



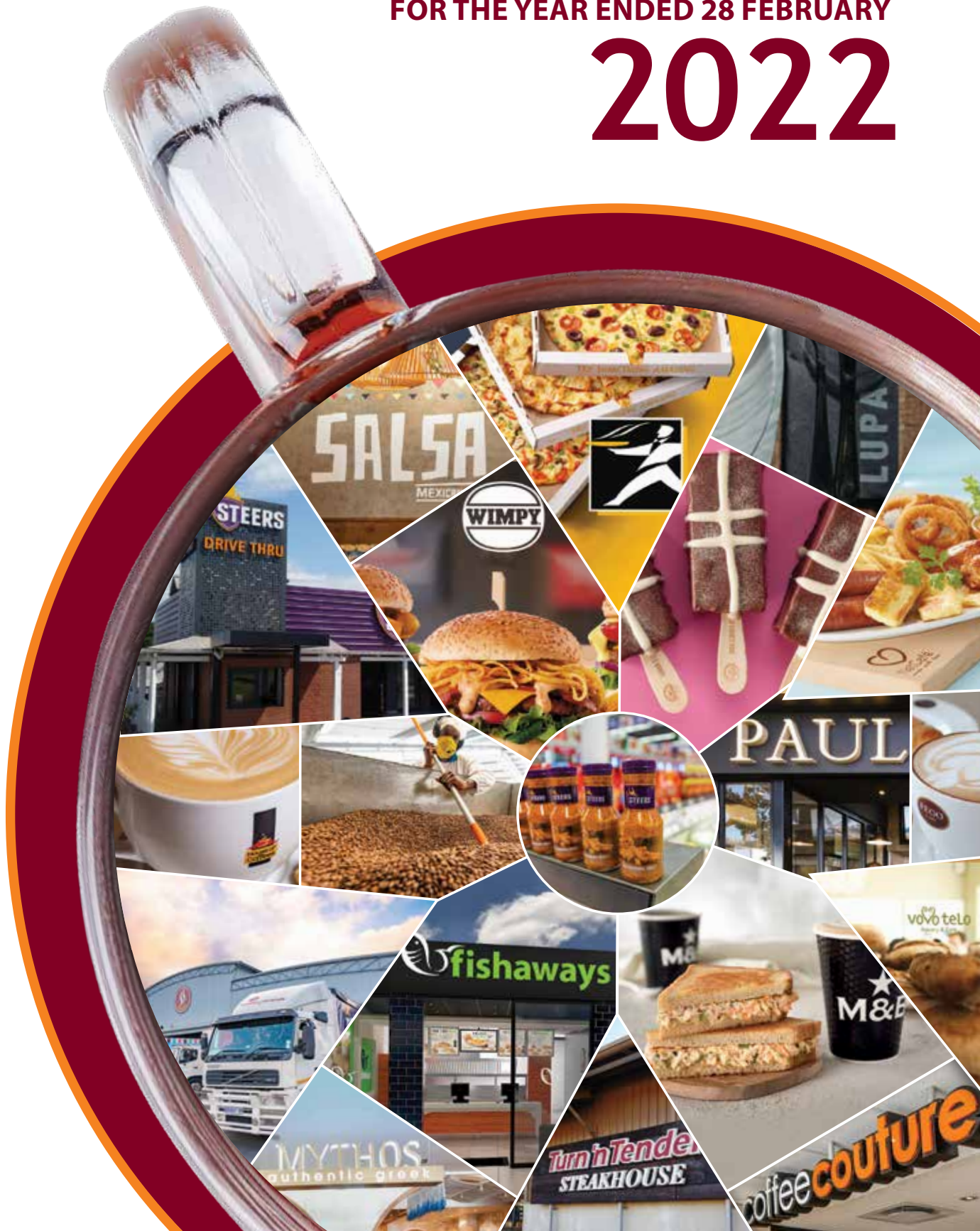
# famous | brands

*you're in good company*

**NOTICE OF ANNUAL  
GENERAL MEETING**

**FOR THE YEAR ENDED 28 FEBRUARY**

# 2022



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## *Reporting suite*

The summarised consolidated financial statements, including the auditors' report, is available on the Company's website: [www.famousbrands.co.za](http://www.famousbrands.co.za) and the IAR will be available from 16:00 on 23 June 2022.



# Invitation to our AGM

## **Letter from our Chairman**

Dear shareholder,

On behalf of the Board of Famous Brands (Board), you are invited to attend the 2022 Annual General Meeting (AGM) to be held at 14:00 on Friday, 22 July 2022.

Shareholders are advised that the AGM will be held in electronic format only.

Shareholders are encouraged to connect to the AGM using the details set out in the Voting Process section.

This document contains the detailed Notice which sets out the business to be conducted at the meeting. Also included in this document is the form of proxy and additional information to assist shareholders in their decision-making such as:

- The Group's summarised consolidated financial statements for the year ended 28 February 2022 which have been derived from the audited consolidated financial statements; and
- an overview of the Company's summarised consolidated financial statements published 31 May 2022 on the JSE Limited (JSE) News Service.

The AGM provides the Board with the opportunity to present the Group's performance for the year ended 28 February 2022 to our shareholders.

The Chairmen of the various Board Committees, senior management, and the Company's external auditors will contribute and will be available to engage with shareholders and respond to your questions.

The Board recognises the importance of our shareholders' attendance and encourages your participation at the AGM. If you are unable to participate, you may vote by proxy in accordance with the instructions in the Notice and form of proxy, which are also published on the Company's website: [www.famousbrands.co.za](http://www.famousbrands.co.za).

You are welcome to forward any questions you would like to address to the Board in advance. These will be responded to via email. Please send your questions through by 14:00 on Wednesday, 20 July 2022. Enquiries should be sent to the Group Company Secretary on: [companysecretary@famousbrands.co.za](mailto:companysecretary@famousbrands.co.za) or [investorrelations@famousbrands.co.za](mailto:investorrelations@famousbrands.co.za).

Considering our commitment to limiting our environmental footprint, printed copies of these reports will only be made available to shareholders on request.

I look forward to welcoming you at the AGM.

Yours sincerely



**Santie Botha**

*Independent non-executive Chairman*

23 June 2022



# What you are voting on

## **Notice of Annual General Meeting**

### **FAMOUS BRANDS LIMITED**

(Incorporated in the Republic of South Africa)

Registration number 1969/004875/06

JSE and A2X code: FBR

ISIN: ZAE000053328

(Famous Brands or the Company)

Date of issue: 23 June 2022



**Notice is hereby given in terms of section 62(1) of the Companies Act, No 71 of 2008, as amended (the Companies Act) that the twenty-eighth (28th) Annual General Meeting of the shareholders of the Company will be held on Friday, 22 July 2022, at 14:00 (South African time), and will be held in electronic format as provided for by the JSE, the Companies Act and the Company's Memorandum of Incorporation (Mol).**

### ***This document is important and requires your immediate attention***

If you are in any doubt about the action you should take, consult your broker, Central Securities Depository Participant (CSDP), banker, financial adviser, accountant or other professional adviser immediately.

The Notice is only available in English. Copies may be obtained from the registered office of the Company and the transfer secretaries, Computershare Investor Services Pty Limited (Computershare).

### ***The purpose of the Annual General Meeting***

The purpose of the meeting is to:

- Present the audited financial statements of the Company and the Group for the year ended 28 February 2022, including the Directors' report, Audit and Risk Committee report, the report of the independent auditor and the summary of the audited consolidated financial statements;
- Present the Social and Ethics Committee report for the year ended 28 February 2022 in terms of regulation 43 of the Companies Act Regulations, 2011; and
- Consider and, if deemed fit, pass, with or without modification, the ordinary and special resolutions as set out in this Notice.

### ***Electronic attendance and participation***

Famous Brands will conduct the AGM by way of electronic participation only and shareholders can access the meeting platform on <https://web.lumiagm.com>. This document contains an online meeting guide on page 72.

### ***Record date proxies and voting***

	<b>Date</b>
Record date to determine which shareholders are entitled to receive the Notice	Friday, 17 June 2022
Date for posting of Notice	Thursday, 23 June 2022
Last day to trade in order to be eligible to attend and vote at the AGM	Tuesday, 12 July 2022
Record date to be eligible to participate in and vote at the AGM	Friday, 15 July 2022
Forms of proxy to be lodged with Computershare by no later than 14:00 on	Wednesday, 20 July 2022

**Quorum and voting requirements**

For purposes of considering the resolutions to be proposed at the AGM, a quorum will consist of three shareholders of the Company, personally present or represented by proxy, and entitled to vote. In addition, a quorum shall comprise 25% of all voting rights entitled to be exercised by shareholders in respect of the proposed resolutions.

Every shareholder of the company, present or represented by proxy, shall receive one vote for every share held in the Company by such a shareholder. The voting will be conducted by way of a poll.

Unless specifically stated otherwise, in order for an ordinary or special resolution to be approved by shareholders, the resolutions must be supported by more than 50% and 75% of shareholders respectively. This includes shareholders present or represented by proxy at the AGM.

By order of the Board



**CD Appollis**  
Company Secretary

22 June 2022

**The Company's audited financial statements and the Social and Ethics Committee report can be requested from the Company Secretary at [companysecretary@famousbrands.co.za](mailto:companysecretary@famousbrands.co.za) or [investor-relations@famousbrands.co.za](mailto:investor-relations@famousbrands.co.za).**

## WHAT YOU ARE VOTING ON continued

## **Part A – Presentation of AFS, Audit and Risk Committee Report and Social and Ethics Committee Report**

### **Presentation of the AFS and Audit and Risk Committee Report**

To present the consolidated audited financial statements of the Company and its subsidiaries as approved by the Board of Directors of the Company (Board) together with the reports of the directors, Audit and Risk Committee and external auditors of the Company for the year ended 28 February 2022.

### **Report of the Social and Ethics Committee**

The report of the Social and Ethics Committee for the year ended 28 February 2022 as set out on page 124 to 126 of the 2022 Integrated Annual Report, is presented to shareholders as required in terms of Regulation 43 of the Companies.

## **Part B – Ordinary resolutions**

### **Ordinary resolution number 1 – Adoption of the AFS**

To receive and consider the consolidated audited financial statements for the year ending 28 February 2022.

“RESOLVED THAT the consolidated audited financial statements of the Company and its subsidiaries, together with the auditors’ Audit and Risk Committee and Directors’ reports for the year ended 28 February 2022, be and are hereby received and adopted.”

### **Ordinary resolution number 2 – Re-appointment of external auditors**

To re-appoint KPMG as the Company’s independent auditors, to hold office until the conclusion of the next AGM. The Audit Committee has recommended the re-appointment of KPMG as the Company’s auditors. Mr N Southon is the lead audit partner and was appointed in 2020. The Audit Committee has concluded that the appointment of KPMG as the Company’s auditors will comply with the requirements of section 90 of the Companies Act and the regulations, and accordingly nominates KPMG for re-appointment as auditors of the Company.

“RESOLVED THAT KPMG be and are hereby appointed auditors of the Company.”



The consolidated and Company financial statements for the year ended 28 February 2022 are available on the Company’s website at [www.famousbrands.co.za](http://www.famousbrands.co.za).

During the review period, the Social and Ethics Committee together with the Social and Ethics Working Group worked on matters related to wage negotiations with unions. Protection of personal information (POPIA) compliance throughout the Group, transformation, and targets related to reducing our environmental impact.

The full audited consolidated AFS for the year ended 28 February 2022 are available on the Company’s website at [www.famousbrands.co.za](http://www.famousbrands.co.za).

Auditor profile. Page 53

## **Part B – Ordinary resolutions (continued)**

### **Ordinary resolutions number 3.1, 3.2 and 3.3 – Re-election of directors**

To elect, by way of three separate resolutions:

Mr Chris Boulle, Mr John Halamandres and Mr Alex Maditse are obliged to retire at this annual general meeting in accordance with the Company's MOI. Having so retired, they are eligible for re-election as directors.

- 1.1 "RESOLVED THAT Mr Chris Boulle is hereby re-elected as a director of the Company."
- 1.2 "RESOLVED THAT Mr John Halamandres is hereby re-elected as a director of the Company."
- 1.3 "RESOLVED THAT Mr Alex Maditse is hereby re-elected as a director of the Company."

### **Ordinary resolution number 4 – Election of director**

To elect Ms Busisiwe Mathe who was appointed by the Board in terms of clause 28 of the Company's MOI after the previous AGM of the Company.

The director, being eligible, has offered herself for election.

"RESOLVED THAT Ms Busisiwe Mathe, be and is hereby elected as a director of the Company."

### **Ordinary resolution number 5 – Election of the members of the Audit and Risk Committee**

To elect the following independent non-executive director as member of the Company's Audit and Risk Committee, to hold office until the end of the next AGM.

"RESOLVED THAT Mr Chris Boulle be and is hereby re-elected as a member of the Company's Audit and Risk Committee with effect from the end of the AGM."

"RESOLVED THAT Mr Norman Adami be and is hereby re-elected as a member of the Company's Audit and Risk Committee with effect from the end of the AGM."

"RESOLVED THAT Ms Fagmeedah Petersen-Cook be and is hereby re-elected as a member of the Company's Audit and Risk Committee with effect from the end of the AGM."

"RESOLVED THAT Ms Busisiwe Mathe be and is hereby elected as a member of the Company's Audit and Risk Committee with effect from the end of the AGM."



**Brief resumes of the directors up for re-election to the Board. Page 49**

**A brief resume of the director up for election to the Board. Page 50**

**Brief resumes of the Directors up for rotation onto the Audit and Risk Committee. Page 51**

## WHAT YOU ARE VOTING ON continued



### **Part B – Ordinary resolutions (continued)**

#### **Ordinary resolution number 6 – General authority**

To authorise any director or the Company Secretary to execute and sign any documentation that may be required to be signed in order to implement resolutions passed at the AGM.

“RESOLVED THAT any director of the Company and/or the Company Secretary be and are hereby authorised to execute all documents and to do all such further acts and things as they may in their discretion consider appropriate to implement the ordinary and special resolutions set out in the Notice, if approved by the shareholders.”

#### **Ordinary resolution number 7 – Approval of the Remuneration Policy**

To consider and approve by way of a non-binding advisory resolution, the Company’s Remuneration Policy, as set out on pages 139 to 147 the 2022 IAR. The King Report on Corporate Governance™ for South Africa 2016 (King IV)\* and the JSE Listings Requirements recommend that a separate non-binding advisory vote should be obtained from shareholders on the Company’s Remuneration Policy. This vote enables shareholders to express their views on the Company’s Remuneration Policy.

“RESOLVED THAT the Remuneration Policy for the year ended 28 February 2022 be and is hereby approved.”

#### **Ordinary resolution number 8 – Approval of the Remuneration implementation report**

To consider and approve by way of a non-binding advisory resolution, the Remuneration Implementation report, as set out on pages 148 to 151 of the 2022 IAR. King IV and the JSE Listings Requirements recommend that a separate non-binding advisory vote should be obtained from shareholders on the Implementation report of the Company’s Remuneration Policy. This vote enables shareholders to express their views on the extent of implementation of the Company’s Remuneration Policy.

“RESOLVED THAT the Remuneration Implementation report for the year ended 28 February 2022 be and is hereby approved.”

#### **Reason for and effect of non-binding advisory votes 7 and 8**

These resolutions are tabled in accordance with the JSE Listings Requirements and the King IV recommendation that the Company obtains a non-binding advisory vote by shareholders at the AGM, on the Remuneration Policy and the Remuneration Implementation report applicable to all employees and directors of the Company, and any of its subsidiaries or divisions. Failure to pass these resolutions will not have legal consequences relating to the existing arrangements. However, the Board will take the outcome of the vote into consideration when assessing Famous Brands’ Remuneration Policy and will engage with shareholders with a view of obtaining an understanding of shareholders’ concerns with the Remuneration Policy and/or Implementation report.

Remuneration Policy. Page 59

Remuneration Policy. Page 59





Remuneration report –  
implementation. Page 68

## **Part C – Special resolutions**

### **Special resolution number 1 – Approval of remuneration payable to Non-executive Directors and the Chairman**

To approve, by way of separate resolutions, the remuneration payable to non-executive directors and the Chairman of the Board as outlined below.

- 1.1. "RESOLVED THAT the remuneration payable to non-executive directors be R383 913 per annum."
- 1.2. "RESOLVED THAT the remuneration payable to the Chairman of the Board be R652 360 per annum."
- 1.3. "RESOLVED THAT the remuneration payable to the Chairman of the Audit and Risk Committee be R203 860 per annum."
- 1.4. "RESOLVED THAT the remuneration payable to the members of the Audit and Risk Committee be R145 421 per annum."
- 1.5. "RESOLVED THAT the remuneration payable to the Chairman of the Remuneration Committee be R146 780 per annum."
- 1.6. "RESOLVED THAT the remuneration payable to the members of the Remuneration Committee be R116 337 per annum."
- 1.7. "RESOLVED THAT the remuneration payable to the Chairman of the Nomination Committee be R108 726 per annum."
- 1.8. "RESOLVED THAT the remuneration payable to the members of the Nomination Committee be R108 726 per annum."
- 1.9. "RESOLVED THAT the remuneration payable to the Chairman of the Social and Ethics Committee be R139 604 per annum."
- 1.10. "RESOLVED THAT the remuneration payable to the members of the Social and Ethics Committee be R116 338 per annum."
- 1.11. "RESOLVED THAT the remuneration payable to the Chairman of the Investment Committee be R40 000 per meeting."
- 1.12. "RESOLVED THAT the remuneration payable to non-executive directors attending Investment Committee or unscheduled Committee meetings be R27 180 per meeting."
- 1.13. "RESOLVED THAT the remuneration payable to a non-executive director who sits as Chairman of a principal operating subsidiary be R35 336 per meeting."
- 1.14. "RESOLVED THAT the remuneration payable to a non-executive director who sits as a director on a partially owned subsidiary or associate company be R21 736 per meeting."
- 1.15. "RESOLVED that the remuneration payable to non-executive directors for unscheduled special Board meetings be R61 426 per meeting."
- 1.16. "RESOLVED THAT the remuneration payable to a non-executive director for any additional meetings and/or consulting services rendered be R2 613 per hour effective 28 February 2022."

The amounts in resolutions 1.1 to 1.15 are exclusive of VAT. For clarity, to the extent that VAT is applicable, the Company is authorised to pay the VAT thereon in addition to the proposed remuneration. The above remuneration to be effective from 1 June 2022 and to be paid quarterly in arrears.

The fees in respect of special resolutions 1.1 to 1.10 are split 20% (twenty percent) as a base fee and 80% (eighty percent) based on attendance.

Remuneration report –  
implementation. Page 68

## WHAT YOU ARE VOTING ON continued

**Part C – Special resolutions (continued)****Special resolution number 1 – Approval of remuneration payable to Non-executive Directors and the Chairman (continued)**

The fees in respect of special resolutions 1.11 to 1.15 are based on attendance only.

The fees in respect of special resolution 1.16 shall be subject to prior approval of the Board.

**Reason for and effect of special resolution number 1**

The reason for proposing special resolution number 1 is to increase the remuneration paid to non-executive directors, in respect of services rendered as directors in terms of section 66 of the Companies Act.

The proposed remuneration was proposed and accepted by the Board upon recommendation by the Remuneration Committee, which had considered the quantum of fees being paid to non-executive directors and to the Chairman. The proposed fees, therefore, reflect an increase of 4.5% on the fees paid in the previous year.

**Special resolution number 2 – General authority to repurchase shares**

“RESOLVED THAT the Company approves, as a general approval contemplated in section 48 of the Act, the acquisition by the Company (or by a subsidiary of the Company) of ordinary shares issued of the Company on such terms and conditions and in such amounts as the directors of the Company may decide, but subject always to the provisions of the Companies Act and the JSE Listings Requirements, which general approval shall endure until the next AGM of the Company (when this approval shall lapse unless it is renewed at that AGM, provided that it shall not extend beyond 15 (fifteen) months from the date of this special resolution, whichever period is shorter), subject to the following limitations:

- The repurchase of securities is implemented through the order book of the JSE’s trading system, without any prior understanding or arrangement between the Company and the counterparty;
- The Company is so authorised by its MOI;
- The general purchase is limited to a maximum of 5% (five percent) in aggregate of the Company’s issued share capital in any one financial year;
- The general purchase by the subsidiaries of the Company is limited to a maximum of 5% (five percent) in aggregate of the Company’s issued share capital;
- The general purchase is not made at a price greater than 10% (ten percent) above the weighted average of the market value for the securities for the five business days immediately preceding the date on which the transaction was effected;



Remuneration report – implementation. Page 68

Summarised consolidated financial statements. Page 21

Shareholder analysis. Page 54

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**Part C – Special resolutions (continued)**  
**Special resolution number 2 – General authority to repurchase shares (continued)**

- The repurchase does not take place during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless there is a repurchase programme in place and the dates and quantities of shares to be repurchased during the prohibited 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. The issuer must instruct an independent third party, which makes its investment decisions in relation to the issuer's securities independently of, and uninfluenced by, the issuer, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
- The Company publishes an announcement after it or its subsidiaries has cumulatively acquired 3% (three percent) of the number of ordinary shares in issue at the time that the shareholders' authority for the purchase is granted and for each 3% (three percent) in aggregate of the initial number acquired thereafter; and
- The Company appoints only one agent at any point in time to effect any repurchases on its behalf. After considering the aggregate effect of the maximum repurchase, the directors of the Company are of the opinion that for a period of 12 (twelve) months after the date of this Notice:
  - The Company or the relevant company's subsidiaries (the Group) shall satisfy the solvency and liquidity test in the manner contemplated by the Companies Act and the JSE Listings Requirements
  - The Company and the Group will be able, in the ordinary course of business, to repay their debt;
  - The assets of the Company and the Group, fairly valued in accordance with International Financial Reporting Standards (IFRS), will be in excess of the liabilities of the Company and the Group;
  - The share capital and reserves of the Company and the Group will be adequate for ordinary business purposes; and
  - The working capital of the Company and the Group will be adequate for ordinary business purposes."

