rules.

The salient features of the SIP are detailed below.

Purpose and Awards

The SIP will primarily be used as an incentive to Participants to deliver the Group's business strategy over the long-term. The intention of the SIP is to incentivise, motivate and retain Eligible Employees (executives and senior management) through the Award of Conditional Shares. Three types of Conditional Shares may be awarded:

- Performance Awards – vesting of these Awards is subject to the extent to which the Performance Condition(s) have been satisfied and whether (and the extent to which) the Employment Condition has been met; and/or
- Deferred Awards – the value of which is determined as a portion of the Participant's Short-term Incentive in terms of the Group Remuneration Policy applicable at the time, and Vesting is subject to the satisfaction of the Employment Condition; and/or
- Retention Awards made:
 - a) in exceptional circumstances to key talent (excluding members of the Executive Committee and Executive Management) instrumental in delivering the Group's business strategy, as identified by the Executive Committee and approved by the Group Remuneration Committee ('Remco'); and
 - b) and in respect of new joiners to the Group (including members of the Executive Committee and Executive Management) in order to buy out the awards that such joiners would forfeit as a consequence of leaving previous employment to join an Employer Company.

The Vesting of Retention Awards is subject to satisfaction of the Employment Condition and, to the extent determined by the Remco, a minimum level of individual performance.

Dividend Equivalent Shares may be awarded in respect of Performance Awards, Deferred Awards and Retention Awards as specified in the Participant's Award Letter.

The Performance Condition(s) applicable to the Performance Awards is/are approved by the Remco annually for each award and specifically included in the Award Letter. The Performance Condition(s) will apply in respect of the performance period for each Performance Award. The Employment Condition is the requirement for continued employment of the Participant with Absa for the duration of the Award from the Award Date to the Vesting Date.

Participants

Participants in the SIP may include senior staff, executives, and key personnel as identified by the Company. Final discretion regarding participation will remain with the Remco. Members of the Group Executive Committee and other executives will not be eligible to receive Retention Awards other than in instances where these are made in respect of forfeited awards in a previous employer, at the time of the Group Executive Committee member's / Executive Management member's appointment.

Rights of Participants

Participants will have no shareholder rights, including voting and dividend rights, in respect of Awards (including Shares that may be due to a Participant in terms of Dividend Equivalent Shares) prior to the Settlement Date, which will occur on or as soon as practically possible after the Vesting Date.

Vesting occurs at the end of the Vesting Period to the extent that applicable conditions have been met. On Settlement, Shares (after the deduction of the necessary taxation and other statutory deductions) will be registered in the name of the Participants. Such Shares will have full shareholder rights, including dividend and voting rights from the point of Settlement.

Participants may be entitled to receive Dividend Equivalent Shares on the Vesting Date of each Award as specified in the Award Letter. For Performance Awards, Dividend Equivalent Shares will only apply to the extent that the original Award or part thereof vests.

Basis of Awards and Award levels

The frequency of Awards will be determined in accordance with the business strategy and will be at the discretion of the Remco, but it is anticipated that regular annual Awards will be made.

Award levels will be decided by the Remco each time that Awards are granted and set out in the Award Letter to a participant, by taking into account any relevant circumstances at that time. The value of Awards will be aligned to acceptable market-related norms, whilst considering the overall affordability thereof to the Company.

Performance Conditions and Vesting

The extent and nature of Performance Condition(s) applicable to Awards will be approved by the Remco annually (or more frequently if required) for that specific award and specifically included in the Award Letter to Participants.

It is envisaged that the first Award of Performance Awards will be in 2020 and will be subject to both financial and non-financial Performance Condition(s), which may include Return on Equity, Headline Earnings growth and Organisational Health indicators, over a Performance Period of 3 years.

Retention Awards

The Remco will set appropriate Performance Condition(s), Performance Period(s), Employment Conditions and Employment Period(s), as relevant, for future Awards, taking into account the business environment at the time of making the Awards, and where considered necessary, in consultation with shareholders. Retention awards could include a required minimum standard of individual performance (including over a number of years), to qualify for vesting. Each of these details of the Award will be communicated with the Participants in terms of individual Award Letters.