**Reason for and effect of special resolution number 2**

The purpose of this resolution is to authorise the Company and its subsidiaries, by way of general approval, to acquire the Company's issued ordinary shares on terms and conditions and in amounts to be determined by the directors of the Company, subject to certain statutory provisions and the JSE Listings Requirements.

**Material changes**

There have been no material changes in the financial or trading position of the Group since the publication of the AFS for the year ended 28 February 2022 and the date of this Notice.

## WHAT YOU ARE VOTING ON continued



**Part C – Special resolutions (continued)**  
**Special resolution number 2 – General authority to repurchase shares (continued)**

**Directors' responsibility statement**

The directors, whose names appear on pages 44 to 48 of this notice of AGM, collectively and individually accept full responsibility for the accuracy of the information given in this special resolution number 2 and certify to the best of their knowledge and belief, that there are no other facts, the omission of which would make any statement false or misleading, that they have made all reasonable enquiries in this regard and that this resolution contains all information required by law and the JSE Listings Requirements.

**Statement of intent**

The Board will only implement a general repurchase of the Company's shares if all relevant prevailing circumstances warrant such a decision.

**Special resolution number 3 – Financial assistance to related and inter-related companies**

"RESOLVED THAT the Board may, subject to compliance with the requirements of the Company's Memorandum of Incorporation, the Companies Act, and the Listings Requirements, where applicable, (including but not limited to the Board being satisfied that immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test (as contemplated in section 4 of the Companies Act) and that the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company), authorise the provision by the Company, at any time and from time to time during the period of 2 (two) years commencing on the date of approval of this special resolution, of direct or indirect financial assistance, (including without limitation by way of a loan, guarantee of a loan, subordination of a loan/claim or other obligation or the securing of a debt or other obligation), as envisaged in section 45 of the Companies Act, to any 1 (one) or more related or inter-related companies or corporations of the Company and/or to any 1 (one) or more members of any such related or inter-related company or corporation related to any such company or corporation as outlined in section 2 of the Companies Act, for any purpose in the normal course of business of the Company, on such terms and conditions as the Board may deem fit."

**Reasons for and effect of special resolution number 3**

The main purpose of this authority is to grant the Board the authority to enable the Company to provide financial assistance, when the need arises, to the potential recipients envisaged in the special resolution in accordance with the provisions of section 45 of the Companies Act. The Company may not provide the financial assistance contemplated in section 45 of the Companies Act without a special resolution. The above resolution provides the Board with the authority to allow the Company to provide direct or indirect financial assistance, including but without limitation by way of the provision of warranties or the provision of indemnities or a loan, guaranteeing of a loan or other obligation or securing of a debt or other obligation, to the recipients contemplated in special resolution number 3.

It is difficult to foresee the exact details of financial assistance that the Company may be required to provide over the next 2 (two) years.



**Part C – Special resolutions (continued)**  
**Special resolution number 3 – Financial assistance to related and inter-related companies (continued)**

**Reasons for and effect of special resolution number 3 (continued)**

It is essential, however, that the Company is able to effectively organise its internal financial administration. The general authority in special resolution number 1 will allow the Company to continue to grant financial assistance to the relevant parties in appropriate circumstances.

For these reasons, and because it would be impracticable and difficult to obtain shareholder approval every time the Company wishes to provide financial assistance as contemplated above, it is necessary to obtain the approval of shareholders, as set out in special resolution number 3.

If approved, this general authority will expire at the end of 2 (two) years from the date on which this resolution is approved. It is, however, the intention to renew the authority annually at each AGM of shareholders.

It should be noted that this resolution does not authorise financial assistance to a director or a prescribed officer or any company or person related to a director or prescribed officer.

**Notice in terms of s 45(5) of the Companies Act**

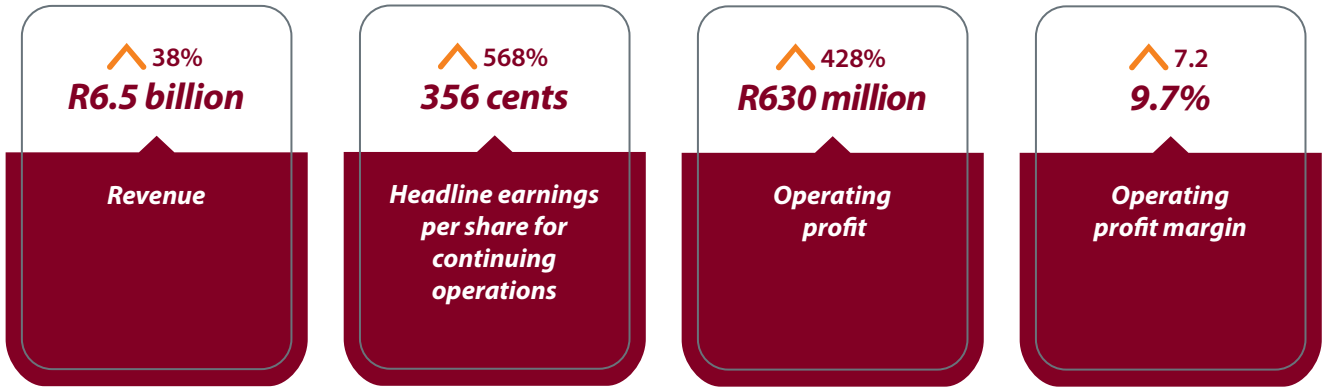
The following resolution was approved by shareholders at the 2021 AGM:

“RESOLVED THAT the Board may, subject to compliance with the requirements of the Company’s Memorandum of Incorporation, the Companies Act, and the JSE Listings Requirements, where applicable, (including but not limited to the Board being satisfied that immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test (as contemplated in section 4 of the Companies Act) and that the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company), authorise the provision by the Company, at any time and from time to time during the period of 2 (two) years commencing on the date of approval of this special resolution, of direct or indirect financial assistance, (including without limitation by way of a loan, guarantee of a loan, subordination of a loan/claim or other obligation or the securing of a debt or other obligation), as envisaged in section 45 of the Companies Act, to any 1 (one) or more related or inter-related companies or corporations of the Company and/or to any 1 (one) or more members of any such related or inter-related company or corporation related to any such company or corporation as outlined in section 2 of the Companies Act, for any purpose in the normal course of business of the Company, on such terms and conditions as the Board may deem fit.”

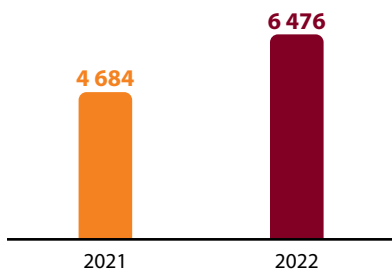
The Board has adopted a resolution to date approving the granting of financial assistance to Famous Brands Management Company (Pty) Limited, in the total sum of R2 050 000 000, in the form of a guarantee provided under the Group debt facility agreement. The relevant provisions of the Companies Act and the JSE Listing Requirements, including the solvency and liquidity test, were satisfied when the resolution of the Board was adopted for the provision of financial assistance by the Company. The terms under which the financial assistance was proposed to be given were fair and reasonable to the Company.

# Casting informed votes

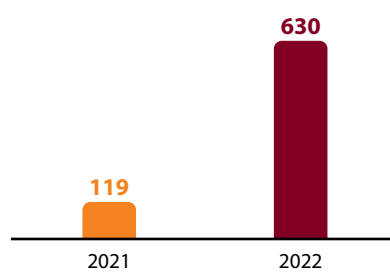
## Financial highlights



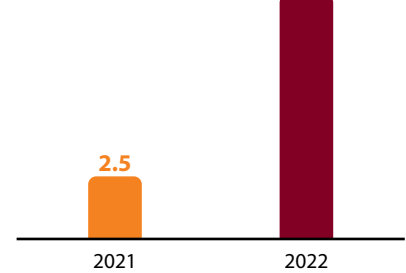
Revenue (R million)



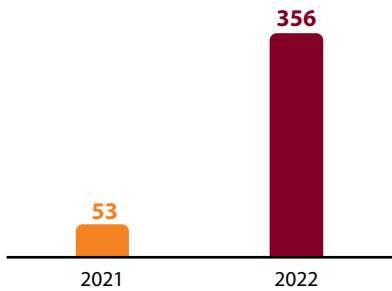
Operating profit (R million)



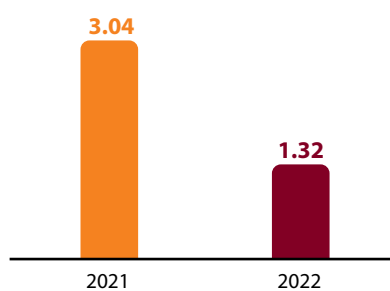
Operating profit margin (%)



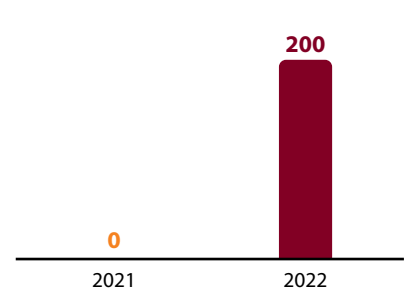
Headline earnings per share (cents)



Net debt to EBITDA (%)



Dividends (cents per share)



## **Information to assist decision making**

### **Directors' commentary**

#### **Industry overview**

The post-COVID-19 restaurant environment will look entirely different from before, and for the better. Establishments will be cleaner, safer and more efficient.

While the COVID-19 pandemic damaged the restaurant industry, it has not closed operations. As our operating environment has changed fundamentally, we have adapted accordingly and are operating differently. Some of these changes will be enduring and beneficial to our business and franchisees in the long term.

In this environment, category leaders continue to demonstrate resilience at the expense of second-tier brands. While we are not seeing many new competitor brands emerge, existing competitors are well-entrenched, and competition is fierce. The franchise market has also tightened, with franchisees shopping around for the best value proposition.

#### **The year 2022 was characterised by:**

- **Lockdown restrictions, including curfews, alcohol bans and capacity restrictions.**
- **High food inflation.**
- **Economic and political turmoil contributing to low business and consumer confidence.**
- **Intensifying competition in a constrained consumer spending environment.**
- **Acceleration of technology adoption.**
- **South African-specific challenges include high unemployment, unrest, load shedding and deteriorating infrastructure.**

#### **Customer trends**

Customer needs have changed post-COVID-19. Customers are looking for simplicity in their lives, and we need to respond with simple, good value offerings. At the same time, they want to try new things. While we continue to operate with reduced menus for many brands to simplify restaurant operations, we have also introduced selected innovations to retain and attract customers.

Customers are eating out less due to financial constraints and increasingly look for value purchases. We strive to limit our menu price increases to remain competitive. Our promotional activities focus on value for money propositions, including sharing meals. We use our loyalty programmes to incentivise regular purchases.

Social media appears to be driving an increase in environmentally conscious and socially connected customers. These empowered customers are pushing brands to embrace their values. We are experiencing growing consumer mindfulness for ethical and sustainable sourcing and production, vegan and vegetarian menu options, and better, more environmentally friendly packaging solutions. On the upside, this pushes us to drive our sustainability initiatives harder.

#### **Technology**

COVID-19 accelerated the adoption of specific technologies, including contactless technology, third-party ordering platforms, and delivery applications. Famous Brands has embraced consumer-facing technology for several years. This investment is increasingly relevant today, as many consumers prefer to interact with our brands in the digital space.

Leading Brands and Signature Brands continue to embrace take away and delivery, including kerbside pick-up, and third-party delivery, order ahead options and increasing drive-thru capacity. Our order and pay at table technology allow customers to order and pay for the meal from the convenience and safety of their own device. This also improves table turn times and hospitality while providing valuable data to understand customer behaviour better.

## CASTING INFORMED VOTES continued

**Group financial performance continuing operations**

The Group delivered resilient financial results.

Our recovery was slowed by continued COVID-19 trading restrictions, weak economic conditions in all markets, and to a lesser extent, the civil unrest experienced in South Africa in July 2021. All our divisions performed better in this financial year and benefited from our initial financial management measures in response to the pandemic.

Total revenue increased by 38% to R6 476 million (2021: R4 684 million) and in line with 2020 revenue of R6 495 million. The operating profit increased 428% to R630 million (2021: R119 million), and the headline earnings per share increased by 568% to 356 cents (2020: 53 cents). Compared to 2020, operating profit was down 31% (2020: R912 million), and headline earnings were down by 24%.

<b>Salient features</b>	<b>Unit</b>	<b>2021</b>	<b>2022</b>	<b>% change (2022 versus 2021)</b>
Revenue	R'million	4 684	<b>6 476</b>	38
Operating profit	R'million	119	<b>630</b>	428
Operating profit margin	%	2.5	<b>9.7</b>	–
Impairments	R'million	(194)	<b>(33)</b>	83
Basic (loss)/earnings per share	Cents	(127)	<b>317</b>	350
Headline earnings per share (HEPS)	Cents	53	<b>356</b>	568
<b>Statement of cash flows</b>				
Cash generated from operations	R'million	521	<b>871</b>	67
Net cash outflow utilised in investing activities	R'million	(57)	<b>(117)</b>	107
Net cash outflow from financing activities	R'million	(322)	<b>(433)</b>	34
Cash realisation rate*	%	108	<b>102</b>	–
<b>Statement of financial position</b>				
Cash and cash equivalents	R'million	352	<b>333</b>	(5)
Net asset value per share	Cents	390	<b>719</b>	84
Net debt <sup>^</sup>	R'million	1 464	<b>1 126</b>	23
Net debt to EBITDA (leverage)	Times	3.04	<b>1.32</b>	56
Net debt to equity (gearing)	Times	3.75	<b>1.56</b>	58
Total equity	R'million	391	<b>721</b>	84
Return on equity (ROE)**	%	5	<b>64</b>	–
Return on capital employed (ROCE) <sup>^^</sup>	%	5	<b>29</b>	–

\* Cash generated by operations as a percentage of EBITDA.

<sup>^</sup> Total interest-bearing borrowings (including lease liabilities) less cash and cash equivalents.

\*\* Headline earnings as a percentage of average total equity.

<sup>^^</sup> Operating profit divided by capital employed (which is calculated as the sum of total equity and interest-bearing debt and net lease liabilities).

**Capital management**

The total debt position at 28 February 2022 was R1 138 million (2021: R1 471 million), and Famous Brands repaid R358 million of borrowings during the 2022 financial year. Total debt facilities available at 28 February 2022 was R2 050 million.

The Group's gearing improved by 58% from 3.75 times to 1.56 times. Furthermore, its leverage improved by 56% from 3.04 times to 1.32 times, placing the Group in a very strong position.

In terms of its performance, the Group renegotiated its borrowings with its primary lender to more favourable rates.



### Group transactions

Famous Brands completed four transactions in the 2022 financial year.

#### DHQ

In March 2021, Famous Brands Design Studio (Pty) Ltd, a non-core operation trading as DHQ transitioned to an associate company. Famous Brands now holds 49% shareholding (formerly 60%) after the creation of the DHQ employees' share trust. Famous Brands donated the shares to the trust.

#### LUPA Osteria

#### Turn 'n Tender

In May 2021, Famous Brands acquired the non-controlling shareholder interests from LUPA Osteria and Turn 'n Tender founders, respectively. Famous Brands now owns 100% of both brands. This change in ownership structure allowed the Signature Brands team to consolidate the management structure into an efficient services hub to support each portfolio category, providing dedicated procurement, finance, menu development, information technology and franchise services.

#### Bread Basket

In May 2021, Famous Brands sold its 51% shareholding in the Famous Brands Great Bakery Company (Pty) Ltd, trading as Bread Basket, to the business's long-standing partners and founders. This transaction aligns with Famous Brands' plans to divest from non-core operations.

None of the above transactions was categorised transactions in terms of the JSE Listings Requirements.

### Dividend

The Board has declared a dividend of 200 cents per share. The Group has produced significantly improved results which enabled the Board to consider paying a dividend. The Board considered the Group's current performance and future prospects. The dividend is being paid out of profits for the year ended 28 February 2022 in the amount of R200 million.

Event Dates:

Declaration date	30 May 2022
Last day to trade "cum dividend"	5 July 2022
Shares commence trading "ex dividend"	6 July 2022
Record date	8 July 2022
Payment of dividend	11 July 2022

Those shareholders of the Group who are recorded in the company's register as at the record date will be entitled to the dividend. Share certificates may not be dematerialised or rematerialised between 6 July 2022 and 8 July 2022, both days inclusive.

In terms of dividends tax legislation, the following additional information is disclosed:

- The local dividend tax rate is 20%.
- The net local dividend amount is 160 cents per share for shareholders liable to pay the dividends tax and 200 cents per share for shareholders exempt from paying the dividends tax.
- The issued share capital of Famous Brands is 100 202 284 ordinary shares.
- Famous Brands' tax reference number is 9208085846.

### Subsequent events

#### Liquidation claim in relation to GBK

On 6 May 2022, the Group received notification from the liquidators of GBK indicating an intention to make an interim distribution to creditors of GBK Restaurants Limited with agreed claims. The actual amount of the distribution is not yet certain but in their notice the liquidators estimated the interim dividend to be 5 Pence in the Pound to creditors with agreed claims. The Group's claim against GBK for dividend purposes amounts to GBP55.2 million. The liquidator indicated that the interim dividend will be declared within two months of the last date of approving – 6 August 2022.

#### July unrest insurance claim

The Group submitted a claim for gross profit loss related to the July 2021 unrest. The claim was approved by insurers on 10 May 2022 and payment was received on 26 May 2022, refer to note 17 for details.

## CASTING INFORMED VOTES continued

**Lexi's Healthy Eatery**

In April 2022, Famous Brands acquired 51% interest in Lexi's Healthy Eatery for R3.3 million. The acquisition pertains to the franchise and central kitchen operations of the business. Lexi's offers a full-service, sit-down, plant-based, gluten-free and refined sugar-free breakfast, lunch and supper dining experience at its four restaurants in Rosebank, Modderfontein, Pretoria and Sea Point.

The acquisition is aligned with our three-year strategic roadmap, which includes acquiring brands with sound growth prospects and the potential to be category leaders.

**Operational review****Brands**

Growth in Sub-Saharan Africa has slowed, and while South Africa's economy has rebounded, it is still a smaller economy than before the pandemic. Both system-wide sales and margins remain under pressure.

Brands' revenue was up 62% to R918 million (2021: R567 million), reflecting higher royalty payments due to improved restaurant turnovers. Leading Brands revenue was up 58% to R773 million (2021: R491 million) while Signature Brands revenue improved 91% to R145 million (2021: R76 million).

**SA**

The South African restaurant industry continued to face headwinds due to COVID-19 restrictions, weak economic conditions and consumer apprehension regarding eating out. In addition, several franchise partners were impacted by civil unrest in July 2021.

This has been another challenging year for our franchise partners. Famous Brands continues to provide ongoing direct financial support to affected franchise partners in the form of royalty and marketing fee breaks.

For the first three months of the financial year, capacity was limited to 100 people or 50% of the available capacity. For the second three months, the capacity limit was 50 people. Sit-down dining was not permitted for the first two weeks of July. Alcohol and trading time restrictions due to curfews further dampened performance.

Combined system-wide sales for SA across our Leading and Signature Brands improved 37%, and like-for-like sales increased by 35%. Leading Brands<sup>#</sup> system-wide sales\* improved by 36%, while like-for-like sales\*\* grew by 33%. Signature Brands' system-wide sales<sup>^</sup> improved 55%, and like-for-like sales improved by 59%.

<sup>#</sup> Leading Brands' sales refer to sales of the Leading brands trading in SA.

\* System-wide sales refer to sales reported by all restaurants across the network, including new restaurants opened during the year.

\*\* Like-for-like sales refer to sales reported by all restaurants across the network, excluding restaurants opened or closed during the year.

<sup>^</sup> Signature Brands' sales refer to franchise and Company-owned store sales in SA as well as sales across borders only where the brand is wholly-owned or a subsidiary.

**IMPACT OF JULY'S UNREST ON OPERATIONS**

Civil unrest occurred in South Africa's KwaZulu-Natal and Gauteng provinces from 9 to 18 July 2021, and several Famous Brands' and franchisee properties suffered varying degrees of damage. The total number of restaurants damaged and rendered non-operational was 99, the majority being in KwaZulu-Natal.

At the height of the unrest, all our KwaZulu-Natal restaurants and several in Gauteng closed for a few days. Across all our brands, we recorded a total loss of 4 111 restaurant trading days due to these closures.

Famous Brands provided ongoing support to franchisees impacted by the unrest in royalty relief, assistance with insurance claims and bridging finance between restoration and insurance payouts, further details are provided in note 17.

*Leading Brands portfolio*

Leading Brands delivered improved results, despite continued COVID-19 restrictions and challenging economic conditions.

The investment in own delivery capability has paid off. Leading Brands strengthened their strategic partnership with third-party delivery platforms, ensuring that brands were present in all key marketplaces.

*Signature Brands portfolio*

Signature Brands overall sales turnover bounced back for the year but is still lower than pre-COVID-19 levels. These brands are particularly impacted by COVID-19 restrictions such as curfews, capacity reductions and alcohol restrictions.

NetCafé and Coffee Couture, which operate in Netcare and Mediclinic hospitals, were hit the hardest by COVID-19 trading restrictions.

PAUL<sup>1</sup> was the best-performing restaurant in the portfolio for the second consecutive year. These restaurants have strong day trading attributes, rely less on alcohol sales and evening trade, and are less affected by COVID-19. In 2022, the brand opened three new restaurants in premium shopping precincts.

<sup>1</sup> Licensed brand by PAUL International.

*AME*

The impact of COVID-19 gradually reduced during 2022, with most markets recovering to 2020 trading levels by year-end. While several African countries have vaccination programmes, vaccination rates tend to be low.

AME revenue increased 9% to R346 million (2021: R316 million). System-wide sales in this region increased by 20% but are still below pre-pandemic levels. The operating profit increased to R34 million (2021: R30 million).

Famous Brands continues to grow its Company-owned footprint in Africa. Four new Company-owned Mr Bigg's and two Debonairs Pizza restaurants opened in Nigeria. A Debonairs Pizza and Steers restaurant opened in Kenya. Company-owned restaurants introduce new brands to markets and drive faster scalability. Famous Brands assisted franchise partners by providing financial assistance such as reduced royalties to support the overall continued sustainability of the brand networks.

## CASTING INFORMED VOTES continued

## UK

**Wimpy UK**

The UK began 2022 in a lockdown period where restaurants could only offer delivery and take away services. Lockdown measures were eased in May 2021, allowing indoor hospitality to reopen with social distancing measures in place. In July 2021, all COVID-19 restrictions were lifted, allowing restaurants to resume normal operations. The UK restaurant industry faces challenges due to significant utility price increases, rising food inflation, supply chain disruptions, fuel cost increases and poor labour availability.

Wimpy UK recorded revenue of R133 million (2021: R112 million), and operating profit improved 18% to R17 million (2021: R14 million). The operating margin remained 13%, indicating no change from 2021 (2021: 13%) before impairment to goodwill. Delivery sales declined to reflect that more customers had returned to dining in restaurants.

Wimpy's team maintained consistent supply levels to restaurants despite supply chain challenges and shortages of food and paper products within the UK.

**Vertical integration****Manufacturing**

Manufacturing turnover increased 31% to R2.8 billion (2021: R2.1 billion) driven by increased demand from the front end of the value chain. Operating profit was up 65% on the prior year thanks to good volumes and some inflationary increases.

Depending on the product line, production volumes are up by between 8% and 38% in line with the recovery observed in our Leading and Signature Brands. Demand from Retail sales continued to grow.

Over the year, South Africa has seen significant food inflation, peaking at 6.9%. Our basket price pressures were mainly from beef, green coffee beans, milk and whey powders, oil and spices. The stronger rand has helped soften some significant increases in commodity prices.

COVID-19 continues to disrupt supply chains with a global shortage of vessels and containers, resulting in higher shipping costs, higher costs of imported goods and longer shipping timelines.

In April 2021, Famous Brands sold its interest in the Famous Brands Great Bakery Company. In January 2022, we closed the Gauteng Bakery plant.

### Logistics



The performance of Logistics improved due to the easing of COVID-19 restrictions, although this was slowed down by the COVID-19 third and fourth wave and July's civil unrest. Logistics turnover increased 35% to R4.1 billion (2021: R3 billion). The operating margin increased to 1.5% (2021: -0.4%), while national case volumes grew by 54%.

July's unrest in Gauteng and KwaZulu-Natal impacted the Logistics business. The KwaZulu-Natal Distribution Centre was damaged and closed for three weeks before it became fully operational. Our business continuity plan ensured we delivered stock to franchisees through cross-docking and the use of other depots. This proved to be a good stress test for our business continuity plan.

### Retail



The Retail business continued with its strong performance with a 47% increase in sales to R222 million (2021: R151 million). This is in line with the trend towards increased home consumption. While introducing new products was slow in the first half of 2022 due to retailers looking to limit in-store promotions due to COVID-19, new product introductions have picked up.

### Changes to the Board of Directors

There have been several changes to the Board this year:

- 1 June 2021: Fagmeedah Petersen-Cook was appointed as an independent non-executive director.
- 11 June 2021: Lebo Ntlha resigned as Group Finance Director effective 30 November 2021.
- 23 July 2021:
  - Emma Mashilwane retired from the Board at the Famous Brands Annual General Meeting.
  - Chris Boulle was appointed as Chair of the Remuneration Committee and stepped down as Chairman of the Investment Committee.
  - Fagmeedah Petersen-Cook was appointed as Chair of the Investment Committee.
  - Johnny Halamandres stepped down as a full member of the Investment Committee.
- 1 August 2021:
  - Deon Fredericks was appointed as Group Financial Director-Elect and stepped down as a member and Chair of the Audit and Risk Committee. Deon assumed full responsibility for the role with effect from 15 November 2021.
  - Chris Boulle was appointed as the Chair of the Audit and Risk Committee.
- 11 October 2021:
  - Busisiwe Mathe was appointed as an independent non-executive director.
- 26 October 2021:
  - Busisiwe Mathe appointed as a member of the Audit and Risk Committee.
  - Chris Boulle stepped down as Chairman of the Social and Ethics Committee, but remains a member.
  - Alex Maditse appointed as Chairman of the Social and Ethics Committee.

## CASTING INFORMED VOTES continued

**Prospects**

Our short-term focus is to sustain our revenue while achieving positive cash generation, our medium-term focus is to recover margin. We have reduced our interest-bearing debt in 2022 and expect to continue on this trajectory in 2023.

While the COVID-19 impact on Signature Brands has been severe, we see some improvement as customers begin to celebrate special occasions again.

**Our financial and investment decisions in the coming year will be based on the following strategic imperatives:**

- **Growing our Leading Brands in South Africa and AME.**
- **Intensifying investment in high return assets.**
- **Considering attractive and appropriate acquisitions.**
- **Divesting from non-core activities.**
- **Expanding our Logistics capacity.**

***Our focus in 2023 is on operational excellence, prioritising core long-term operations and improving investment returns for franchise partners.***



Brands

For the next three years, our strategic focus is generating growth from our existing Leading Brands portfolio through innovation in channels, formats and footprint expansion. We will continue to invest in consumer-facing technology to enhance our value proposition to customers and franchise partners.



Manufacturing

In our Manufacturing division, we are driving operational efficiencies and managing and reducing our environmental footprint. We will invest further into our best-performing manufacturing facilities and divest from selected manufacturing operations if necessary.



Logistics

In Logistics, our next steps are to relocate our KwaZulu-Natal Distribution Centre, move our Gauteng cold storage centre and secure a cross-docking facility near Mthatha.



Retail

We remain on track to double our Retail business by growing our distribution footprint and expanding our product range. We are executing our ambitious plans to launch a minimum of 12 new products in the year ahead.

On behalf of the Board

**SL Botha**  
Chairman  
Midrand  
31 May 2022

**DP Hele**  
Chief Executive Officer

**A live webcast of the Group's results presentation was held on 31 May 2022. To pre-register, link to: <http://www.corpcam.com/famousbrands31052022/>**

**Summarised consolidated financial statements**  
**Summarised consolidated statement of financial position**  
**as at 28 February 2022**

	Notes	2022 R000	2021* R000
<b>Assets</b>			
<b>Non-current assets</b>			
		<b>1 624 848</b>	1 692 587
Property, plant and equipment	2	<b>640 442</b>	667 098
Intangible assets	3	<b>871 631</b>	917 450
Investments in associates		<b>9 351</b>	21 714
Loans to associates		<b>11 269</b>	–
Lease receivables		<b>13 636</b>	26 259
Deferred tax		<b>78 519</b>	60 066
<b>Current assets</b>			
		<b>1 334 803</b>	1 300 586
Inventories		<b>408 191</b>	354 243
Trade and other receivables	4	<b>447 225</b>	488 505
Cash and cash equivalents		<b>333 435</b>	351 871
Restricted cash		<b>122 793</b>	92 486
Lease receivables		<b>8 470</b>	–
Derivative financial instruments		<b>9 563</b>	8 011
Current tax assets		<b>5 126</b>	5 470
<b>Total assets</b>			
		<b>2 959 651</b>	2 993 173
<b>Equity and liabilities</b>			
Equity attributable to owners of Famous Brands Limited		<b>601 258</b>	269 506
Non-controlling interests		<b>119 287</b>	121 258
<b>Total equity</b>			
		<b>720 545</b>	390 764
<b>Non-current liabilities</b>			
		<b>1 194 789</b>	1 805 314
Borrowings	6	<b>881 670</b>	1 462 600
Lease liabilities		<b>232 109</b>	256 934
Deferred tax		<b>81 010</b>	85 780
<b>Current liabilities</b>			
		<b>1 044 317</b>	797 095
Trade and other payables	5	<b>675 236</b>	673 768
Borrowings	6	<b>256 482</b>	8 104
Lease liabilities		<b>89 225</b>	88 142
Shareholders for dividends		<b>2 418</b>	2 418
Current tax liabilities		<b>20 480</b>	22 300
Derivative financial instruments		<b>476</b>	2 363
<b>Total liabilities</b>			
		<b>2 239 106</b>	2 602 409
<b>Total equity and liabilities</b>			
		<b>2 959 651</b>	2 993 173

\* Some of the line items have been reclassified to enhance presentation and disclosure. Refer to note 14 for details.

## CASTING INFORMED VOTES continued

**Summarised consolidated statement of profit or loss and other comprehensive income for the year ended 28 February 2022**

	Notes	2022 R000	2021* R000
<b>Continuing operations</b>			
Revenue	7	6 476 354	4 683 828
Cost of sales		(3 564 258)	(2 677 794)
<b>Gross profit</b>		<b>2 912 096</b>	2 006 034
Other income		20 147	29 271
Expected credit loss		(10 317)	(14 972)
Selling and administrative expenses		(2 267 278)	(1 725 614)
<b>Operating profit before impairment of intangible assets</b>		<b>654 648</b>	294 719
Impairment of intangible assets		(25 090)	(175 485)
<b>Operating profit</b>		<b>629 558</b>	119 234
Net finance costs	8	(107 501)	(175 667)
Finance costs		(124 836)	(192 269)
Finance income		17 335	16 602
Share of profit of associates		260	4 862
Impairment of associate		(8 262)	(18 000)
<b>Profit/(loss) before tax</b>		<b>514 055</b>	(69 571)
Tax		(158 555)	(35 303)
<b>Profit/(loss) from continuing operations</b>		<b>355 500</b>	(104 874)
Loss from discontinued operation, net of tax		–	(1 111 440)
<b>Total profit/(loss) for the year</b>		<b>355 500</b>	(1 216 314)
Profit/(loss) for the year attributable to:			
Owners of Famous Brands Limited		317 657	(1 239 079)
Non-controlling interests		37 843	22 765
<b>Total profit/(loss) for the year</b>		<b>355 500</b>	(1 216 314)
<b>Other comprehensive income, net of tax:</b>			
Exchange differences on translating foreign operations**		(12 895)	102 956
Pre-tax foreign exchange differences on translating foreign operations		(12 165)	142 728
Tax effect on exchange differences on translating foreign operations		(730)	(39 772)
Other comprehensive income arising from discontinued operation		–	(299 664)
Pre-tax foreign exchange differences realised on discontinued foreign operation		–	(367 549)
Tax impact on realised foreign exchange differences on discontinued foreign operation		–	67 885
Movement in hedge accounting reserve**		1 173	18 364
Pre-tax change in fair value of cash flow hedges		1 629	25 505
Tax on movement in hedge accounting reserve		(456)	(7 141)
<b>Total comprehensive income/(loss) for the year</b>		<b>343 778</b>	(1 394 658)

\* Some of the line items have been reclassified to enhance presentation and disclosure. Refer to note 14 for details.

\*\* This item may be reclassified subsequently to profit or loss.



**Summarised consolidated statement of profit or loss and other comprehensive income (continued)  
for the year ended 28 February 2022**

	Notes	2022 R000	2021 R000
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of Famous Brands Limited		305 935	(1 417 423)
Non-controlling interests		37 843	22 765
<b>Total comprehensive income/(loss) for the year</b>			
<b>Basic earnings/(loss) per share (cents) from continuing operations</b>			
Basic	9	317	(127)
Diluted	9	317	(127)
<b>Basic earnings/(loss) per share (cents) including discontinued operation</b>			
Basic	9	317	(1 237)
Diluted	9	317	(1 234)

## CASTING INFORMED VOTES continued

**Summarised consolidated statement of changes in equity  
for the year ended 28 February 2022**

	<b>2022</b>	2021
	<b>R000</b>	R000
<b>Balance at the beginning of the year</b>	<b>390 764</b>	1 800 392
Issue of capital and share premium	–	601
Equity-settled share-based payment scheme	<b>36 652</b>	34 449
Put options over non-controlling interests	–	(25 269)
Total comprehensive income/(loss) for the year	<b>343 778</b>	(1 394 658)
Dividends declared	<b>(28 115)</b>	(15 307)
Additional interest acquired from non-controlling interests	<b>(5 988)</b>	–
Disposal of interest in subsidiaries impact on non-controlling interests	<b>(5 711)</b>	(6 460)
Change in ownership interest in subsidiaries	<b>(12 592)</b>	–
Other reserve	<b>1 757</b>	(2 984)
<b>Balance at the end of the year</b>	<b>720 545</b>	390 764

**Summarised consolidated statement of cash flows  
for the year ended 28 February 2022**

	Notes	2022 R000	2021* R000
<b>Cash generated from operations</b>		<b>871 082</b>	521 152
Net finance costs paid		(110 921)	(161 394)
Finance income received		17 335	13 242
Finance costs paid		(128 256)	(174 636)
Income tax paid		(183 554)	(69 540)
Dividends paid		(43 853)	(5 512)
<b>Net cash inflow from operating activities</b>		<b>532 754</b>	284 706
<b>Cash flow from investing activities</b>			
Additions to property, plant and equipment		(122 902)	(72 580)
Intangible assets acquired		(16 775)	(11 357)
Proceeds from disposal of property, plant and equipment		10 185	15 188
Proceeds from disposal of intangible assets		3 387	50
Additional investment in associate		–	(1 724)
Net cash inflow on disposal of subsidiary	10	1 283	43 890
Net cash outflow on disposal of subsidiary	10	(1 266)	(63 732)
Net cash inflow on disposal of associate		–	15 000
Dividends received from associates		5 888	4 048
Principal receipts from lease receivables		11 523	14 356
Loan to associate		(10 592)	–
Loan repayment from associate		1 806	–
<b>Net cash outflow from investing activities</b>		<b>(117 463)</b>	(56 861)
<b>Cash flow from financing activities</b>			
Net borrowings repaid		(332 678)	(188 303)
Borrowings raised		24 883	3 228 867
Borrowings repaid		(357 561)	(3 417 170)
Settlement of interest rate swap		–	(40 383)
Non-controlling shareholder loans (repaid)/received		(836)	1 091
Principal repayments of lease obligations		(77 832)	(73 490)
Settlement of put option over non-controlling interest in subsidiary		–	(14 828)
Lease incentives received		1 486	–
Share-based payment grant settlements		(4 446)	(6 541)
Acquisition of additional interest in subsidiaries		(18 580)	–
<b>Net cash outflow from financing activities</b>		<b>(432 886)</b>	(322 454)
Net decrease in cash and cash equivalents		(17 595)	(94 609)
Foreign currency effect		(841)	16
Cash and cash equivalents at the beginning of the year		351 871	446 464
<b>Cash and cash equivalents at the end of the year</b>		<b>333 435</b>	351 871

\* Some of the line items have been reclassified to enhance presentation and disclosure. Refer to note 14 for details.

## CASTING INFORMED VOTES continued

## **Notes to the summarised consolidated financial statements for the year ended 28 February 2022**

### **Reporting entity**

Famous Brands Limited (Famous Brands or the company) is a holding company domiciled in South Africa and is listed on the JSE Limited under the category Consumer Services: Travel and Leisure. Famous Brands is Africa's leading quick service and casual dining restaurant franchisor. The summarised consolidated financial statements (financial statements) of Famous Brands comprise the company and its subsidiaries (together referred to as the Group) and the Group's investments in associates.

### **Statement of compliance**

The summarised consolidated financial statements have been prepared in accordance with IFRS and its interpretations adopted by the IASB in issue and effective for the Group at 28 February 2022, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and contains information required by IAS 34 *Interim financial reporting*, the JSE Listing Requirements and the Companies Act of South Africa. The summarised consolidated financial statements were approved by the Board of Directors on 31 May 2022.

The summarised consolidated financial statements were prepared under the supervision of Mr Deon J Fredericks CA(SA), Group Financial Director.

### **Basis of preparation**

The summarised consolidated financial statements do not include all the information required by IFRS for full financial statements and should be read in conjunction with the February 2022 audited consolidated financial statements. The accounting policies applied in the preparation of the audited consolidated financial statements, from which the summarised consolidated financial statements were derived, are in terms of IFRS and are consistent with those applied in the financial statements for the financial year ended 28 February 2021, except for the new standards that became effective for the Group's financial reporting beginning 1 March 2021 noted below.

The summarised consolidated financial statements are presented in South African Rand (Rand), which is the Group's presentation currency. All financial information presented in Rand has been rounded to the nearest thousand (R000) except when otherwise indicated.

The summarised consolidated financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value or at amortised costs.

The going concern basis has been used in preparing these summarised consolidated financial statements as the directors have a reasonable expectation that the Group will continue as a going concern for the foreseeable future, see note 16.

### **Changes in accounting policies**

The Group adopted the following new, revised and amendments to standards applicable for the first time in the current financial year, which did not have a material impact on the financial statements:

Interest Rate Benchmark Reform – Phase 2 (Amendment, effective for financial years beginning on or after 1 January 2021 which amends): IFRS 4 – *Insurance Contracts*, IFRS 7 – *Financial Instruments: Disclosures*, IFRS 9 – *Financial Instruments*, IFRS 16 – *Leases*, IAS 39 – *Financial Instruments: Recognition and Measurement*.

The Group had no transactions for which the benchmark rate had been replaced. There is no impact on opening equity balances as a result of retrospective application.

IFRS 16 Leases (Amendment) – provides lessees with an exemption from assessing whether a COVID 19-related rent concession is a lease modification.

The amendment does not have an impact as the Group has elected not to apply the concession. The change in lease term or payment is treated as a remeasurement.

**New standards, amendments to standards and interpretations in issue not yet effective**

The Group has chosen not to early adopt the following amendments and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 1 March 2022 or later periods. Management is determining the impact of the standard on the financial statements however no significant impact is expected.

<b>Standard</b>	<b>Effective date (for financial years beginning on or after)</b>
<p><b>IFRS 3 Business Combination (Amendment)</b> The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.</p>	01 January 2022
<p><b>IAS 16 Property, plant, and equipment</b> The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.</p>	01 January 2022
<p><b>IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)</b> The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.</p>	01 January 2022
<p><b>IAS 1 Presentation of Financial Statements</b> Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current. The amendment provides a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date.</p>	01 January 2023
<p><b>IAS 1 Presentation of Financial Statements and Practice Statement 2 (Amendment)</b> Amendments intended to help preparers in deciding which accounting policies to disclose in their financial statements.</p>	01 January 2023
<p><b>IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment)</b> The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates.</p>	01 January 2023
<p><b>IAS 12 Deferred tax related to assets and liabilities arising from a single transaction (Amendment)</b> The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.</p>	01 January 2023

## CASTING INFORMED VOTES continued

**Annual improvements to IFRS Standards**

<b>Standard</b>	<b>Effective date (for financial years beginning on or after)</b>
<p><b>IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i></b>            The amendment simplifies the application of IFRS 1 for a subsidiary that becomes a first-time adopter of IFRS Standards later than its parent – i.e. if a subsidiary adopts IFRS Standards later than its parent and applies IFRS 1.D16(a), then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent’s date of transition to IFRS Standards.</p>	01 January 2022
<p><b>IFRS 9 <i>Financial Instruments</i></b>            This amendment clarifies that – for the purpose of performing the ‘10 per cent test’ for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf.</p>	01 January 2022
<p><b>IFRS 16 <i>Leases</i>, Illustrative Example 13</b>            The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive.</p>	01 January 2022

	<b>2022</b> <b>R000</b>	<b>2021</b> <b>R000</b>
<b>1. Capital expenditure and commitments</b>		
<b>Invested</b>	<b>139 677</b>	83 937
Property, plant and equipment	<b>122 902</b>	72 580
Intangible assets	<b>16 775</b>	11 357
<b>Authorised, not yet contracted</b>	<b>238 896</b>	167 599
Property, plant and equipment	<b>198 344</b>	130 147
Intangible assets	<b>40 552</b>	37 452
	<b>2022</b> <b>R000</b>	<b>2021</b> <b>R000</b>
<b>2. Property, plant and equipment</b>		
<b>Carrying amount at the beginning of the year</b>	<b>667 098</b>	2 226 797
Additions	<b>189 111</b>	164 454
Owned	<b>122 902</b>	72 580
Right-of-use asset	<b>66 209</b>	91 874
Foreign currency translation	<b>(4 543)</b>	163 313
Disposals	<b>(27 468)</b>	(1 324 559)
Continuing operations	<b>(27 468)</b>	(25 875)
Discontinued operation*	–	(1 298 684)
Disposal of subsidiaries	<b>(8 497)</b>	–
Depreciation	<b>(175 011)</b>	(275 983)
Transfers	<b>(248)</b>	–
Impairment – discontinued operation	–	(286 924)
<b>Carrying amount at the end of the year</b>	<b>640 442</b>	667 098

\* Relates to disposal of GBK.

All remaining GBK assets were derecognised post the business being placed under administration in accordance with the Insolvency legislation in the UK, and GBK was subsequently disposed of in the 2021 financial year.

## CASTING INFORMED VOTES continued

	<b>2022</b>	<b>2021</b>
	<b>R000</b>	<b>R000</b>
<b>3. Intangible assets</b>		
<b>Carrying amount at the beginning of the year</b>	<b>917 450</b>	2 274 895
Additions	<b>16 775</b>	11 357
Foreign currency translation	<b>(7 157)</b>	62 105
Disposals	<b>(5 423)</b>	(14 070)
Disposal of subsidiaries	<b>(3 845)</b>	–
Amortisation	<b>(21 079)</b>	(22 847)
Impairment	<b>(25 090)</b>	(1 393 990)
Continuing operations*	<b>(25 090)</b>	(175 485)
Discontinued operation**	–	(1 218 505)
<b>Carrying amount at the end of the year</b>	<b>871 631</b>	917 450

\* The goodwill impairment loss of R25 million recognised in the current financial year relates to Venus (Wimpy UK), as a result of the changes in key assumptions and cash flows achieved compared to forecast. The recoverable amount determined based on the value in use was R72 million. Intangible assets amortisation has been included in selling and administrative expenses in the statement of profit or loss and other comprehensive income.