Manner of Settlement

The rules of the SIP are flexible in order to allow for Settlement using any of the following methods:

- by way of a market purchase of Shares;
- use of treasury Shares;

- subscription for Shares; and
- issue of Shares.

The exact method of Settlement will be determined by the Remco in advance of Settlement of each Award. The preferred method is by way of market purchase of the Shares, which will be effected through the Absa Group Employee Incentive Trust. This Trust is already in existence and is a vehicle through which Shares can be settled on participants in respect of the Group's share schemes (including the SIP).

Limits and adjustments

Overall Company limit

The maximum number of Shares which may at any one time be settled to Participants under the SIP will not exceed 42 387 534 (forty-two million, three hundred and eighty-seven thousand, five hundred and thirty-four) Shares. This represents approximately 5% (five percent) of the number of issued Shares at the date of adoption of the SIP. In the event of a discrepancy between the number of Shares and the percentage it represents, the number will prevail.

In calculating the limit for the SIP, new Shares allotted and issued by the Company or Shares held in a treasury account which have been used by the Company for Settlement of the SIP, will be included in the Company limit. This limit will be calculated to exclude Shares purchased in the market in Settlement of the SIP and Shares held in treasury prior to the Vesting Date and which are not subsequently Settled to a Participant as a result of forfeiture or lapse.

Individual Limit

The maximum number of Shares which may at any one time be settled to any single Participant under the SIP will not exceed 4 238 753 (four million, two hundred and thirty-eight thousand, seven hundred and fifty-three) Shares. This represents approximately 0.5% (one half percent) of the number of issued Shares at the date of adoption of the SIP. In the event of a discrepancy between the number of Shares and the percentage it represents, the number will prevail.

Adjustments related to SIP limits

The Remco must, where required, adjust the Company limit and individual limit (without the prior approval of shareholders in a general meeting), to take account of a sub-division or consolidation of the Shares of the Company. Such adjustment should give a Participant entitlement to the same proportion of equity capital as that to which he was previously entitled.

The Remco may, where required, adjust the number of Shares available for the individual limit stated in Rule 54.2 (without the prior approval of the Company in a general meeting) to take account of a capitalisation issue, a special dividend, a rights issue or reduction in capital of the Company. Such adjustment should give a Participant entitlement to the same proportion of equity capital as that to which he was previously entitled.

The auditors, or other independent advisor acceptable to the JSE, shall confirm to the JSE in writing that any adjustment made in terms of this paragraph has been properly calculated on a reasonable and equitable basis, in accordance with the rules of the SIP and must be reported in the Company's financial statements in the year during which the adjustment is made.

The issue of shares as consideration for an acquisition, and the issue of shares for cash or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to the Company or individual limit.

Awards under the SIP which are not subsequently settled to a Participant as a result of the forfeiture thereof will revert to the SIP.

Consideration

The Participant will give no consideration for an Award or Settlement of any Awards of Shares in terms of the SIP.

Reduction or forfeiture and lapse of Awards prior to Vesting (Malus)

Prior to the Vesting of Awards, the Remco may determine in certain circumstances set out in the Company's Remuneration Policy, that an Award shall be forfeited, cancelled or the number of Awards reduced, in whole or in part (including, for the avoidance of doubt, to nil), causing Awards to be forfeited. In determining any forfeiture, cancellation or reduction, the Remco shall act fairly and reasonably but its decision shall be final and binding; provided that the Participant shall be given the opportunity to dispute the reduction.

Reduction of Awards after Vesting (Clawback)

The Remco may determine in certain circumstances set out in the Company's Remuneration Policy, that an Award shall be reduced, in whole or in part (including, for the avoidance of doubt, to nil) after the Vesting Date. In determining Clawback, the Remco shall act fairly and reasonably, but its decision shall be final and binding; provided that the Participant shall be given the opportunity to dispute the reduction.

Termination of employment

'Ineligible terminations'

Participants terminating employment due to resignation or dismissal on grounds of misconduct, incapacity, poor performance or mutual separation (subject to Remco discretion discussed below) will forfeit all unvested Awards.

The Remco has the discretion to deem an Ineligible termination as an Eligible termination in exceptional circumstances. Two specified instances where this discretion may be used would be in circumstances of early retirement before the Retirement Date or in circumstances of a mutual separation agreement.