\*\* All remaining GBK assets were derecognised post the business being placed under administration in accordance with the Insolvency legislation in the UK, and GBK was subsequently disposed of in the 2021 financial year.

	<b>2022</b>	<b>2021</b>
	<b>R000</b>	<b>R000</b>
<b>4. Trade and other receivables</b>		
Net trade receivables	<b>395 332</b>	414 310
Trade receivables	<b>418 209</b>	437 195
Impairment allowance	<b>(22 877)</b>	(22 885)
Other receivables	<b>27 267</b>	51 823
Prepayments	<b>14 140</b>	19 766
VAT receivable	<b>10 486</b>	2 606
	<b>447 225</b>	488 505

	<b>2022</b>	<b>2021</b>
	<b>R000</b>	<b>R000</b>
<b>5. Trade and other payables</b>		
Trade payables	<b>296 093</b>	280 409
Accruals	<b>164 767</b>	189 177
Employee benefits	<b>88 153</b>	83 411
Deferred income*	<b>15 085</b>	12 648
VAT payable	<b>35 660</b>	22 613
Put option written over the equity of non-controlling interest	<b>75 478</b>	85 510
	<b>675 236</b>	673 768

\* Deferred income relates to income received in advance for services to franchise partners such as project management for new build or restaurant revamp or call centre services or any ad hoc services from time to time. An amount of R12.6 million (2021: R28 million) included in deferred income from prior year has been recognised as revenue based on the Group satisfying the relevant performance obligations over time.



	Currency	Maturity date	Nature	Interest rate		2022 %	2021 %	2022 R000	2021 R000
				Margin %	Rate				
<b>6. Borrowings</b>									
<b>Unsecured</b>									
Long-term borrowings								881 670	1 462 600
Short-term borrowings								256 482	8 104
Short-term portion of borrowings								255 626	6 412
Non-controlling shareholder loans								856	1 692
								<b>1 138 152</b>	1 470 704
Interest is paid quarterly in arrears.									
The Group has unlimited borrowing powers in terms of its Memorandum of Incorporation.									
<b>TERMS OF REPAYMENT</b>									
<b>F2022</b>									
Loan facility: Amortising loan	ZAR	Aug-23	variable	2.30	3-month JIBAR	<b>6.17</b>		<b>750 000</b>	
Loan Facility: Revolving Credit Facility (RCF)	ZAR	Feb-24	variable	2.50	3-month JIBAR	<b>6.37</b>		<b>350 000</b>	
General Banking Facility (GBF)	ZAR	364 days	variable	–	Prime	<b>7.50</b>		–	
Loan Facility: Term Loan	ZAR	Aug-26	variable	0.10	Prime	<b>7.60</b>		<b>4 612</b>	
Loan Facility: Term Loan	GBP	Sept-25	fixed	–	Fixed	<b>2.02</b>		<b>11 077</b>	
Loan Facility: Term Loan	ZAR	Nov-26	variable	1.50	Prime	<b>9.00</b>		<b>7 403</b>	
Loan Facility: Term Loan	ZAR	Jan-32	variable	–	Prime	<b>7.50</b>		<b>14 058</b>	
<b>Non-controlling shareholders loans</b>									
Dial and Dine (Pty) Ltd*	ZAR							<b>606</b>	
Marathon Holdings (Pty) Ltd*	ZAR							<b>250</b>	
<b>F2021</b>									
Loan facility: Amortising loan	ZAR	Aug-23	variable	2.95	3-month JIBAR		6.44		750 000
Loan Facility: Revolving Credit Facility (RCF)	ZAR	Feb-24	variable	3.20	3-month JIBAR		6.69		700 000
General Banking Facility (GBF)	ZAR	364 days	variable	–	Prime		7.00		–
Loan Facility: Term Loan	ZAR	Jun-21	variable	0.10	Prime		7.10		6 266
Loan Facility: Term Loan	GBP	Sept-25	fixed	–	Fixed		2.02		12 600
<b>Non-controlling shareholder loans</b>									
Dial and Dine (Pty) Ltd*	ZAR							–	518
Marathon Holdings (Pty) Ltd*	ZAR							–	1 174
								<b>1 138 006</b>	1 470 558
Interest accrued								<b>146</b>	146
								<b>1 138 152</b>	1 470 704

\* Loans from non-controlling shareholders are unsecured, interest free and have no repayment terms.

## CASTING INFORMED VOTES continued

**6. Borrowings (continued)***Sensitivity analysis*

A change of 1% in interest rates at the reporting date would have increased/(decreased) profit or loss by R11 million (2021: R15 million).

*Interest risk management*

The Group utilises interest rate swap contracts to hedge its exposure to the variability of cash flows arising from unfavourable movements in interest rates.

*Facilities*

- Total ZAR overdraft facility in place: R200 million (2021: R200 million). Unutilised portion at year-end: R200 million (2021: R200 million).
- The Group has a 5-year revolving loan facility of R1 100 million (2021: R1 100 million). Unutilised portion is R750 million (2021: R400 million) at year end.

*Guarantees*

Famous Brands Limited, Famous Brands Management Company (Pty) Ltd, Mugg and Bean Franchising (Pty) Ltd, Lamberts Bay Foods (Pty) Ltd, Famous Brands Logistics Company (Pty) Ltd, Creative Coffee Franchising (Pty) Ltd, Famous Brands Signature Brands (formerly trading as Hawk Like Trade and Invest (Pty) Ltd) and Vovo Telo Bakery and Cafe (Pty) Ltd are joint guarantors in terms of the loan agreement:

- Punctual performance by the Group of amounts due in the agreement.
- Immediate payment of amounts due which the Group has not paid.
- To indemnify the lender against any cost, loss or liability it incurs as a result of the Group not paying amounts that are due.

	<b>2022</b>	<b>2021</b>
	<b>R000</b>	<b>R000</b>
<b>7. Revenue</b>		
<b>Sales-based royalties</b>		
Franchise fees revenue	<b>918 225</b>	644 176
Leading brands	<b>881 774</b>	622 199
Signature brands	<b>36 451</b>	21 977
Marketing fees revenue*	<b>583 277</b>	325 003
Leading brands	<b>518 020</b>	318 311
Signature brands	<b>65 257</b>	6 692
<b>Revenue at point in time</b>		
Manufacturing revenue	<b>221 876</b>	203 814
Owned	<b>117 938</b>	141 391
Subsidiary	<b>103 938</b>	62 423
Logistics revenue	<b>4 051 537</b>	2 994 081
Retail revenue	<b>222 123</b>	151 209
Company-owned stores revenue	<b>446 947</b>	328 386
Leading brands (SA and AME)	<b>338 147</b>	274 391
Signature brands (SA)	<b>108 800</b>	53 995
Joining fee	<b>7 723</b>	5 675
<b>Revenue over time</b>		
Service revenue	<b>24 646</b>	31 484
<b>Revenue from contracts with customers</b>	<b>6 476 354</b>	4 683 828

\* Marketing funds relate to funds contributed by franchisees for the various brands across the Group and are administered in line with the Consumer Protection Act ("CPA"). Further analysis of revenue is provided in the primary (business units) and secondary (geographical) segment report based on the information reviewed by the chief operating decision maker.

	<b>2022</b> <b>R000</b>	<b>2021</b> <b>R000</b>
<b>8. Net finance costs</b>		
<i>Finance costs</i>		
Interest on borrowings	<b>(95 488)</b>	(143 110)
Interest on lease liabilities	<b>(28 313)</b>	(31 491)
Ineffective portion of cash flow hedge	<b>(53)</b>	(17 413)
Other finance costs	<b>(982)</b>	(255)
	<b>(124 836)</b>	(192 269)
<i>Finance income</i>		
Interest on lease receivables	<b>2 350</b>	3 360
Interest from bank deposits	<b>14 984</b>	13 097
Other finance income	<b>1</b>	145
	<b>17 335</b>	16 602
<b>Net finance costs</b>	<b>(107 501)</b>	(175 667)
	<b>2022</b> <b>cents</b> <b>per share</b>	<b>2021</b> <b>cents</b> <b>per share</b>
<b>9. Basic and headline earnings/(loss) per share</b>		
<b>Total operations</b>		
Basic earnings/(loss) per share	<b>317</b>	(1 237)
Headline earnings/(loss) per share	<b>356</b>	(86)
Diluted earnings/(loss) per share	<b>317</b>	(1 234)
Diluted headline earnings/(loss) per share	<b>356</b>	(86)
<b>Continuing operations</b>		
Basic earnings/(loss) per share	<b>317</b>	(127)
Headline earnings per share	<b>356</b>	53
Diluted earnings/(loss) per share	<b>317</b>	(127)
Diluted headline earnings per share	<b>356</b>	53
<b>Discontinued operation</b>		
Basic loss per share	-	(1 110)
Diluted loss per share	-	(1 107)

## CASTING INFORMED VOTES continued

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
	<b>of shares</b>	<b>of shares</b>
<b>9. Basic and headline earnings/(loss) per share (continued)</b>		
<b>9.1 Reconciliation of weighted average number of shares to diluted weighted average number of shares</b>		
Weighted average number of shares in issue	<b>100 202 284</b>	100 196 875
Possible issue of ordinary shares in the future relating to the share incentive scheme	<b>125 885</b>	179 225
<b>Diluted weighted average number of shares in issue</b>	<b>100 328 169</b>	100 376 100
	<b>2022</b>	<b>2021</b>
	<b>R000</b>	<b>R000</b>
<b>9.2 Basic and headline earnings/(loss)</b>		
<b>Total operations</b>		
Basic earnings/(loss)	<b>317 657</b>	(1 239 079)
<b>Adjusted for:</b>	<b>39 016</b>	1 152 444
Loss on disposal of property, plant and equipment	<b>3 371</b>	3 144
Tax loss on disposal of property, plant and equipment	<b>(944)</b>	(880)
Loss on disposal of intangible assets	<b>2 036</b>	12 950
Tax on loss on disposal of intangible assets	<b>(570)</b>	–
Loss/(profit) on sale of businesses	<b>1 771</b>	(27 675)
Realised foreign exchange differences on disposal of discontinued operations	–	(367 549)
Tax on realised foreign exchange differences on disposal of discontinued operations	–	67 885
Impairments	<b>33 352</b>	1 682 732
Tax on impairments	–	(218 163)
<b>Headline earnings/(loss)</b>	<b>356 673</b>	(86 635)
<b>Continuing operations</b>		
Basic earnings/(loss)	<b>317 657</b>	(127 639)
<b>Adjusted for:</b>	<b>39 016</b>	181 024
Loss on disposal of property, plant and equipment	<b>3 371</b>	3 144
Tax loss on disposal of property, plant and equipment	<b>(944)</b>	(880)
Loss on disposal of intangible assets	<b>2 036</b>	12 950
Tax loss on disposal of intangible assets	<b>(570)</b>	–
Profit on sale of businesses	<b>1 771</b>	(27 675)
Impairments	<b>33 352</b>	193 485
<b>Headline earnings</b>	<b>356 673</b>	53 385
<b>Discontinued operation</b>		
Basic loss	–	(1 111 440)

	<b>2022</b>	<b>2021</b>
	<b>R000</b>	<b>R000</b>
<b>10. Business disposals and changes in ownership interest</b>		
<b>Summary of cash flows on disposals and changes in ownership interests</b>		
<b>Cash inflow on disposal of interests in subsidiaries</b>		
Mountain Rush Trading 4 (Pty) Ltd	–	43 890
Famous Brands Great Bakery (Pty) Ltd	<b>1 283</b>	–
Cash inflow on disposal of subsidiaries	<b>1 283</b>	43 890
<b>Cash outflow on disposal of interests in subsidiaries</b>		
Gourmet Burger Kitchen ("GBK")	–	(63 732)
Famous Brands Design Studio (Pty) Ltd	<b>(1 266)</b>	–
Cash outflow on disposal of subsidiaries	<b>(1 266)</b>	(63 732)
<b>Cash outflow on acquisition of interests in subsidiaries</b>		
BC Hospitality (Pty) Ltd	<b>(7 918)</b>	–
Pink Potato (Pty) Ltd	<b>(10 662)</b>	–
Cash outflow on acquisition of additional interest in subsidiaries	<b>(18 580)</b>	–
<b>F2022</b>		
<b>Famous Brands Design Studio (Pty) Ltd</b>		
Effective 1 March 2021, the Group changed its interest in Famous Brands Design Studio (Pty) Ltd from subsidiary to an associate, for a consideration of Rnil.		
Property, plant and equipment	<b>1 883</b>	–
Trade and other receivables	<b>3 599</b>	–
Amount payable to Group company	<b>(2 484)</b>	–
Cash and cash equivalents	<b>1 266</b>	–
Deferred tax	<b>(16)</b>	–
Lease liability	<b>(1 487)</b>	–
Trade and other payables	<b>(363)</b>	–
Current tax liabilities	<b>43</b>	–
Net assets disposed	<b>2 441</b>	–
Consideration	–	–
Cash and cash equivalents	<b>(1 266)</b>	–
Cash outflow on disposal of subsidiary	<b>(1 266)</b>	–

## CASTING INFORMED VOTES continued

	2022 R000	2021 R000
<b>10. Business disposals and changes in ownership interest (continued)</b>		
<b><i>Famous Brands Great Bakery (Pty) Ltd</i></b>		
Effective 1 May 2021, the Group disposed of its interest in Famous Brands Great Bakery (Pty) Ltd, for a consideration of R3.6 million.		
Property, plant and equipment	6 614	–
Intangible assets	3 845	–
Trade and other receivables	1 040	–
Inventory	503	–
Cash and cash equivalents	2 287	–
Deferred tax	(174)	–
Amount payable to Group company	(1 165)	–
Lease liability	(2 190)	–
Trade and other payables	(403)	–
Net assets disposed	10 357	–
Consideration	3 570	–
Cash and cash equivalents	(2 287)	–
Cash outflow on disposal of subsidiary	1 283	–
<b><i>BC Hospitality (Pty) Ltd</i></b>		
Effective 1 May 2021, the Group acquired additional interest in BC Hospitality (Pty) Ltd, for a consideration of R7.9 million.		
Initial interest acquired	51%	–
Additional interest acquired	49%	–
	100%	–
Non-controlling interest acquired	(1 568)	
Changes in ownership	(6 350)	
Cash outflow on acquisition of subsidiary	(7 918)	
<b><i>Pink Potato (Pty) Ltd</i></b>		
Effective 1 July 2021, the Group acquired additional interest in Pink Potato (Pty) Ltd, for a consideration of R10.7 million.		
Initial interest acquired	78%	
Additional interest acquired	22%	
	100%	
Non-controlling interest acquired	(4 420)	
Changes in ownership	(6 242)	
Cash outflow on acquisition of subsidiary	(10 662)	

	2022 R000	2021 R000
<b>10. Business disposals and changes in ownership interest (continued)</b>		
<b>F2021</b>		
<b>Cash inflow on disposal of interests in subsidiaries</b>		
<b>Mountain Rush Trading 4 (Pty) Ltd</b>		
Effective 1 August 2020, the Group disposed of its interest in Mountain Rush Trading 4 (Pty) Ltd.		
Cash inflow on disposal of subsidiary		43 890
<b>Gourmet Burger Kitchen (GBK)</b>		
Effective 14 October 2020, GBK was placed into administration in accordance with the insolvency legislation in the UK.		
Cash outflow on disposal of subsidiary		(63 732)

### 11. Related party transactions

The Group entered into various sale and purchase transactions with related parties, in the ordinary course of business, on an arm's length basis. The nature of related-party transactions is consistent with those reported previously.

### 12. Financial instruments and risk management

#### Accounting classifications and fair values

The table below sets out the Group's classification of each class of financial assets and liabilities, as well as a comparison to their fair values. The different fair value levels are described below:

**Level 1:** quoted prices (adjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

**Level 2:** inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. Key assumptions used in the valuation of these instruments include JIBAR and foreign currency exchange rates.

**Level 3:** unobservable inputs for the asset or liability.

## CASTING INFORMED VOTES continued

	Level	2022 Carrying amount R000	2021 Carrying amount R000
<b>12. Financial instruments and risk management (continued)</b>			
<i>Accounting classifications and fair values (continued)</i>			
<b>Financial assets</b>			
<b>Measured at amortised cost:</b>			
Trade and other receivables		422 599	466 133
Lease receivables		22 106	26 259
Restricted cash		122 793	92 486
Cash and cash equivalents*		333 435	351 871
		<b>900 933</b>	936 749
* Cash and cash equivalents has been revised to exclude restricted cash.			
<b>Financial liabilities</b>			
<b>Measured at amortised cost:</b>			
Trade and other payables		536 338	555 096
Shareholders for dividends		2 418	2 418
Lease liabilities		321 335	345 076
Borrowings		1 138 152	1 470 705
		<b>1 998 243</b>	2 373 295
The carrying amounts of financial assets and liabilities classified at amortised cost are considered to approximate the fair values.			
<b>Derivative financial instruments</b>			
<b>Assets</b>			
Fair value through other comprehensive income			
Interest-rate swaps	2	9 563	8 011
		<b>9 563</b>	8 011
<b>Liabilities</b>			
Fair value through profit or loss			
Foreign exchange contracts	2	476	2 363
		<b>476</b>	2 363



### 13. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to provide sustainable returns for shareholders, benefits for other stakeholders and to maintain, over time, an optimal structure to reduce the cost of capital.

The capital structure of the Group consists of Cash and cash equivalents, Borrowings, Lease liabilities and Equity as disclosed in the statement of financial position.

#### Financial covenants

The Group's borrowings (refer Note 6 *Borrowings*) are subject to financial covenants. Management regularly monitors and reviews compliance of these ratios in line with the funding agreement. These financial covenants are based on the contractual terms of each facility. The covenants are limited to the SA business.

Dates	Leverage ratio	Interest cover ratio	Liquidity
Feb-21	Not required	Not required	R250 m <sup>^</sup>
Aug-21	3.75x	2.75x <sup>^</sup>	R250 m <sup>^</sup>
Feb-22	3.25x	3.00x <sup>^</sup>	R250 m <sup>^</sup>
Aug-22	2.60x	3.00x	R250 m
Feb-23	2.50x	3.00x	R250 m
Aug-23	2.50x	3.00x	R250 m
Feb-24	2.50x	3.00x	R250 m

<sup>^</sup> All covenant ratios were satisfied for the past three years, except where not required to measure as per the Group's primary lender.

	2022 R000	2021 R000
<b>Net debt to Total equity (Gearing ratio)</b>		
Borrowings	1 138 152	1 470 704
Lease liabilities	321 335	345 076
Cash and cash equivalents	(333 435)	(351 871)
Net debt	1 126 052	1 463 909
Total equity	720 545	390 764
<b>Net debt to Total equity</b>	1.56	3.75
<b>Net Debt to EBITDA (Leverage ratio)</b>		
Net debt	1 126 052	1 463 909
EBITDA	850 739	481 145
<b>Net debt to EBITDA ratio</b>	1.32	3.04
<b>Net asset value per share</b>		
Total equity	720 545	390 764
Issued shares	100 202 284	100 202 284
<b>Net asset value per share (cents)</b>	719	390

## CASTING INFORMED VOTES continued

**14. Reclassifications within the financial statements**

As part of the Group's continued assessment of its financial statement presentation, we have updated certain of our disclosures to enhance our presentation of financial statements. The accounting policies have been updated to reflect the changes, where necessary and management is of the view that these changes will provide better disclosures.

	As previously stated 2021 R000	Reclass R000	Notes	As currently stated 2021 R000
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Non-current assets</b>				
Lease receivables	29 122	(2 863)	(a)	26 259
<b>Current assets</b>				
Trade and other receivables	485 642	2 863	(a)	488 505
Restricted cash	–	92 486	(b)	92 486
Cash and cash equivalents	444 357	(92 486)	(b)	351 871
<b>Equity and liabilities</b>				
<b>Current liabilities</b>				
Non-controlling shareholder loans	1 692	(1 692)	(c)	–
Borrowings	6 412	1 692	(c)	8 104
<b>Statement of profit or loss and other comprehensive income</b>				
<b>Gross profit</b>	2 006 034	–		2 006 034
Other income	–	29 271	(d)	29 271
Expected credit loss	–	(14 972)	(e)	(14 972)
Selling and administrative expenses	(1 711 315)	(14 299)	(d), (e)	(1 725 614)
<b>Operating profit before impairment of intangible assets*</b>	294 719	–		294 719
Impairment of intangible assets**	(193 485)	18 000	(f)	(175 485)
<b>Operating profit</b>	101 234	18 000		119 234
Impairment of associate	–	(18 000)	(f)	(18 000)
	101 234	–		101 234
<b>Statement of cash flows</b>				
Net cash inflow from operating activities	337 399	(52 693)	(b)	284 706
Net cash outflow from investing activities	(71 217)	14 356	(g)	(56 861)
Net cash outflow from financing activities	(308 098)	(14 356)	(g)	(322 454)
Net decrease in cash and cash equivalents	(41 916)	(52 693)	(b)	(94 609)
Foreign currency effect	16			16
Cash and cash equivalents at the beginning of the year	486 257	(39 793)	(b)	446 464
Cash and cash equivalents at the end of the year	444 357	(92 486)	(b)	351 871

\* Opening balances for 2021 were R64,4 million for Lease receivables, R602,6 million for Trade and other receivables, R39,8 million for Restricted cash, R446,5 million for Cash and cash equivalents, R0,6 million for Non-controlling shareholder loans and R21,8 million for Borrowings.

\* In F2021 the item was labelled "Operating profit before non-operational items".

\*\* In F2021 the item was labelled "Non-operational items".

#### 14. **Reclassifications within the financial statements (continued)**

- (a) Lease receivables were previously presented and disclosed as part of Trade and other receivables. The Group's continued assessment of its financial statement presentation has resulted in disclosing 'Lease receivables' separately. An insignificant portion previously disclosed as non-current other receivables has been reclassified to current trade and other receivables.
- (b) Restricted cash balances held for marketing activities were previously reported within Cash and cash equivalents. The cash is used for a specific purpose i.e., 'ring-fenced' and not available to use for any other business use. Marketing funds in South Africa are governed by the Consumer Protection Act (CPA). The funds are managed in accordance with this law. The CPA and its regulations are our legal baseline against which we ensure compliance.

Any contribution to the Marketing Fund must be deposited into a separate Marketing Fund bank account and managed accordingly and used for purposes of the fund only.

Following the publication of the IFRIC *Agenda Decision Demand Deposits with Restrictions on Use arising from a Contract with a Third Party* released in April 2022, the Group performed an assessment of whether the restricted cash meets the definition of cash in IAS 7. The Committee observed that paragraph 6 of IAS 7 defines cash by stating that it 'comprises cash on hand and demand deposits' and that there are no requirements on whether an item qualifies as cash beyond the definition itself. The Committee noted that restrictions on the use of a demand deposit arising from a contract with a third party do not result in the demand deposit no longer being cash, unless those restrictions change the nature of the demand deposit in a way that it would no longer meet the definition of cash in IAS 7.

Based on the guidance in this IFRIC Agenda Decision, the Group has assessed that restricted cash should be presented separately from cash and cash equivalents.

The Group has applied this change as a change in accounting policy retrospectively in accordance with IAS 8.

- (c) Non-controlling interest shareholder loans were previously reported as a separate line on the SFP. While considering the usefulness of the disclosure, both quantitatively and qualitatively, the balance was assessed as immaterial and reclassified to Borrowings under current liabilities. This reclassification still maintains fair presentation of the financial statements and affects the SFP.
- (d) Other income was historically reported within "Selling and administrative expenses" and offset against expenses. To enhance compliance with IAS 1 Presentation of Financial Statements, "Other income" will be split from "Selling and administrative expenses". This affects the statement of profit or loss and other comprehensive income (SPLOCI).
- (e) Expected credit loss was previously disclosed within "Selling and administrative expenses". To enhance compliance with IAS 1 Presentation of Financial Statement, it is disclosed separately. This affects the SPLOCI.
- (f) The Group's continued assessment of its financial statement presentation has resulted in renaming 'Non-operational items' historically presented on the SPLOCI to 'Impairment of intangible assets'. This resulted in updating subtotals which were previously referred to as 'Non-operational items'.  
To further enhance compliance with IFRS, the "impairment in associate" has been reclassified out of 'Operating profit' and has been disclosed below the "Operating profit" line.
- (g) Gross receipts from sub-leases were historically reported in "Financing activities" as opposed to "Investing activities" in the Statement of Cash Flows. This presentation has been amended to enhance compliance with IAS 7 Statement of Cash Flows. This affects the SCF.

#### 15. **Contingent liabilities**

Refer to Note 6 *Borrowings* for other guarantees and facilities in the Group.

The Group has issued R20 million (2021: R20 million) suretyship in favour of First Rand Bank Limited to secure the banking facilities entered into by certain subsidiary companies.

## CASTING INFORMED VOTES continued

**16. Going concern**

As part of the directors' consideration of the appropriateness of adopting the going concern basis in preparing the annual report and financial statements, a range of scenarios have been considered. The assumptions modelled are based on the continued estimated potential impact of COVID-19 restrictions and regulations. These include a range of estimated impacts primarily based on recovery of the restaurant sector as it impacts our niche Signature Brands and Casual Dining Restaurants. Trading is likely to improve in the 2023 financial year and may be impacted by a possibility of more waves that could lead to stringent COVID-19 restrictions again. The scenarios include an assumption that current levels of trading will remain in place until March 2023, considering the rate of vaccination.

Management has implemented the following actions of managing the business:

- renegotiated its borrowings with its primary lender;
- temporary relaxation of contractual arrangements with franchise partners; and
- management of financial resources with focus on capital expenditure programs and cost to eliminate any potential short term financial pressures.

We have continued to monitor and implement additional health and safety measures in each of our manufacturing and distribution facilities to reduce the risk of a major supply disruption. As at 28 February 2022, the consolidated balance sheet reflects a net asset position of R721 million and the liquidity of the Group remains strong. Our current undrawn facilities are approximately R950 million. Based on all of the considerations the Group is considered a going concern with more than adequate financial resources to continue in operation for the foreseeable future.

**17. Civil unrest in South Africa**

Civil unrest occurred in South Africa's KwaZulu-Natal and Gauteng provinces from 9 to 18 July 2021, and several Famous Brands and franchise partner properties suffered varying degrees of damage. The total number of restaurants damaged and rendered non-operational was 99, the majority being in KwaZulu-Natal.

At the height of the unrest, all our KwaZulu-Natal restaurants and numerous in Gauteng were closed for a few days. Across all our brands, we recorded a total loss of 4 111 restaurant trading days due to these closures.

The Group's logistics facility in Westmead was also damaged and was closed for three weeks before it became fully operational again. Through the activation of our business continuity plan, we delivered to restaurants in the affected areas.

By the end of the current financial year, 14 franchise partner restaurants had not re-opened. Famous Brands provided ongoing support to franchise partners where required in the form of royalty relief, assistance with insurance claims and bridging finance between restoration and insurance payouts.

The results include the impact of business expenses, assets and stock write-offs of R16.4 million which were recovered from our insurance. Famous Brands' direct loss was attributable to the logistics facility in Westmead. Majority of restaurants affected by the unrest are owned by franchise partners.

During the financial year, the Group submitted a Business Interruption (BI) insurance claim for R17 million. This initial claim was rejected by the loss adjuster on the basis that loss events included in the claim were not aligned with the insurance policy interpretation.

On 29 March 2022, the Group received confirmation from the loss adjuster that the revised claim was covered subject to the insurance policy interpretation. On 14 April 2022 an updated BI insurance claim for R14.4 million was submitted and the Group received an acknowledgment of liability from the insurer on 10 May 2022. Payment was received on 26 May 2022.

## **18. Subsequent events**

### *Acquisition of Lexi's*

Effective from 1 April 2022 the Group acquired a 51% interest in Lexi's Healthy Eatery for R3.3 million. Lexi's is a casual dining restaurant brand, offering a full-service, sit-down, plant-based dining experience across all key day parts.

The acquisition of Lexi's is aligned with Famous Brands' three-year strategic roadmap, which includes acquiring brands that have the potential to lead in their category, and which offer growth prospects based on opportunities to improve existing operational efficiencies in the target business.

The provisional purchase price is allocated to the identifiable assets and the residual to goodwill because of anticipated scale and merger benefits related to franchising and manufacturing.

### *July unrest insurance claim*

The Group submitted a claim for gross profit loss related to the July 2021 unrest. The claim was approved by insurers on 10 May 2022 and payment was received on 26 May 2022, refer to note 17 for details.

### *Liquidation claim in relation to GBK*

On 6 May 2022, the Group received notification from the liquidators of GBK indicating an intention to make an interim distribution to creditors of GBK Restaurants Limited with agreed claims. The actual amount of the distribution is not yet certain but in their notice the liquidators estimated the interim dividend to be 5 Pence in the Pound to creditors with agreed claims. The Group's claim against GBK for dividend purposes amounts to GBP55.2 million. The liquidator indicated that the interim dividend will be declared within two months of the last date of approving – 6 August 2022.

## **19. Dividends**

The Board has declared a dividend of 200 cents per ordinary share. The Group has produced significantly improved results which enabled the Board to consider paying a dividend. The Board considered the Group's current performance and future prospects. The dividend is being paid out of profits for the year ended 28 February 2022 in the amount of R200 million.

CASTING INFORMED VOTES continued

## Supplementary information

### Directors' CVs



**Norman Joseph Adami (67)**

Independent non-executive  
director

Appointed: 24 February 2015

*BBus. Sci (Hons), MBA*

#### Committees

- Member of the Audit and Risk Committee
- Member of the Nominations Committee
- Member of the Investment Committee

Norman had an extensive career with SABMiller which commenced at SAB Pty Limited in 1979. He was appointed Managing Director of SAB in 1994 and Chairman in 2000. In 2003, he was installed as President and CEO of the newly acquired Miller Brewing Company. In 2006, he was appointed President and CEO of SABMiller Americas. In this position he was responsible for Miller Brewing Company and SABMiller's South and Central American business units. In October 2008, he once again took on the role of Managing Director and Chairman of SAB Limited. He retired from SABMiller on 31 October 2014.

Norman is a partner in Stud Game Breeders, one of the pre-eminent groups leading the emergence of SA's game breeding industry, which has made great strides in revitalising threatened animal species and creating sustainable employment in many rural areas.

#### Areas of expertise

General management, risk, strategy, marketing, operational management, mergers and acquisitions

#### Directorship in other listed entities

- CCB Africa – Board member.



**Santie Botha (57)**

Independent non-executive  
chairman

Appointed: 1 June 2012

*BEcon (Hons)*

#### Committees

- Chairman of the Nominations Committee
- Member of the Remuneration Committee
- Member of the Investment Committee
- Attends the Audit and Risk Committee meeting by invitation

Santie served as an executive director of the MTN Group (2003 to 2010) and prior to that she served as an executive director of Absa Bank (1996 to 2003). She served as Chancellor of Nelson Mandela University from 2011 until 2017. Santie has received various awards, including Business Woman of the Year (2010).

#### Areas of expertise

Governance, marketing, strategy, remuneration, consumer insight, general management, operations and stakeholder relationships

#### Directorship in other listed entities

- Curro Holdings – Independent Chairman.
- Capitec Bank Holdings – Independent Chairman.

## Supplementary information (continued)

### Directors' CVs (continued)



**Christopher Hardy Boule (50)**

Independent non-executive director

Appointed: To the Board as an alternate non-executive director in December 2011 and as a non-executive director on 27 February 2014

*BCom, LLB, LLM*

#### Committees

- Chairman of the Remuneration Committee
- Chairman of the Audit and Risk Committee
- Member of the Social and Ethics Committee
- Member of the Investment Committee

Chris is a commercial, corporate finance, tax and trust attorney, and his expertise includes cross-border transactions, mergers and acquisitions, Black economic empowerment transactions and advising on stock exchange listings both locally and internationally. His experience as a non-executive director of listed companies spans over two decades.

#### Areas of expertise

Law, governance, strategy, risk and corporate finance

#### Directorship in other listed entities

- Advtech – Chairman and non-executive director.



**Deon Jeftha Fredericks (61)**

Group Financial Director

Appointed: To the Board on 1 August 2018, appointed as Group Financial Director on 15 November 2021

*BCompt (Hons), Business Management (Hons), CA(SA), CIMA*

#### Committees

- Attends the Investment, Remuneration, Audit and Risk and Social and Ethics Committee meetings by invitation

Deon has more than 30 years of experience working in blue-chip organisations. He joined Telkom in 1993 as a senior manager in internal audit and has held several executive positions in the finance department. He was appointed Deputy Chief Financial Officer in 2011 and Chief Financial Officer of Telkom SA in 2013 and resigned on 1 July 2018. He was appointed as Chief Information Officer at Telkom shortly afterwards. He thereafter served as the interim Chief Financial Officer at South African Airways for two years.

Deon has previously held various other directorships, including Telkom, Vodacom, BCX, Trudon, Gyro Group and the Telkom Retirement Fund.

#### Areas of expertise

General and operational management, strategy, mergers and acquisitions, treasury, risk and finance

## CASTING INFORMED VOTES continued

**Supplementary information (continued)****Directors' CVs (continued)**

**Nicolaos (Nik)  
Halamandaris (47)**

Non-executive director

Appointed: 9 November 2017

**Committees**

- Member of the Social and Ethics Committee
- Attends the Audit and Risk Committee meetings and Investment Committee meetings by invitation

Nik has extensive experience in the food services industry, having been a franchisee of many of the Group's mainstream brands over the past two decades up until 2010. He is currently an executive director of several non-listed property development and construction companies with primary responsibility for strategy and new business development.

**Areas of expertise**

General management, strategy, franchise management, food services and property management



**Alexander (Alex) Komape  
Maditse (59)**

Independent non-executive  
director

Appointed: 1 August 2019

*BProc, LLB, LLM, Dip Company Law*

**Committees**

- Chairman of the Social and Ethics Committee
- Member of the Nomination Committee

Alex is an admitted attorney and is currently the CEO of Copper Moon Trading Pty Limited. He serves as a director on several boards and committees of listed companies. He has previously held the positions of Country Manager Coca-Cola East and Central Africa and Franchise Operations Director of Coca-Cola SA.

**Areas of expertise**

Law, governance, strategy, franchising, management and operations

**Directorships in other listed entities**

- African Rainbow Minerals Limited – lead independent director, member of the Board, Audit, Remuneration, and Social and Ethics Committees, Chairman of the Investment Committee and Remuneration Committee.
- The Bidvest Group Limited – member of the Board, Remuneration, and Social and Ethics Committees.
- Murray & Roberts – member of the Board, Remuneration, and Social and Ethics Committees.



## Supplementary information (continued)

### Directors' CVs (continued)



**John Lee Halamandres (68)**

Non-executive director

Appointed: 9 November 1994

#### Committees

- Attends the Investment Committee meetings by invitation

With experience in all aspects of Famous Brands' business, John retired from executive management in March 2001. A founding member of the Company, he served as Managing Director from November 1994 until March 1997. He assumed the role of CEO until he was appointed non-executive Deputy Chairman in March 2001, a position he held until May 2010.

#### Areas of expertise

General management, franchise management, governance and strategy



**Darren Paul Hele (50)**

Chief Executive Officer

Appointed: 1 June 2012

BCom

#### Committees

- Member of the Social and Ethics Committee
- Attends all Committee meetings by invitation and attends various subsidiary and associate company Board meetings as a director

Darren began his career at Pleasure Foods Limited while studying for and completing a BCom. After participating in the management buy-out of Pleasure Foods in 1996, he held executive roles at Whistle Stop and Wimpy before joining Famous Brands in 2003. He served as Managing Director of Wimpy in SA and later in the UK.

Darren was appointed Chief Operating Officer for the Franchising division in May 2011 and, in January 2013 assumed the position of Chief Operating Officer of the Group. In March 2014, Darren assumed the role of CEO: Food Services, and he was appointed CEO of the Group in March 2016.

#### Areas of expertise

General management, franchise management, marketing, strategy and stakeholder relationships

## CASTING INFORMED VOTES continued

**Supplementary information (continued)****Directors' CVs (continued)****Busisiwe Mathe (41)**

**Independent non-executive director**

Appointed: 20 October 2021  
*B Com (Hons), CA(SA)*

**Committees**

- Member of the Audit and Risk Committee

Busisiwe is a seasoned business leader, with a rich background in internal audit, external audit, digital transformation, cyber security and data privacy. She has worked across multiple industries and sectors, both locally and globally. She has previously held the position of Africa Cyber Security & Data Privacy leader for PricewaterhouseCoopers and also served as the Chairperson of their South African Governing Board, a member of their Africa Governance Board and Chairperson of their Human Capital Sub-Committee.

Busisiwe was recognised as an Emerging Business Leader by the African Woman Chartered Accountant (AWCA) in 2019.

**Areas of expertise**

Governance, risk management, technology, cyber security, data privacy, stakeholder management

**Fagmeedah Petersen-Cook (46)**

**Independent non-executive director**

Appointed: To the Board on  
 23 July 2021

*Post Graduate Diploma in Management Practice, Post Graduate Diploma in Global Business Strategy, Bachelor of Business Science in Actuarial Science*

**Committees**

- Chairman of the Investment Committee
- Member of the Audit and Risk Committee
- Member of the Remuneration Committee

Fagmeedah currently serves as a non-executive director for a diverse range of companies where she applies her strategic thinking and well-developed understanding of risk. She is a CD(SA) Charter holder, a certified director, and an experienced investment professional. She has held C-suite roles in the public and private sectors. Fagmeedah's professional career as an actuary spans 24 years.

**Areas of expertise**

General management, actuarial science, risk management, strategy, investments, governance

**Directorships in other listed entities**

- Telkom SOC Pty Ltd – Board member, member of the Nominations Committee, member of the Risk Committee and Chairman of the Investment Committee.
- ABSA Financial Services Group – Board member, member of the Group Audit, Risk and Compliance Committee and member of the Actuarial Committee.
- Pepkor – Board member, Chairman of the Social and Ethics Committee and Chairman of the Audit Committee.
- Escap – Board member, member of the Audit Committee, Risk Committee, Social and Ethics Committee and Nominations Committee.

## Brief resumes of the Directors up for re-election and election to the Board



**Christopher Hardy Boule (50)**

Independent non-executive director

Appointed: To the Board as an alternate non-executive director in December 2011 and as a non-executive director on 27 February 2014

*BCom, LLB, LLM*

### Committees

- Chairman of the Remuneration Committee
- Chairman of the Audit and Risk Committee
- Member of the Social and Ethics Committee
- Member of the Investment Committee

Chris is a commercial, corporate finance, tax and trust attorney, and his expertise includes cross-border transactions, mergers and acquisitions, Black economic empowerment transactions and advising on stock exchange listings both locally and internationally. His experience as a non-executive director of listed companies spans over two decades.

### Areas of expertise

Law, governance, strategy, risk and corporate finance

### Directorship in other listed entities

- Advtech – Chairman and non-executive director.



**John Lee Halamandres (68)**

Non-executive director

Appointed: 9 November 1994

### Committees

- Attends the Investment Committee meetings by invitation

With experience in all aspects of Famous Brands' business, John retired from executive management in March 2001. A founding member of the Company, he served as Managing Director from November 1994 until March 1997. He assumed the role of CEO until he was appointed non-executive Deputy Chairman in March 2001, a position he held until May 2010.

### Areas of expertise

General management, franchise management, governance and strategy

## Brief resumes of the Directors up for re-election and election to the Board (continued)



**Alexander (Alex) Komape Maditse (59)**

Independent non-executive director

Appointed: 1 August 2019

*BProc, LLB, LLM, Dip Company Law*

### Committees

- Chairman of the Social and Ethics Committee
- Member of the Nomination Committee

Alex is an admitted attorney and is currently the CEO of Copper Moon Trading Pty Limited. He serves as a director on several boards and committees of listed companies. He has previously held the positions of Country Manager Coca-Cola East and Central Africa and Franchise Operations Director of Coca-Cola SA.

### Areas of expertise

Law, governance, strategy, franchising, management and operations

### Directorships in other listed entities

- African Rainbow Minerals Limited – lead independent director, member of the Board, Audit, Remuneration, and Social and Ethics Committees, Chairman of the Investment Committee and Remuneration Committee.
- The Bidvest Group Limited – member of the Board, Remuneration, and Social and Ethics Committees.
- Murray & Roberts – member of the Board, Remuneration, and Social and Ethics Committees.



**Busisiwe Mathe (41)**

Independent non-executive director

Appointed: 20 October 2021

*B Com (Hons), CA(SA)*

### Committees

- Member of the Audit and Risk Committee

Busisiwe is a seasoned business leader, with a rich background in internal audit, external audit, digital transformation, cyber security and data privacy. She has worked across multiple industries and sectors, both locally and globally. She has previously held the position of Africa Cyber Security & Data Privacy leader for PricewaterhouseCoopers and also served as the Chairperson of their South African Governing Board, a member of their Africa Governance Board and Chairperson of their Human Capital Sub-Committee.

Busisiwe was recognised as an Emerging Business Leader by the African Woman Chartered Accountant (AWCA) in 2019.

### Areas of expertise

Governance, risk management, technology, cyber security, data privacy, stakeholder management

## Brief resumes of directors up for election to the Audit and Risk Committee



**Christopher Hardy Boule  
(50)**

**Independent non-executive  
director**

Appointed: To the Board as  
an alternate non-executive  
director in December 2011  
and as a non-executive director  
on 27 February 2014

*BCom, LLB, LLM*

### **Committees**

- Chairman of the Remuneration Committee
- Chairman of the Audit and Risk Committee
- Member of the Social and Ethics Committee
- Member of the Investment Committee

Chris is a commercial, corporate finance, tax and trust attorney, and his expertise includes cross-border transactions, mergers and acquisitions, Black economic empowerment transactions and advising on stock exchange listings both locally and internationally. His experience as a non-executive director of listed companies spans over two decades.

### **Areas of expertise**

Law, governance, strategy, risk and corporate finance

### **Directorship in other listed entities**

- Advtech – Chairman and non-executive director.



**Norman Joseph Adami (67)**

**Independent non-executive  
director**

Appointed: 24 February 2015

*BBus. Sci (Hons), MBA*

### **Committees**

- Member of the Audit and Risk Committee
- Member of the Nominations Committee
- Member of the Investment Committee

Norman had an extensive career with SABMiller which commenced at SAB Pty Limited in 1979. He was appointed Managing Director of SAB in 1994 and Chairman in 2000. In 2003, he was installed as President and CEO of the newly acquired Miller Brewing Company. In 2006, he was appointed President and CEO of SABMiller Americas. In this position he was responsible for Miller Brewing Company and SABMiller's South and Central American business units. In October 2008, he once again took on the role of Managing Director and Chairman of SAB Limited. He retired from SABMiller on 31 October 2014.

Norman is a partner in Stud Game Breeders, one of the pre-eminent groups leading the emergence of SA's game breeding industry, which has made great strides in revitalising threatened animal species and creating sustainable employment in many rural areas.