'Eligible terminations'

Transfers within the Group will not be considered a Termination of Employment.

In the case of Termination of Employment due to retirement on or after the Retirement Date, ill-health, disability, injury, the sale of a subsidiary company, section 197 of the Labour Relations Act 66 of 1995 or termination based on operational requirements as contemplated in the Labour Relations Act 66 of 1995 or equivalent legislation/regulation in non-South African jurisdictions, unvested Performance and Retention Award(s) will be pro-rated for time served during the vesting period but continue to vest on the Vesting Date (not accelerated). The portion that Vests will be determined by taking into account the number of complete months served since the Award Date to the Date of Termination over the total number of months in the Employment Period, and the extent to which any applicable Performance Condition(s) and/or minimum levels of individual performance have been satisfied. Deferred Awards and Retention Awards made to new joiners to buy-out awards forfeited as a consequence of joining an Employer Company will not be pro-rated and will continue to vest on the Vesting Date (not accelerated).

Termination of Employment due to death will result in accelerated Vesting of all Awards, subject to the satisfaction of any applicable Performance Conditions(s) and/or minimum levels of individual performance, on the Date of Termination of Employment, or as soon as reasonably practicable thereafter.

The Rules provide discretion for the Remco to deem an Eligible termination, as an Ineligible termination.

Change of Control

Subject to the Remco determining otherwise in its absolute discretion, in the event of a Change of Control of the Company occurring before the Vesting Date of any Award which results in the Shares ceasing to be listed on the JSE, or the Majority of the Operations of the Company being merged with those of another company or companies or the SIP being terminated, a portion of the Award will vest. In calculating the portion of the Award that vests, the Remco may consider the number of complete months served since the Award Date to the Change of Control Date over the total number of months in the employment period, and the extent to which any Performance Condition(s) have been satisfied with reference to the immediately preceding Financial Year.

The portion that does not Vest as a result of the Change of Control will, except on termination of the SIP (in which case it shall lapse), continue to be subject to the terms of the original Award Letter. However the Remco has the discretion to determine that the terms of the Award Letter are no longer appropriate and may:

- make an adjustment to the number of Awards, or
- convert Awards into awards in respect of shares in one or more other companies, or
- vary any performance condition(s) in accordance with the provisions of the Rules.

Any adjustments made must result in the Participants being no worse off as a result of the adjustment.

Variation of share capital

In the event of a variation in share capital such as, for example, a capitalisation issue, subdivision of shares, consolidation of shares, the Company making distributions, including a reduction of capital and a distribution in specie, other than a dividend paid in the ordinary course of business out of the current year's retained earnings, or any other event affecting the share capital of the Company or which has the potential to affect the share capital (whether generally or specifically), Participants will continue to participate in the SIP.

However, the Remco may make such adjustment to the Award or take such other action to place Participants in no worse a position than they were prior to the occurrence of the relevant event.

The issue of shares as consideration for an acquisition, and the issue of shares for a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to the Awards.

Liquidation

If the Company is placed into liquidation, other than for purposes of reorganisation, Awards will lapse as from the Liquidation Date.

Amendment

The Remco may alter or vary the rules of the SIP as it sees fit, however in the following instances the SIP may not be amended without the prior approval of the JSE and a resolution by shareholders holding 75% of the voting rights present and voting at the meeting held to approve such amendments:

- the category of persons who are eligible for participation in the SIP;
- the number of Shares which may be utilised for the purpose of the SIP;
- the individual limitations on benefits or maximum entitlements;
- the basis upon which Awards are made;
- the amount payable upon the Award, Settlement or Vesting of an Award;
- the voting, dividend, transfer and other rights attached to the Awards, including those arising on a liquidation of the Company;
- the adjustment of Awards in the event of a variation of share capital of the Company or a change of control of the company; and
- the procedure to be adopted in respect of the Vesting of Awards in the event of termination of employment.

General

The rules of the SIP are available for inspection from 30 April 2019 to 4 June 2019 at the Company's registered office.

In terms of the JSE Listings Requirements, the passing of Ordinary Resolution number 6 requires the approval of a 75% majority of the voting rights exercised on the resolution.