### **Areas of expertise**

General management, risk, strategy, marketing, operational management, mergers and acquisitions

### **Directorship in other listed entities**

- CCB Africa – Board member.

## CASTING INFORMED VOTES continued

**Brief resumes of directors up for election to the Audit and Risk Committee (continued)**

**Fagmeedah Petersen-Cook (46)**

Independent non-executive director

Appointed: To the Board on 23 July 2021

*Post Graduate Diploma in Management Practice, Post Graduate Diploma in Global Business Strategy, Bachelor of Business Science in Actuarial Science*

**Committees**

- Chairman of the Investment Committee
- Member of the Audit and Risk Committee
- Member of the Remuneration Committee

Fagmeedah currently serves as a non-executive director for a diverse range of companies where she applies her strategic thinking and well-developed understanding of risk. She is a CD(SA) Charter holder, a certified director, and an experienced investment professional. She has held C-suite roles in the public and private sectors. Fagmeedah's professional career as an actuary spans 24 years.

**Areas of expertise**

General management, actuarial science, risk management, strategy, investments, governance

**Directorships in other listed entities**

- Telkom SOC Pty Ltd – Board member, member of the Nominations Committee, member of the Risk Committee and Chairman of the Investment Committee.
- ABSA Financial Services Group – Board member, member of the Group Audit, Risk and Compliance Committee and member of the Actuarial Committee.
- Pepkor – Board member, Chairman of the Social and Ethics Committee and Chairman of the Audit Committee.
- Escap – Board member, member of the Audit Committee, Risk Committee, Social and Ethics Committee and Nominations Committee.



**Busisiwe Mathe (41)**

Independent non-executive director

Appointed: 20 October 2021  
*B Com (Hons), CA(SA)*

**Committees**

- Member of the Audit and Risk Committee

Busisiwe is a seasoned business leader, with a rich background in internal audit, external audit, digital transformation, cyber security and data privacy. She has worked across multiple industries and sectors, both locally and globally. She has previously held the position of Africa Cyber Security & Data Privacy leader for PricewaterhouseCoopers and also served as the Chairperson of their South African Governing Board, a member of their Africa Governance Board and Chairperson of their Human Capital Sub-Committee.

Busisiwe was recognised as an Emerging Business Leader by the African Woman Chartered Accountant (AWCA) in 2019.

**Areas of expertise**

Governance, risk management, technology, cyber security, data privacy, stakeholder management

### **Auditor profile**

The Audit and Risk Committee appointed KPMG as the registered independent auditor for the financial year ended 28 February 2022, after satisfying itself that KPMG Inc. and Nick Southon are independent as defined in terms of the Companies Act and the Independent Regulatory Board for Auditors (IRBA) in terms of the Auditing Profession Act, No 26 of 2005 (Auditing Profession Act).

KPMG South Africa's professional services include audit, tax and legal and advisory services. KPMG South Africa has 125 partners and 1941 professionals across four regional offices. The auditor is supported by a further 227 000 people in 146 countries through its international affiliations.

Through its audit quality plan several market-leading initiatives have been implemented (Refer to the KPMG SA Transparency Report) including:

- A fully independent Board and three other fully independent non-executive members chairing board committees;
- A dedicated Audit Quality Committee to the Board; and
- Pro-active pre-issuance reviews of audits.

Nick Southon has been a registered auditor with IRBA since August 1992. He has been a member of the South African Institute of Chartered Accounts since July 1993 and has 32 years' auditing experience. Client industries serviced include Food, Manufacturing, Technology, Retail, Finance and Engineering.

## CASTING INFORMED VOTES continued

**Shareholder analysis**

	Number of Shareholdings	% of total Shareholdings	Number of Shares	% of issued Capital
<b>Shareholder Spread</b>				
1 – 10 000	6 522	94.22%	3 954 408	3.95%
10 001 – 50 000	201	2.90%	4 691 000	4.68%
50 001 – 100 000	65	0.94%	4 638 344	4.63%
100 001 – 1 000 000	113	1.63%	33 927 064	33.86%
Over 1 000 000	21	0.30%	52 991 468	52.88%
<b>Total</b>	<b>6 922</b>	<b>100.00%</b>	<b>100 202 284</b>	<b>100.00%</b>
<b>Distribution of Shareholders</b>				
Individuals	5 998	86.65%	13 022 019	13.00%
Insurance Companies	8	0.12%	2 026 422	2.02%
Investment Trusts	231	3.34%	7 627 903	7.61%
Other Companies & Corporate Bodies	685	9.90%	77 525 940	77.37%
<b>Total</b>	<b>6 922</b>	<b>100.00%</b>	<b>100 202 284</b>	<b>100.00%</b>
* Pursuant to the provisions of Section 56 of the Companies Act, 2008, disclosures from foreign nominee companies have been included in this analysis.				
<b>Shareholder Type</b>				
<b>Non-Public Shareholders</b>				
	31	0.45%	20 652 046	20.61%
Directors and Associates (Direct)	11	0.16%	5 980 684	5.97%
Directors and Associates (Indirect)	20	0.29%	14 671 362	14.64%
<b>Public Shareholders</b>	<b>6 891</b>	<b>99.55%</b>	<b>79 550 238</b>	<b>79.39%</b>
<b>Total</b>	<b>6 922</b>	<b>100.00%</b>	<b>100 202 284</b>	<b>100.00%</b>
<b>Fund Managers With A Holding Greater Than 5% of The Issued Shares</b>				
Coronation Fund Managers			29 516 171	29.46%
Visio Capital Management			10 054 592	10.03%
Public Investment Corporation			6 804 436	6.79%
<b>Total</b>			<b>46 375 199</b>	<b>46.28%</b>
<b>Beneficial Shareholders With A Holding Greater Than 5% Of The Issued Shares</b>				
Coronation Fund Managers			16 781 793	16.75%
Government Employees Pension Fund			9 496 760	9.48%
Panis Trust			6 828 955	6.82%
<b>Total</b>			<b>33 107 508</b>	<b>33.04%</b>
<b>Total number of shareholdings</b>	<b>6 922</b>			
<b>Total number of shares in issue</b>	<b>100 202 284</b>			



## Remuneration – Background statement

It is the view of the Remuneration Committee that the Remuneration Policy has achieved its stated objective of driving performance while ensuring retention. This is also in the context of COVID-19, to prioritise the recovery and growth of the business, preserving livelihoods and limiting the impact on the most vulnerable of our employees.

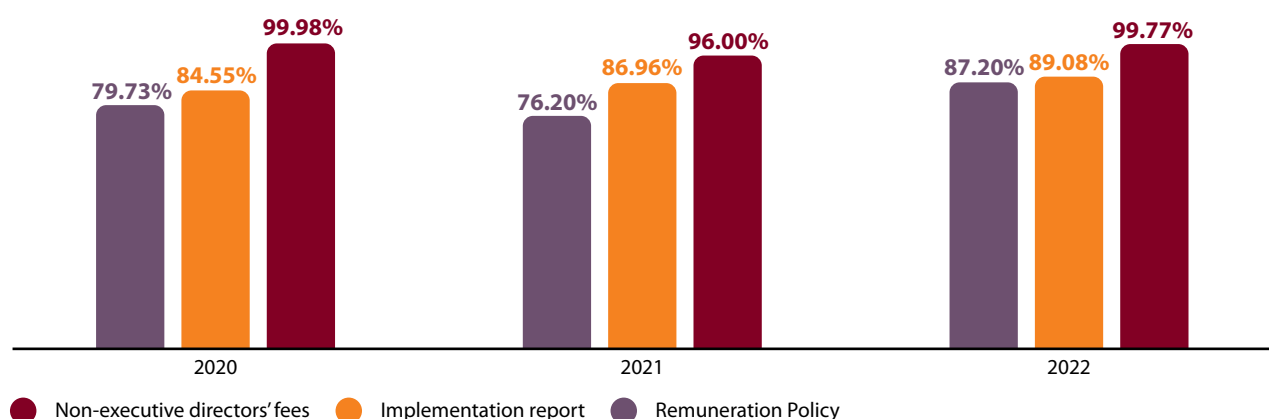
## Factors influencing remuneration

<b>External considerations</b>	<ul style="list-style-type: none"> <li>• Shareholder views and recommendations.</li> <li>• Economic trends and competitive pressure.</li> <li>• The labour market and the pay gap between executive management and other employees.</li> <li>• Requests from bargaining unit representatives.</li> <li>• Market benchmarks for employees premised on comparable job grades and selecting the appropriate peer group benchmarks in the market with similar attributes, including complexity, industry, size and geographic spread.</li> <li>• The potential maximum total remuneration that each executive could earn, benchmarked against the market at the 50th percentile.</li> <li>• Reports on the effects of COVID-19 on remuneration across industries.</li> </ul>
<b>Internal considerations</b>	<ul style="list-style-type: none"> <li>• Consideration of the appropriateness of the performance evaluation report and its alignment to remuneration principles.</li> <li>• Cash flow management and cost leadership are integral parts of the business, with the hospitality industry being once again impacted during COVID-19 imposed lockdowns.</li> <li>• Concluded Project Genesis, a programme designed to position the business to survive, reduce operating expenses and implement initiatives designed to save the Company and save jobs.</li> <li>• Alignment between roles, including between the CEO and Group Financial Director roles and between executive roles across SA, AME and the UK.</li> <li>• Implementing the legal requirements regarding equal pay for equal value of work.</li> <li>• Executive recruitment and succession planning considerations.</li> </ul>

## Shareholders' view on our remuneration

At the 2022 AGM, all remuneration-related resolutions received significant support from our shareholders.

### Shareholders' view on our remuneration



## CASTING INFORMED VOTES continued

**Remuneration – Background statement (continued)**

The Committee evaluated feedback from various shareholders regarding the root cause for dissenting votes. The main concerns received through written submissions and the Committee responses to these concerns are noted in the following table.

Shareholder feedback	Committee feedback and actions taken
<b>STI and LTI</b>	
<p>Shareholders recommend the disclosure of achievement against current and prior STI and LTI targets in future Remuneration reports.</p> <p>Some shareholders believe that gross domestic product (GDP) is a better measure than consumer price inflation (CPI) and requested Famous Brands reconsider this.</p>	<p>The Committee shall endeavour to disclose performance against targets for STI and LTI awards. The current targets and basis of awards are described in the implementation report, STI section on page 61 and LTI section on page 64, as well as in the table below dealing with Remco decisions.</p> <p>The Committee remains comfortable that HEPS growth is measured relative to CPI and not GDP.</p>
<b>LTI</b>	
<ul style="list-style-type: none"> <li>• <b>ROCE:</b> Shareholders voiced concern over the adequacy of disclosure of targets and achievement of such. Shareholders recommend a stretch target of at least 30% over the long-term.</li> <li>• <b>Share price:</b> Shareholders recommend a growth target of at least 15%.</li> <li>• <b>TSR:</b> A shareholder recommended scrapping absolute TSR and replacing it with a free cash flow target or relative TSR.</li> <li>• <b>2022:</b> Implement stringency for LTI achievement for 2022 and exclude Gourmet Burger Kitchen from earnings base targets, considering the volatility of markets due to COVID-19.</li> <li>• <b>Vesting restrictions:</b> Shareholders recommend disclosure on how it is ensured that individual LTI allocations are made in line with vesting restrictions.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>ROCE:</b> a stretch target will be 130% of WACC.</li> <li>• <b>Share price:</b> We maintain the view to use the WACC as a base with a stretch for ROCE.</li> <li>• <b>TSR:</b> Free cashflow is difficult to measure month to month, without a monthly budget balance sheet to measure against. Relative TSR was not considered as there are insufficient competitors available.</li> <li>• <b>2022:</b> Stringency for LTI achievement, including GBK, was applied.</li> <li>• <b>Vesting Restrictions:</b> Refer to relevant note in the IAR.</li> </ul> <p>The Committee considered the recommendations and remain comfortable with the targets set and the measurements of ROCE and TSR.</p> <p>Additional disclosure of targets and consequences of performance are provided in this report.</p>
<b>Performance scorecard</b>	
<p>Shareholders perceive the key performance areas (KPA's) for people measures and transformation and ESG to be unclear with uncertainty on what is measured. They suggest:</p> <ul style="list-style-type: none"> <li>• Famous Brands to determine appropriate benchmarks for ESG.</li> <li>• ESG targets should be split between STI and LTI.</li> </ul>	<p>People measures include targets for employee opinion survey results, Exco succession cover and Executive stability (attrition). Further details are in the Group scorecard (page 63).</p> <p>Benchmarks were determined for ESG and are contained in the Group scorecard. These include BBBEE targets (employment equity and supplier development), injuries on duty and sustainability measures (GHG emissions and water usage).</p> <p>The Committee is comfortable with the current measures regarding LTI.</p>

Shareholder feedback	Committee feedback and actions taken
<b>MSR</b>	
Shareholders recommend that Famous Brands develop a timeline for future implementation, including consequences of non-achievement. Shareholders also recommend a target of 300% for the CEO.	The Committee believes that the current MSR is appropriate and will review it once the current target is reached. Current shareholding of CEO and Group Financial Director is disclosed on page 65.
<b>Malus and clawback</b>	
Shareholders identified some flaws in the current disclosure and suggested improved wording.	The policy is in its infancy and has not been applied as yet. The Committee was comfortable with the degree of disclosure.
<b>Retention shares</b>	
Shareholders view the allocation of retention shares as part of LTI as outdated.	The Committee reviewed the retention share scheme both from an allocation split and performance perspective. It is comfortable with the 25% retention shares/75% SARs allocation split, as it adequately favours the “at-risk” portion. This is also more stringent than current market trends. The vesting criteria of the retention shares are performance-related (minimum rating “meet expectations”), and service-related (employee must be in Famous Brands’ employ at date of vesting).

### Key decisions and changes to policy

Focus area	Consequent decisions by Committee	Policy reference
Appropriateness of 75%/25% split in performance and retention shares	<ul style="list-style-type: none"> <li>The current split will be retained.</li> <li>Vesting of shares will be executed in line with the Famous Brands LTI Scheme rules.</li> </ul>	64
Inclusion of D-Band employees in STI scheme	Lower D-band employees will in principle be included in the STI scheme, however the implementation is planned for FY2024.	61
STI key performance	KPAs are as follows: <ul style="list-style-type: none"> <li>Financial and operational performance: 60%.</li> <li>Market share: 20%.</li> <li>People: 10%.</li> <li>ESG: 10%.</li> </ul> Financial performance will be measured using HEPS and EBIDTA (stretch) <ul style="list-style-type: none"> <li>HEPS: 50%.</li> <li>EBIDTA: 50%.</li> </ul>	63
2023 LTI KPIs and targets	<ul style="list-style-type: none"> <li>Absolute TSR: 30-DAY VWAP share price plus the cost of equity (both as at 28 February 2022).</li> <li>ROCE: stretch of 130% of WACC to be determined as at 28 February 2022.</li> </ul>	

## CASTING INFORMED VOTES continued

**Remuneration – Background statement (continued)**

<b>Focus area</b>	<b>Consequent decisions by Committee</b>	<b>Policy reference</b>
The following measures were taken to manage the effect of COVID-19, aiming to balance the survival of the business with protecting and preserving livelihoods. Throughout, we aimed to limit the impact on the most vulnerable employees.	<ul style="list-style-type: none"> <li>• Salary reductions were imposed during level 4 lockdown in July 2021 as follows:               <ul style="list-style-type: none"> <li>– 15% Exco, executives and senior management (grades D upper to F).</li> <li>– 10% supervisory, technical, specialist and managerial employees (grades C to D3).</li> <li>– 7.5% all other employees (grades A to B).</li> <li>– Total wage bill saving generated: R4 million.</li> </ul> </li> <li>• Bonuses of non-unionised employees (B3 to Group CEO) reduced to 50% of on-target amount.</li> <li>• There were 28 retrenchments.</li> <li>• Capped the executive bonus pool: 50%.</li> <li>• CEO's bonus approved at 50% of target, effectively 20%.</li> <li>• UIF TERS payments to employees: R5.7 million.</li> </ul>	
Malus and Clawback Policy	No malus and clawback conditions were triggered	65
Administration and bargaining unit employee increases	<ul style="list-style-type: none"> <li>• Bargaining unit employees: Approved at 4.5% effective March 2022.</li> <li>• Administration employees (non-bargaining unit): Approved at 4.5% effective March 2022.</li> </ul>	
Executive salary increases	<ul style="list-style-type: none"> <li>• Average of 4.5% annual increase effective March 2022.</li> </ul>	
Non-executive directors' fees	<ul style="list-style-type: none"> <li>• Reverted to 100% fee basis after reduction in 2021.</li> <li>• Fees increased by 4% effective June 2021.</li> </ul>	65
2016, 2017 and 2018 LTI vesting	<ul style="list-style-type: none"> <li>• Shares purchased to settle shares due: 81 586.</li> <li>• Value of vested shares: R5.7 million.</li> <li>• No value for SARs as share price at date of vesting was below award price.</li> </ul>	64

**Remuneration consultants**

Where appropriate, the Committee obtains advice from independent remuneration consultants. The Committee employs the consultants directly, with direct engagement from the Committee to ensure independence.

The Committee engaged the services of 21st Century Pay Solutions. The consultants were contracted to perform the following services:

- Annual benchmarking of STI scheme.
- Job evaluation and organisational design.
- Executive salary surveys.
- Advising on the remuneration report for the IAR.

The Committee is satisfied with the independence and objectivity of 21st Century Pay Solutions being a reputable remuneration consulting firm.

## Remuneration Policy

Our Remuneration Policy aligns the interests of senior executives and employees with the interests of shareholders and the Group's overall business strategy. We attract, retain and reward talented employees, by offering compensation that is fair and competitive within our industry.

### Key principles of the Remuneration Policy

We have a Remuneration Policy in place to support our remuneration approach. This Remuneration Policy is based on the following key principles:

- Reward, retain and, where necessary, attract talent through fair, transparent and competitive remuneration.
- Reward short-term and long-term performance by linking STIs to operational, financial and other targets and long-term incentives to achieve the strategic objectives of Famous Brands.
- Key focus areas are reflected in the scorecard of executive management and the annual performance evaluations for employees. Scorecards reflect KPAs and the associated KPIs.
- We reward for value created, contribution and performance to ensure alignment with shareholder interests.
- Employee rewards are influenced by individual, and Company performance and employees' contributions are recognised by way of a discretionary performance bonus.
- Bargaining unit employees are subject to the terms of wage agreements and are part of a "basic plus benefits" remuneration scheme.

### Fair and responsible remuneration

The remuneration principles are underpinned by a fair and responsible remuneration approach where:

- Remuneration must be free from any form of discrimination.
- Market benchmarking refers to the correct remuneration bands and levels with progression reflected for experience and accountability.
- Remuneration design and application must drive internal and external parity.
- All the applied remuneration components are designed and implemented within the applicable tax and regulatory requirements.

- Performance and value are defined and measured over the short, medium and long terms and protect our shareholders' interests.
- An overarching drive for the correct moral and legally defensible remuneration practices.

The Group continues to focus on developing an equitable workplace. It is committed to equal pay, remuneration for equal value of work and gender equality in line with the JSE Listings Requirements, King IV guidelines, and our diversity policy. Furthermore, we continue to develop the leadership succession pool and have implemented strategies to attract, motivate and retain a skilled workforce through fair, responsible, transparent and competitive remuneration.

### Quick fact

***In South Africa, pay audits are conducted in terms of the Code of Good Practice on Equal Pay/ Remuneration For Work of Equal Value (Code of Good Practice) under the Employment Equity Act, No 5 of 1998 (as amended) (Employment Equity Act).***

## CASTING INFORMED VOTES continued

**Remuneration policy (continued)**

The principle of equal pay applies to work that is the same, substantially the same or of equal value (referred to as work of equal value), when compared to an appropriate actual comparator of the same employer. This means where comparable work is of equal value, employees rendering such comparable work should not be paid unequal pay where differentiation between them is based on a prohibited ground of discrimination or on grounds that are found to be arbitrary.

As part of the annual salary increase exercise in March of each year, Famous Brands conducts an equal pay for equal work audit. The following interventions were applied this year in response to findings from this audit:

- Employees paid unjustifiably low compared to others doing comparable work: 81 employees' salaries adjusted to at least the 25th percentile of the relevant internal pay scale.
- Incorrect job titles, rendering equal pay analysis inaccurate: 10 job titles amended to reflect correct jobs and allow accurate comparison.
- Incorrect job grades, rendering equal pay analysis inaccurate: 43 job grades corrected to reflect correct grades and allow accurate comparison.

**Components of remuneration in 2022**

The table that follows sets out our remuneration structures.

Operation and objective	Maximum opportunity	Performance measures
<b>Base salary   Targeted at the 50th percentile of the market benchmark</b>		
<ul style="list-style-type: none"> <li>• Reviewed annually in May after audited results.</li> <li>• Increase backdated and effective 1 March of each year.</li> <li>• The CEO makes recommendations regarding Exco to the Committee, and does not make recommendations on his base salary, which the Committee reviews.</li> </ul>	<ul style="list-style-type: none"> <li>• Informed by CPI upward or downward adjustment to recognise individual performance.</li> <li>• The overall increase pool is expressed as and limited to a percentage agreed by the Committee.</li> <li>• Business unit employee increases are based on wage agreements.</li> </ul>	<p>Individual performance is reviewed on a scale of 1 to 5. The performance rating determines the percentage of the CPI increase pool that an executive will receive.</p> <p>Performance is measured against specific KPIs approved by the Committee.</p>
<b>Retirement fund   Provides a retirement benefit</b>		
<ul style="list-style-type: none"> <li>• The funds vary depending on jurisdiction and legislation.</li> <li>• All Company-related funds are defined contribution funds.</li> <li>• Any Company contribution is part of TCC.</li> </ul>	In line with country-specific legislation.	Not applicable.

Operation and objective	Maximum opportunity	Performance measures
<b>Medical insurance   Provides medical aid assistance</b>		
<ul style="list-style-type: none"> <li>The funds vary depending on jurisdiction and legislation (some countries have national insurance).</li> <li>Any Company contribution towards a medical aid fund is part of TCC.</li> </ul>	All contributions to medical aid funds form part of the total guaranteed package, in line with Company policy.	Not applicable.
<b>Benefits   Provided to ensure broad competitiveness in the respective markets</b>		
Benefits are provided based on local market trends. They can include items such as life assurance, disability and accidental death insurance, assistance with tax filing, cash in lieu of leave not taken (above legislated minimum leave requirements) and provisions under the executive travel guidelines.	In line with Company policy.	Not applicable.
<b>Bonus   Discretionary</b>		
A bonus is provided based on individual performance, subject to Company performance criteria.	<ul style="list-style-type: none"> <li>Up to 120% of one month's TCC.</li> <li>Sliding scale adjustment to recognise individual performance.</li> </ul>	Individual performance is reviewed on a scale of 1 to 5. Performance ratings of less than 3 do not qualify.

### Short-term incentives

<b>Objective</b>	The STI is designed to drive the short-term strategies of Famous Brands and ensures that participants deliver on the key priorities for the year. These have been designed to align and deliver on both the Company and shareholder interests. It incentivises and drives the motivation of participants, contributes to the attraction and retention of scarce human resources, and rewards superior performance.
<b>Timing</b>	Ordinarily, 25% of the STI is paid after the half-year results finalisation, and the balance is paid after the finalisation of annual audit and Board approval of financial results.

### Operations

Target STI is a targeted amount applicable to a person's grade (a percentage of TCC). Actual STI earned depends on performance.

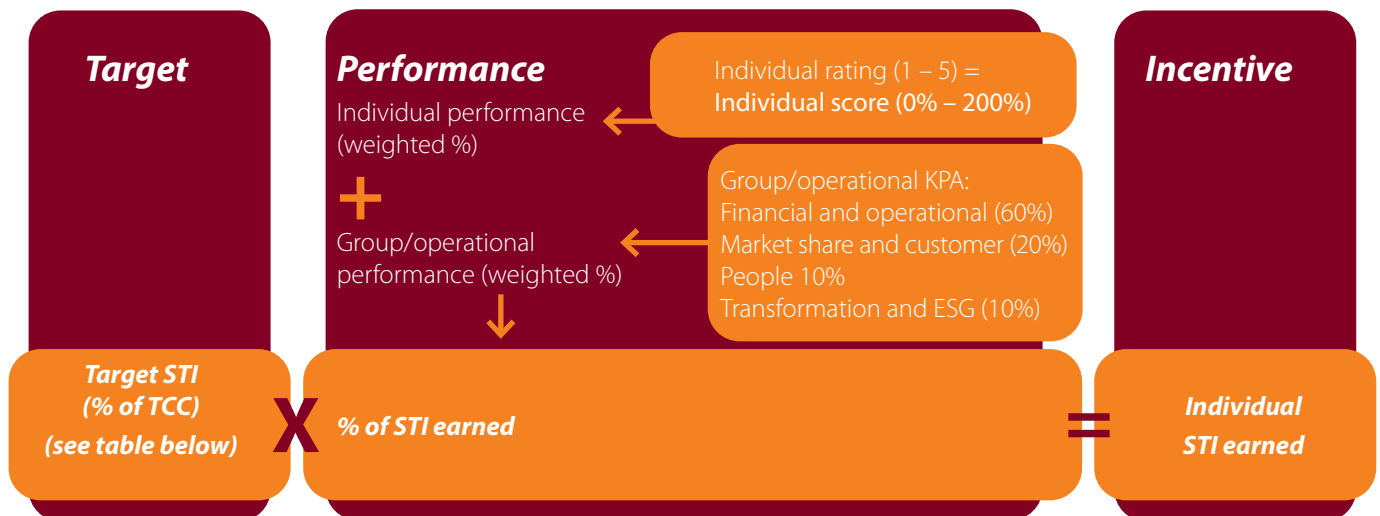
The conceptual formula to determine actual STI earned, is:

- Individual's STI earned = Target STI (% of TCC for grade/role) x % of target earned (determined by performance).
- Target STI is determined by market benchmarked targets and is validated regularly.
- Performance score is determined by individual and Group/operational performance relevant to the individual's role, to create line of sight between business performance and individual reward. These are weighted and collectively provide a weighted score for the individual.

## CASTING INFORMED VOTES continued

**Remuneration policy (continued)**

Graphically, this can be explained as follows:



Target STIs by level and role:

Paterson Grade	Target STI %	Capped at maximum STI %
F upper – CEO	60	120
F lower – Group Financial Director	45	90
F lower – Other	35	70
E	15	30
D upper	10	20

To drive line of sight principles, STI earnings are linked to areas where the executive has accountability and the ability to influence. The percentages reflect the relative weighting of performance on the ultimate combined scorecard of the participant.

Relative weighting of performance %:

Position	Group	SA	Non-SA	Individual
CEO and Group Financial Director	70			30
Other Group executives	30			70
AME executive	10		60	30
SA divisional executives		70		30
UK /AME divisional executives	30		40	30



Before the start of each half-year, the Board approves KPAs and associated KPIs. The 2022 Group scorecard is:

Key performance areas	KPIs and targets											
<b>Financial performance and operational plan performance</b> (60%)	<b>2022 measures and targets</b>											
	<table border="1"> <thead> <tr> <th>Measure</th> <th>Weighting %</th> <th>Target</th> <th>Outcome</th> </tr> </thead> <tbody> <tr> <td>HEPS</td> <td>50</td> <td>Growth of 87% – 101%</td> <td>Achieved</td> </tr> <tr> <td>EBITDA</td> <td>50</td> <td>Growth 45% – 52%</td> <td>Achieved</td> </tr> </tbody> </table>	Measure	Weighting %	Target	Outcome	HEPS	50	Growth of 87% – 101%	Achieved	EBITDA	50	Growth 45% – 52%
Measure	Weighting %	Target	Outcome									
HEPS	50	Growth of 87% – 101%	Achieved									
EBITDA	50	Growth 45% – 52%	Achieved									
<b>Market-share performance and customer measures</b> (20%)	<ul style="list-style-type: none"> <li>Google ratings: <i>Outcome: Partially achieved</i></li> <li>Net store growth               <ul style="list-style-type: none"> <li>AME net store growth: <i>Outcome: Achieved</i></li> <li>Leading Brands; Signature Brands; UK: <i>Outcome: Not Achieved</i></li> </ul> </li> </ul>											
<b>People performance</b> (10%)	<ul style="list-style-type: none"> <li>The Voice your View survey results, reflecting employee satisfaction and engagement. <i>Outcome: Achieved.</i></li> <li>Exco succession (Identified successors for Exco roles). <i>Outcome: Achieved.</i></li> <li>Executive stability ratio. This ratio is the level of attrition by voluntary resignations among executives. <i>Outcome: Achieved.</i></li> </ul>											
<b>Transformation and ESG</b> (10%)	<ul style="list-style-type: none"> <li>BBBEE rating: Retain level 4. <i>Level 4: Achieved.</i></li> <li>Management control (Employment equity): <i>Outcome: Achieved.</i></li> <li>Enterprise and supplier development: <i>Outcome: Achieved.</i></li> <li>Injuries on duty. <i>Outcome: Achieved.</i></li> <li>Sustainability targets including GHG Emissions and water usage. <i>Outcome: Partially achieved</i></li> </ul>											

Individual performance is reviewed on a scale of 1 to 5. Performance ratings of less than 3 disqualify a participant from the STI scheme.

Rating	Score %	Outcome
1 or 2	0	No STI
3	100	
4	150	
5	200	Capped

The combined outcome of the individual performance, and performance against the KPAs and KPIs, result in the actual percentage of target STI earned (which has a maximum cap).

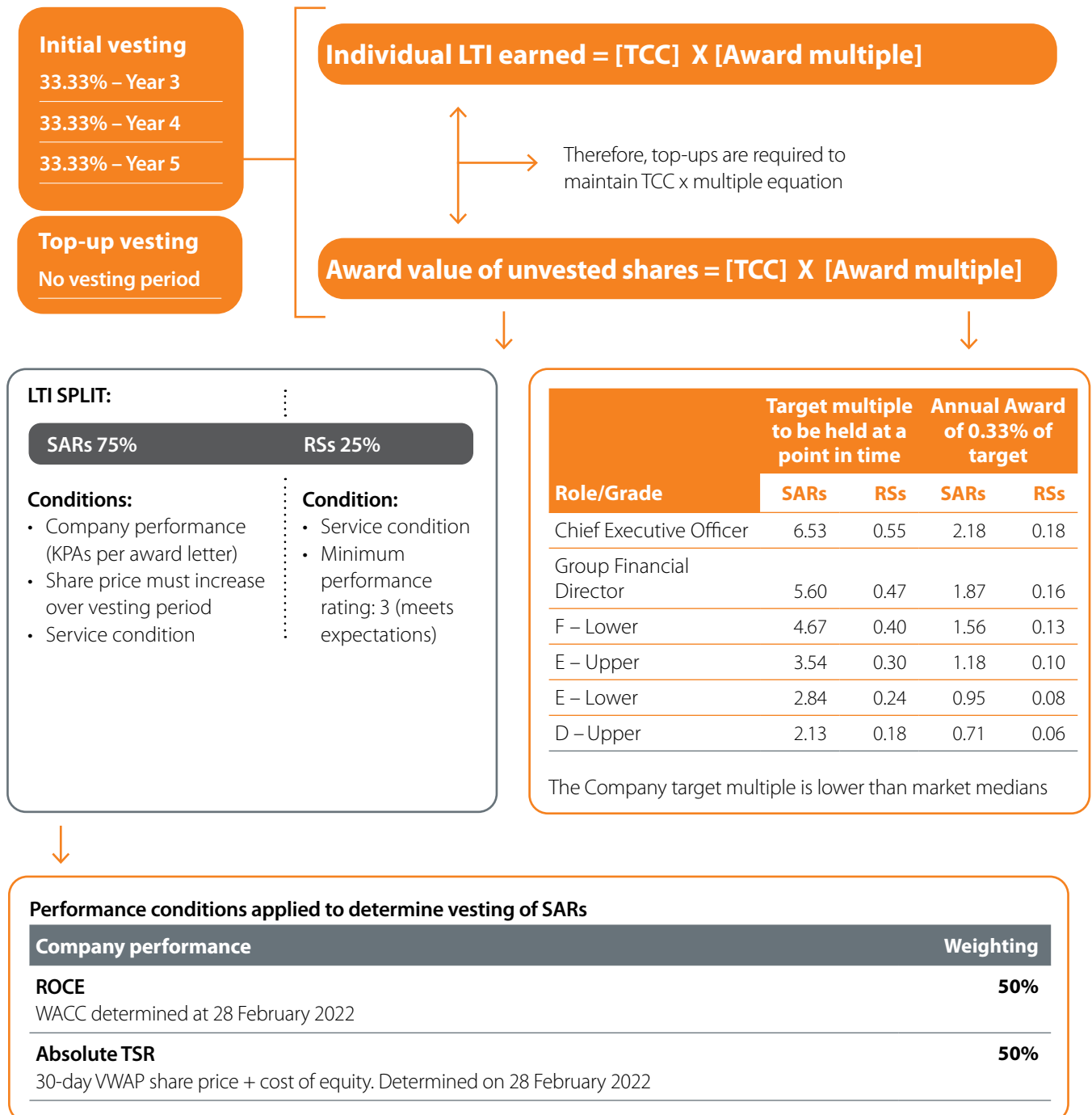
The table below indicates how line of sight is achieved between combined performance and the individual's level of STI earned, supporting the principle of rewarding exceptional performance.

Weight the score	% of target STI
< 100%	0
> 104%	125
> 108%	150
> 112%	175
> 116%	200
> 117%	200
	<b>(Capped)</b>

## CASTING INFORMED VOTES continued

**Remuneration policy (continued)****Long-term incentives****Objective**

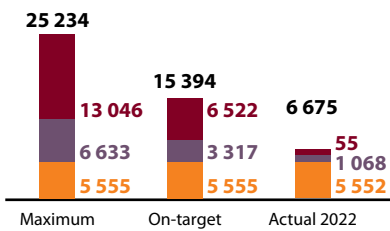
The LTI is designed to drive the longer-term strategic and sustainable focus of Famous Brands, ensuring alignment between the long-term interests of executives and shareholders. It serves as a wealth creation mechanism for executives and drives the creation of shareholder value when strategic performance drivers are met.

**Vesting structure and methodology**

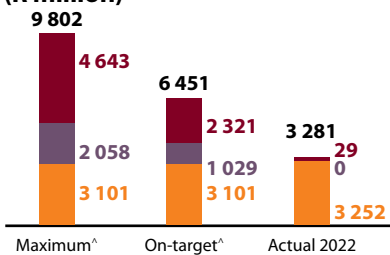
### Potential consequences of performance on Executive Remuneration

The following illustrative example shows the impact of performance on maximum and on-target remuneration, compared with actual remuneration. The Group Financial Director graphic is in relation to Ms Lebo Ntlha, who resigned as Group Financial Director and left Famous Brands' service on 30 November 2021. The values reflect her potential and actual earnings up until her resignation date. Further details are in the implementation report page 68.

#### Pay for performance: CEO (R million)



#### Pay for performance: GFD\* (R million)



- LTI
- STI
- Fixed remuneration (TCC)

^ Maximum LTI is depicted at the Famous Brands annual award quanta (One third of target holding multiple). LTI on target is depicted as 50% of the maximum. Maximum and on target have no COVID-19 modification.

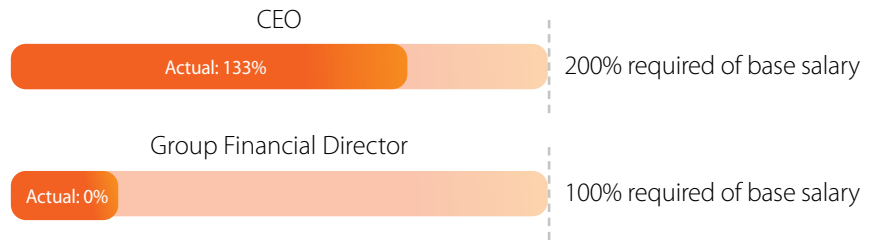
Actual 2022 values are earnings in the reporting period.

\* The previous Group Financial Director resigned on 30 November 2021. The new Group Financial Director commenced service on 1 August 2021, hence his compensation is not reported here. Compensation details are in the implementation report, on page 68.

### Ancillary policies – Executive management

#### Minimum shareholding requirements

Executive directors shall build and maintain a minimum holding of Famous Brands shares:



Executive directors may sell only up to 50% of their shares that vest until they have reached their minimum shareholding requirement.

#### Malus and clawback

Famous Brands have implemented malus and clawback provisions that enable adjustments to variable pay. The Board may act on the recommendation of the Committee to reduce/cancel/adjust unvested variable remuneration (malus), or to recover (clawback) vested/paid variable remuneration where there is reasonable evidence that an executive director of Famous Brands materially contributed to, or was materially responsible for, but not limited to:

- Personally acting fraudulently or dishonestly or in a manner that adversely affects the Company's reputation, or which is characterised as gross misconduct.
- Directing an employee, contractor or adviser to act fraudulently, dishonestly or to undertake other misconduct.
- Receiving an STI or LTI award because of fraud, dishonesty or a breach of obligation committed by another person.
- Receiving an STI or LTI award because of an intentional error in calculating a performance measure.

#### Service contracts

All members of the executive team, except the Group Financial Director, have permanent employment contracts that entitle them to standard Group benefits as defined by their specific region and participation in the Company's STI and LTI.

The Group Financial Director is on a two-year fixed-term contract.

The executive management team has a three-month notice period.

#### Recruitment Policy

When recruiting new executives, a comparative benchmarking exercise is done to determine the size, nature and complexity of the role and the skills availability in the market, prior to making a competitive offer.

For new appointments, the Committee may compensate for remuneration forfeited by the appointee (STI, LTI, or any other relevant and valid element). The intention is to not grant more than what the executive would have received from the Company in a 12-month period. The Committee does have the discretion to compensate higher values if it can be demonstrated through a fair-value valuation that the forfeited amounts exceed the grants. The Committee will compensate the forfeitures through a combination of equity and cash.

## CASTING INFORMED VOTES continued

**Remuneration policy (continued)****Termination Policy**

The executive management team typically does not have fixed-term contracts, and contracts are therefore open-ended. Exceptions include where prescribed retirement ages apply, or where specific circumstances justify the appointment on a fixed-term basis. Contracts do contain defined

termination notice periods.

The incentive scheme rules are clear on the termination provisions by termination category.

In the event of termination, the Company has the discretion to allow the executive to either work out their notice period or to pay the TCC for the stipulated notice period in lieu of notice.

Employment contracts do not oblige Famous Brands to pay special severance or compensation on termination of employment contracts arising out of failure or incapacity to perform, or underperformance against contracted objectives.

<b>Voluntary resignation</b>	<b>Dismissal/ termination for cause</b>	<b>Normal and early retirement, retrenchment and death</b>	<b>Mutual separation</b>
<b>Base salary</b>			
Paid over the notice period or as a lump sum.	Paid up to the date of dismissal (exit date).	Paid up to the date of retirement or death or for a defined period based on policy and legislation governing retrenchment conditions. Death benefits are paid to the spouse (if relevant).	Paid over the notice period or as a lump sum or per agreement to remain on payroll until agreed date.
<b>Retirement fund</b>			
Provident fund contributions for the notice period will be paid. The lump sum does not include provident fund contributions unless contractually agreed.	Contributions to provident fund will be paid until employment ceases.		Provident fund contributions for the notice period will be paid. The lump sum will exclude provident fund contributions and risk benefits.
<b>Medical provisions</b>			
Where applicable, medical provision for the notice period will be paid.	Medical provision/payment will be provided until employment ceases.	Medical provision/payment will be provided until employment ceases. Subject to the medical aid rules, the employee can become a direct paying member of the medical aid.	Medical provision for the notice period will be paid; the lump sum can include medical fund employee contributions if contractually agreed.
<b>Benefits</b>			
Applicable benefits may continue to be provided during the notice period but will not be paid on a lump-sum basis.	Benefits will fall away when employment ceases.	Benefits will fall away when employment ceases.	Applicable benefits may continue to be provided during the notice period.

<b>Voluntary resignation</b>	<b>Dismissal/ termination for cause</b>	<b>Normal and early retirement, retrenchment and death</b>	<b>Mutual separation</b>
<b>STI</b>			
No STI		No bonus, but Committee has the discretion to award pro-rata STI.	No bonus, but Committee has the discretion to award pro-rata STI.
<b>Sign-on or retention deferred bonuses</b>			
Lapse all deferred bonuses.		Pro-rata deferred bonuses based on the length of employment from the date of allocation.	Committee determines whether a pro-rata portion may be granted. Work-back clause may not apply.
Sign-on bonus work-back clause will apply – i.e. if not worked back in full, pro-rata repayment.			
<b>LTI</b>			
Unvested shares will lapse in their entirety.	Lapse of all unexercised and unvested shares; vested shares will be unaffected.	Pro-rata unvested LTIs are based on the length of employment from date of offer. Performance conditions are tested over the full performance period and vest on the normal vesting dates. (In case of death, test performance as per the latest results applies immediate vesting).	Committee determines whether a pro-rata portion may be granted (or the Board in the case of the executive directors). Performance conditions are tested over the full performance period and vest on the normal vesting dates.

### **Non-executive directors**

The Company's non-executive directors are paid based on their role. The policy is applied using the following principles:

- A Board fee is paid for the five Board meetings held each year, and the Committee members receive Committee fees for participation. The fees are split with a base fee of 20% and the remaining 80% paid based on meeting attendance. Each director's fee is paid quarterly in arrears.
- Fees are reviewed annually, and increases are implemented from June after approval by shareholders at the AGM. The level of fees is set using a benchmark comparable group derived from companies with similar size, complexity and geographic spread.
- The non-executive directors are not eligible to receive any short or long-term incentives.

The Committee approved the fees of non-executive directors as follows:

- A 4% increase for financial year 2021 and 2022.
- R2 500 per hour fee for consulting services.

The 2023 proposed fee increases are to be approved by shareholders during the next AGM are:

- Chairman of a Committee 4.5%.
- Member of a Committee 4.5%.
- Additional fee of R2 613 per hour for consulting services.

## CASTING INFORMED VOTES continued

**Remuneration report – implementation**

The Remuneration Committee confirms compliance with the Remuneration Policy and confirms that there were no deviations from policy.

The Implementation report provides a breakdown of both the executive director and non-executive director remuneration. The Committee assessed the prescribed officer definition with the definition of “executive management” per King IV and has determined that of the Executive Committee, only Darren Hele (CEO), Lebo Ntlha (outgoing Group Financial Director) and Deon Fredericks (incoming Group Financial Director) meet the definition.

**Directors’ remuneration and performance****CEO – Darren Hele****Darren Paul Hele (50)**

Chief Executive Officer

BCom

**STI outcome****Key performance area**

	<b>Target weighting %</b>	<b>Actual score %</b>
Business performance	<b>70</b>	<b>111</b>
Financial performance and operational plan performance	<b>60</b>	<b>72</b>
Market-share performance and customer measures	<b>20</b>	<b>17.2</b>
People performance	<b>10</b>	<b>11.4</b>
Transformation and ESG	<b>10</b>	<b>10.4</b>
Individual performance (Rating: 4)	<b>30</b>	<b>150</b>
Weighted score	<b>100</b>	<b>123</b>

**SARS**

The SARS for 2015 and 2017 were forfeited as the price was below the strike price.

The first tranche of the 2019 SARS vested in June 2022 but were below the strike price.

The expiry of the 2016 SARS was extended by five years to 2027.

**Retention shares**

The 2016 shares vested as the service condition and performance rating was met with 874 shares vesting.

**Share options**

80 000 share options were awarded in November 2014 in terms of the 2012 Share Option Scheme at a grant price of R101.20 and expire in November 2024.

**Total reward**

Awarded remuneration (R'000)	2022	2021
Salary	4 861	4 371
Medical aid	230	205
Retirement benefit	348	419
Other benefits	113	100
<b>Total fixed earnings**</b>	<b>5 552</b>	5 095
<b>STI</b>	<b>1 068*</b>	2 938 <sup>^</sup>
SARs	–	–
Retention shares	55 <sup>^^</sup>	1 258
<b>LTI</b>	<b>55</b>	1 258
<b>Total awarded remuneration</b>	<b>6 675</b>	9 291

\* Relates to 2021 performance.

\*\* There were extended periods of temporary salary reductions in FY2021 compared to FY2022. Apply caution when comparing the two periods.

<sup>^</sup> Relates to 2020 performance.

<sup>^^</sup> Value as per 5 November 2021 SENS announcement in respect of 874 vested shares.

**Individual scorecard****Key performance measures****Outcome**

Execute the Group's F22 one year action plan as signed off by the Board on all agreed deliverables and time plans	Met
Ensure delivery continues toward the Group's wider goals laid out in the approved three year (F22 – F24) plan	Exceeded
Ensure recovery in staff morale and remuneration risks arising from the after effects of "Project Genesis". NPS to move from 10.4 to 18.	Exceeded
All and any Exco changes to be transformative.	
• Finance and IT functions improvement in skill and depth of talent.	Exceeded
Meet Associate investment and operational targets.	Threshold
<b>Individual performance score</b>	<b>Rating: 4</b>

Unvested awards made to the CEO during prior years and FY2022:

Year awarded	Number of awards	Vesting structure	Expiry date	Fair value at 28 February 2022 (R'000)
2019 SAR	4 927	1/3rd June 2022;	June 2025	–
2019 RS	38 356	1/3rd June 2023; 1/3rd June 2024		2 775
2020 SAR	333 104	1/3rd June 2023;	July 2025	12 458
2020 RS	27 504	1/3rd June 2024; 1/3rd June 2025		1 990
2021 SAR*	205 530	1/3rd June 2024;	July 2026	3 227
2021 RS*	16 970	1/3rd June 2025; 1/3rd June 2026		1 228

\* LTI award made to Darren Hele in June 2021

## Remuneration report – implementation (continued)

### Group Financial Director – Lebo Ntlha



**Kelebogile (Lebo) Ntlha (38)**

Group Financial Director

CA(SA), MBA, PGDip Tax

Resigned effective 30 November 2021

#### Total reward

Awarded remuneration (R'000)	2022 <sup>^^</sup>	2021
Salary	3 044	2 601
Medical aid	43	55
Retirement benefit	165	76
Other benefits	–	–
<b>Total fixed earnings</b>	<b>3 252</b>	<b>2 732</b>
<b>STI</b>	<b>0*</b>	870 <sup>^</sup>
SARs	0	–
Retention shares	29 <sup>^^^</sup>	389
<b>LTI</b>	<b>29</b>	389
<b>Total awarded remuneration</b>	<b>3 281</b>	3 991

\* Relates to 2021 performance.

<sup>^</sup> Relates to 2020 performance.

<sup>^^</sup> The above values in respect of 2022 are actual up until her departure.

<sup>^^^</sup> Value as per 5 November 2021 SENS announcement in respect of 457 vested shares.

### Group Financial Director – Deon Fredericks



**Deon Jeftha Fredericks (61)**

Group Financial Director

BCompt (Hons), Business

Management (Hons), CA(SA), CIMA

Appointed 1 August 2021 as Group  
Financial Director – elect

#### Total reward

Awarded remuneration (R'000)	FY2022*
Salary	2 042
<b>TCC</b>	<b>2 042</b>
<b>STI</b>	–
SARs	–
Retention shares	–
<b>LTI</b>	–
<b>Total awarded remuneration</b>	<b>2 042</b>

\* The above values in respect of FY2022 reflect Deon Fredericks's remuneration from his effective appointment date 1 August 2021. Mr Fredericks was appointed on a fixed-term contract, hence no other fixed compensation elements apply.

There have been no termination payments to executives during the year.

During the period under review, in line with the policy, pro rata vesting of LTI grants were applied in respect of a participant.

### Non-executive directors' remuneration

	2022 R'000	2021 R'000
NJ Adami	632	567
SL Botha	1 009	911
CH Boule	853	585
DJ Fredericks (appointed as Group Financial Director 1 August 2021)	314	445
N Halamandaris	672	502
JL Halamandres	389	238
AK Maditse	652	507
TE Mashilwane (resigned 23 July 2021)	325	576
F Petersen-Cook (appointed 1 June 2021)	505	0
B Mathe (appointed 20 October 2021)	183	0
<b>Total</b>	<b>5 534</b>	4 331



# Voting process

## **Everything you need in order to vote** **Important notes to the AGM**

Terms and conditions for participation in the AGM via electronic communication

- Shareholders or their duly appointed proxy(ies) that wish to participate in the AGM via electronic communication (Participants), must apply to Computershare, by delivering the duly completed form to Rosebank Towers, First Floor, 15 Biermann Avenue, Rosebank 2196, or posting it to Private Bag x9000, Saxonwold, 2132 (at the risk of the Participant), or by email to proxy@computershare.co.za so as to be received by Computershare by no later than 14:00 on Wednesday, 20 July 2022 or by registering at www.smartagm.co.za
- The cost of electronic participation in the AGM is for the expense of the Participant and will be billed separately by the Participant's own service provider.
- The Participant acknowledges that the electronic communication services are provided by a third party and indemnifies Famous Brands Limited against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against the Company, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in it or from total or partial failure of the electronic services and connections linking the Participant via the electronic services to the AGM.
- The application to participate in the AGM electronically will only be deemed successful if this application form has been completed fully and signed by the Participant.
- The Company shall, by no later than Thursday, 21 July 2022, notify Participants that have delivered valid notices in the form of this form, by email of the relevant details through which Participants can participate electronically.

### **Application form**

**Full name of Participant:**

---

**ID number:**

---

**Email address:**

---

**Cell number:**

---

**Telephone number:**

**(Code):**

**(Number):**

**Name of CSDP or broker (if shares are held in dematerialised format) (attach a copy of letter of representation):**

---

**I wish to participate electronically:**

---

**Signature:**

---

**Date:**

---

VOTING PROCESS continued

## Virtual shareholders' guide

### THE LUMI PLATFORM

COMPATIBLE BROWSERS

WE WILL BE CONDUCTING A VIRTUAL AGM, GIVING YOU THE OPPORTUNITY TO ATTEND AND PARTICIPATE ONLINE, USING YOUR SMARTPHONE, TABLET OR COMPUTER.

You will be able to view a live webcast of the meeting, ask the Board questions and submit your votes in real time.

TO ACCESS THE PLATFORM, YOU WILL NEED TO VISIT <https://web.lumiagm.com> ON YOUR SMARTPHONE, TABLET OR COMPUTER.

The latest versions of **Chrome**, **Safari**, **Microsoft Edge** or **Firefox** is required. Please ensure your browser is **compatible**.

**MEETING NAME: Famous Brands Limited AGM 2022**

**MEETING ID: 107363539**

To login you must have a **Username and Password** which you can request/will receive from [smartagm-sa@lumiengage.com](mailto:smartagm-sa@lumiengage.com) after registering to attend the AGM via <https://smartagm.co.za>

You will be able to log into the site from **13:30 on 22 July 2022**.



### AGM ACCESS

COMPATIBLE BROWSERS

#### ACCESS

NEXT, YOU'LL BE PROMPTED TO ENTER THE MEETING ID.

To login as a Participant, select 'I am a Participant'. Note that depending on the type of meeting, this text might change.

You will then be required to enter your:

**Username and Password**

If you are a Guest, select 'I am a Guest'. As a Guest, you will be prompted to complete all the relevant fields including: **first name, last name** and **email address**.

**Note that, Guests are not able to ask questions or vote at the meeting.**



**AGM NAVIGATION**

COMPATIBLE BROWSERS

**NAVIGATION**

WHEN SUCCESSFULLY AUTHENTICATED, THE HOME SCREEN WILL BE DISPLAYED. YOU CAN VIEW COMPANY INFORMATION, ASK QUESTIONS, VIEW RELEVANT DOCUMENTS AND WATCH THE WEBCAST.

**Please note:** the broadcast screen will either appear on the right (for laptops and computers) or at the bottom of your screen (for tablets and mobile devices). Once the meeting starts, the broadcast will start automatically. If the broadcast does not appear automatically, ensure that your browser is compatible or seek assistance by contacting our support team.



**AGM VOTING**

COMPATIBLE BROWSERS

**THE AGM VOTING PROCESS**

ONCE THE POLL HAS OPENED, THE VOTING ICON WILL APPEAR ON THE NAVIGATION BAR AT THE TOP OF THE SCREEN. FROM HERE, RESOLUTIONS OR MOTIONS WILL BE DISPLAYED.

To vote, simply select your voting direction from the options shown on screen. A confirmation message will appear to show your vote has been received.

If you wish to change your vote, simply select an alternate choice while the voting is open or select cancel if you wish to cancel your vote.

Once opened, voting can be performed at anytime during the meeting until the Chairman closes the voting. At that point, your last choice will be submitted.

You will still be able to send messages and view the webcast whilst voting is open.



## VOTING PROCESS continued

## AGM QUESTIONS

COMPATIBLE BROWSERS

## ASK YOUR QUESTIONS

ANY PARTICIPANT OR APPOINTED PROXY (WHETHER A SHAREHOLDER, MEMBER OR HOMEOWNER) ATTENDING THE MEETING IS ELIGIBLE TO ASK QUESTIONS.

**Guests may not ask questions.**

To ask a question, select the messaging icon at the top of the screen.

Type your message within the chat box at the top of the messaging screen and then press send (the arrow key).



## AGM DOCUMENTS

COMPATIBLE BROWSERS

***Any documents pertaining to the meeting will be visible in the Documents tab of the platform. Click on this icon to view the documents.***



## Form of proxy

### FAMOUS BRANDS LIMITED

(Incorporated in the Republic of South Africa)  
 Registration number 1969/004875/06  
 JSE and A2X code: FBR  
 ISIN: ZAE000053328  
 (Famous Brands or the Company)

- For use at the Annual General Meeting (AGM) of Famous Brands Limited to be held via electronic participation, on Friday, 22 July 2022, at 14:00, or any adjourned or postponed date and time determined in accordance with sections 64(4) and 64(11)(a)(i) of the Companies Act, No 71 of 2008, as amended (Companies Act).
- This form of proxy is not to be used by beneficial owners of shares who have dematerialised their shares (dematerialised shares) through a Central Securities Depository Participant (CSDP) or broker, as the case may be, unless you are recorded on the sub-register as an own name dematerialised shareholder. Generally, you will not be an own name dematerialised shareholder unless you have specifically requested your CSDP to record you as the holder of the shares in your own name in the Company's sub-register.
- This form of proxy is only for use by certificated, own name dematerialised shareholders and CSDPs or brokers (or their nominees) registered in the Company's sub-register as the holder of dematerialised ordinary shares.
- Each shareholder entitled to attend/participate and vote at the AGM is entitled to appoint a proxy (who need not be a shareholder of the Company) to attend, participate in and speak and vote in place of that shareholder at the AGM, and at any adjournment thereafter.
- Please note the following – your rights as a shareholder at the AGM:
  - The appointment of the proxy is revocable; and
  - You may revoke the proxy appointment by (i) cancelling it in writing or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy and to the Company.
- Please note that any shareholder of the Company that is a company may authorise any person to act as its representative at the AGM. Please also note that section 63(1) of the Companies Act requires that persons wishing to participate in the AGM (including the aforementioned representative) provide satisfactory identification before they may so participate. The Company will regard presentation of a meeting participant's valid driving licence, identity document or passport to be satisfactory identification.
- Note that voting will be performed by way of a poll so each shareholder present or represented by way of proxy will be entitled to 1 (one) vote for every ordinary share held or represented.

I/We, the undersigned:

(Name in block letter)

Of (insert address)

being a holder of

shares in the issued share capital of the Company, entitled to vote

do hereby appoint:

or, failing him/her, the Chairman of the meeting, as my/our proxy to vote for me/us on my/our behalf at the AGM of shareholders of the Company to be held at 14:00 on Friday, 22 July 2022 and at any cancellation, postponement or adjournment thereof as follows:

*\*(Indicate instructions to proxy by insertion of an "X" or the relevant number of votes exercisable by the member on a poll in the space provided below – see note 17)*

PART B – ORDINARY RESOLUTIONS	Number of votes		
	*In favour of	*Against	*Abstain
Ordinary resolution number 1 – adoption of consolidated audited financial statements			
Ordinary resolution number 2 – re-appointment of external auditors			
Ordinary resolutions numbers 3.1 to 3.2: re-election of Directors			
3.1 To re-elect Mr CH Boulle as a director of the Company			
3.2 To re-elect Mr JL Halamandres as a director of the Company			
3.3 To re-elect Mr AK Maditse as a director of the Company			
Ordinary resolution number 4 – election of Director			
4.1 To elect Ms B Mathe as a director of the Company			
Ordinary resolution number 5 – election of members of the Audit and Risk Committee			
5.1 To elect Mr CH Boulle as a member of the Audit and Risk Committee			
5.2 To elect Mr N Adami as a member of the Audit and Risk Committee			
5.3 To elect Ms F Petersen-Cook as a member of the Audit and Risk Committee			
5.4 To elect Ms B Mathe as a member of the Audit and Risk Committee			
Ordinary resolution number 6 – general authority			
<b>NON-BINDING ADVISORY VOTES</b>			
Ordinary resolution number 7 – approval of the Remuneration Policy			
Ordinary resolution number 8 – approval of the Remuneration implementation report			
<b>PART C – SPECIAL RESOLUTIONS</b>			
Special resolution number 1 – approval of remuneration payable to non-executive directors and the Chairman			
1.1 Remuneration payable to non-executive directors			
1.2 Remuneration payable to the Chairman of the Board			
1.3 Remuneration payable to the Chairman of the Audit and Risk Committee			
1.4 Remuneration payable to the members of the Audit and Risk Committee			
1.5 Remuneration payable to the Chairman of the Remuneration Committee			
1.6 Remuneration payable to the members of the Remuneration Committee			
1.7 Remuneration payable to the Chairman of the Nomination Committee			
1.8 Remuneration payable to the members of the Nomination Committee			
1.9 Remuneration payable to the Chairman of the Social and Ethics Committee			
1.10 Remuneration payable to the members of the Social and Ethics Committee			
1.11 Remuneration payable to the Chairman of the Investment Committee be R40 000 per meeting."			
1.12 Remuneration payable to non-executive directors attending Investment Committee or unscheduled Committee meetings			
1.13 Remuneration payable to a non-executive director who sits as Chairman of a principal operating subsidiary			
1.14 Remuneration payable to a non-executive director who sits as a director on a partially owned subsidiary or associate company			
1.15 Remuneration payable to non-executive directors for ad-hoc or unscheduled special Board meetings be R61 426 per meeting.			
1.16 Remuneration payable to a non-executive director for any additional meetings and/or consulting services rendered			
Special resolution number 2 – general authority to repurchase shares			
Special resolution number 3 – financial assistance to related and inter-related companies			

and generally, to act as my/our proxy at the AGM. (If no directions are given, the proxy holder will be entitled to vote or to abstain from voting as that proxy holder deems fit).

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2022

Signature \_\_\_\_\_ assisted by me (where applicable)

(state capacity and full name)

Each member is entitled to appoint 1 (one) or more proxy/ies (who need not be a member of the Company) to attend, speak and vote in place of that member at the AGM.

**Please read the notes on the reverse hereof.**

## Notes to form of proxy

(Including a summary of rights in terms of Section 58 of The Companies Act)

- Each shareholder may participate in the AGM via electronic format.
- At any time, a shareholder of a company may appoint any individual as a proxy to participate in, and speak and vote at, the AGM on behalf of the shareholder.
- An individual appointed as a proxy need not also be a shareholder of the Company.
- The proxy appointment must be in writing, dated and signed by the shareholder.
- Forms of proxy must be forwarded to reach the Company's transfer secretaries, Computershare Investor Services Pty Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posted to the transfer secretaries at Private Bag X9000, Saxonwold, 2132, South Africa (transfer secretaries), or sent by email to proxy@computershare.co.za so as to be received by them by no later than 14:00 on Wednesday, 20 July 2022, provided that proxies which are not delivered timeously to the transfer secretaries, may be sent to the Chairman of the AGM, care of the transfer secretaries at proxy@computershare.co.za at any time before the proxy exercises any rights of the shareholder at the AGM.
- The appointment of one or more proxies in accordance with the form of proxy to which these notes are attached will lapse and cease to be of force and effect immediately after the AGM of the Company to be held via electronic format on Friday, 22 July 2022, at 14:00, or at any adjournment/(s) thereof, unless it is revoked earlier in accordance with paragraphs 7 and 8 below.
- A shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy/(ies) and to the Company at the registered office, for attention of the Company Secretary, to be received before the replacement proxy exercises any rights of the shareholder at the AGM or any adjournment/(s) thereof.
- The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy/(ies)' authority to act on behalf of the shareholder as of the later of: (i) the date stated in the revocation instrument, if any; or (ii) the date on which the revocation instrument was delivered as required in paragraph 7(ii).
- A shareholder can appoint one or more proxy/ies for the purposes of representing that shareholder at the AGM of the Company and at any adjournment/(s) thereof by completing and signing the form of proxy to which these notes are attached in accordance with the instructions it contains and returning it to the transfer secretaries, so as to be received by them by no later than 14:00 on Wednesday, 20 July and may be sent to the Chairman of the AGM, care of the transfer secretaries at proxy@computershare.co.za at any time before the proxy exercises any rights of the shareholder at a shareholders' meeting.
- If the instrument appointing a proxy or proxies has been delivered to the Company in accordance with the provisions of paragraph 9, then, until that appointment lapses in accordance with the provisions of paragraph 6, any notice that is required in terms of the Companies Act, as amended from time to time or the Company's Memorandum of Incorporation to be delivered by the Company to the shareholder must be delivered by the Company to:
  - the shareholder;
  - the proxy or proxies, if the shareholder has: (i) directed the Company to do so, in writing; and (ii) paid any reasonable fee charged by the Company for doing so.
- Section 63(1) of the Companies Act requires that meeting participants provide reasonably satisfactory identification. The Company will regard presentation of a meeting participant's valid driving licence, identity document or passport to be satisfactory identification.
- Documentary evidence establishing the authority of a person who participates in, or speaks or votes at the AGM on behalf of a shareholder in a representative capacity, or who signs the form of proxy in a representative capacity, (for example, a certified copy of a duly passed directors' resolution in the case of a shareholder which is a company, a certified copy of a duly passed members' resolution in the case of a shareholder which is a close corporation and a certified copy of a duly passed trustees' resolution in the case of a shareholder who/which is/are a trust) must be presented to the person presiding at the AGM or attached to the form of proxy (as the case may be), and shall thereafter be retained by the Company.
- It is recorded that, in accordance with section 63(6) of the Companies Act, if voting on a particular matter is by polling, a shareholder or a proxy for a shareholder has the number of votes determined in accordance with the voting rights associated with the securities held by that shareholder.
- Any insertions, deletions, alteration or correction made to the form of proxy must be initialled by the signatory/(ies). Any insertion, deletion, alteration or correction made to the form of proxy but not complying with the foregoing will be deemed not to have been validly effected.
- A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.
- The person whose name stands first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow. If no names are indicated, the proxy shall be exercised by the Chairman of the AGM.
- A shareholder's instructions to the proxy must be indicated by the insertion of an "X" or the relevant number of votes exercisable by that shareholder in the appropriate box provided. An "X" in the appropriate box indicates the maximum number of votes exercisable by that shareholder. Failure to comply with the above or to provide any voting instructions will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he/she/it deems fit in his/her/its discretion.
- When there are joint holders of shares, any one holder may sign the form of proxy, and the vote of the senior shareholder (for which purpose seniority will be determined by the order in which the names of the shareholders appear in the Company's register) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholders.
- The completion and lodging of this form of proxy will not preclude the shareholder who appoints one or more proxy/(ies) from participating in the meeting and speaking and voting in person thereat to the exclusion of any proxy/(ies) appointed in terms of the form of proxy should such shareholder wish to do so. The appointment of any proxy/(ies) is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder.

# Administration

## ***Famous Brands Limited***

Incorporated in the Republic of South Africa

Registration number: 1969/004875/06

JSE share code: FBR

ISIN code: ZAE000053328

A2X share code: FBR

ISIN code: ZAE000053328

## ***Directors***

NJ Adami, SL Botha (Independent Chairman), CH Boule, N Halamandaris, JL Halamandres, DP Hele (Chief Executive Officer)\*, AK Maditse, F Petersen-Cook, B Mathe and DJ Fredericks (Group Financial Director)\*.

\* *Executive*

## ***Company secretary***

C Appollis

## ***Registered office***

478 James Crescent, Halfway House, Midrand, 1685

PO Box 2884, Halfway House, 1685

Telephone: +27 11 315 3000

Email: [investorrelations@famousbrands.co.za](mailto:investorrelations@famousbrands.co.za)

Website address: [www.famousbrands.co.za](http://www.famousbrands.co.za)

## ***Transfer secretaries***

Computershare Investor Services Proprietary Limited

Registration number: 2004/003647/07

Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa

Private Bag X9000, Saxonwold, 2132

## ***Sponsor***

The Standard Bank of South Africa Limited

Registration number: 1969/017128/06


30 Baker Street, Rosebank, 2196

## ***Auditors***

KPMG Inc

Registration number: 1999/021543/21

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