
PEMBURY LIFESTYLE GROUP LIMITED

Incorporated in the Republic of South Africa

(Registration number 2013/205899/06)

Share code: PEM ISIN: ZAE000222949

(“Pembury” or “the Company”)

CHANGES TO THE BOARD OF DIRECTORS – BOARD RESTRUCTURE

Shareholders are advised that a further amended demand was received by the Company on 3 August 2021 from:

- Mr A McLachlan (being the controlling shareholder of Pembury and former Chief Executive Officer);
- Mr LM Brits (former director);
- Mr C Hechter (former director);
- Dr B Eigenhuis; and
- Kopf Electronics,

collectively referred to hereafter as “**Proposers**” for the proposed removal of three independent non-executive directors (Ms M Krastanov, Ms M Mthembu and Ms N Mtungwa) and an executive director (Mr S Nielson) from the board of directors of Pembury (“**Board**”).

In the interests of the Company and to save the costs of calling a general meeting, these directors agreed to step down from the Board. Ms N Mtungwa has, as set out in the SENS announcement dated 3 August 2021, already resigned from the Board. In addition, Mr B Sibiya, a non-executive director, and Mr G Nxiweni, an independent non-executive director, also elected to tender their resignations with effect from 25 August 2021 as a result of an increased risk of board instability as well as following the rejection of an offer made to Mr A McLachlan, as negotiated during June and July 2021, to acquire certain of his shares ahead of a plan for BMFI, the second largest shareholder, to consider the injection of further funding into Pembury. As part of these negotiations, BMFI required that Mr A McLachlan did not call a general meeting again to change the Board.

Accordingly, the current Board agreed to rather conduct a sensible restructure of the Board and to consider the four board nominations originally submitted by the Proposers, one of which was withdrawn and replaced by another nomination.

In considering Board nominations, the Company was also required to consider nomination from Verityhurst Proprietary Limited (“**Verityhurst**”), which subscription agreement and loan funding provided the right to nominate two directors to the Board. Three nominations were received from Verityhurst, of which two were approved.

In addition, the Board noted that with the imminent resignations of existing Board members, the nominees did not include a Chartered Accountant, which is deemed necessary for the Audit and Risk Committee. Accordingly, a Chartered Accountant, who has already had listed company experience and has attended the Directors’ Induction Program of the JSE Limited (“**JSE**”) was approached.

In considering the various nominations, the Board had to consider its diversity policy, the needs of the Company and the composition of the various committees in line with the Companies Act (Act.

71 of 2008) as amended, the King Code of Corporate Governance and the JSE Listings Requirements.

The outgoing Board has accordingly approved the appointment of five new non-executive directors, which the outgoing Board fully believes will address most of the requirements. The new Board members have diverse skills and experience and the outgoing Board believes that the majority of the new appointments will be considered independent, despite some of the directors being nominated by stakeholders.

The Financial Director will remain on the Board.

Accordingly, in compliance with paragraph 3.59 of the JSE Listings Requirements, shareholders are hereby notified of the following changes to the Board.

Resignations

The following directors have resigned as directors of the Company with effect from 25 August 2021:

- Mr Bhekokuhle Sibiya, as a non-executive director;
- Mr Sheldon Nielson, as an executive director, although he will remain employed by Pembury;
- Ms Mumsy Mthembu, as an independent non-executive director; and
- Mr Gugu Nxiweni, as an independent non-executive director and Chairperson of the Audit and Risk Committee.

Ms Michelle Krastanov, an independent non-executive director and the chairperson of the Board, will facilitate a meeting of the newly restructured Board, which is expected to take place within the next 10 days, following which she will resign from the Board. The date of her resignation will be announced in due course.

The Board would like to sincerely thank the outgoing directors for their service to the Board and the Company, and in particular the non-executive directors who spent many days and evenings working on the turnaround of the Company, improving the internal controls and reporting, visiting the schools, meeting with landlords and creditors, with a high level of commitment and passion far beyond what is normally expected of a non-executive director. We wish them all the best in their future endeavours.

Appointments

The following directors have been nominated by the Proposers and appointed as independent non-executive directors of the Company with effect from 25 August 2021:

- **Mr Bernhard Eigenhuis (Bernhard)**

Bernhard, a chartered chemical engineer, is currently the director of Safety, Operational Risk and Health, Safety, Security & Environment (“**HSSE**”) at BP Fuels SA. He has chaired and presented as guest speaker at the Oil in Gas Conference on PSM in Aberdeen, Scotland, as well as at the University of Johannesburg and Cape Town and at various Chemical and Allied Industry workshops.

Bernhard holds a Masters in Business Administration (“**MBA**”) from the University of Southern Queensland, Australia, a Masters in Environmental Management (*cum laude*), a Masters of Engineering and two Doctoral degrees.

In addition, Bernhard currently fulfills the roles of Safety and Integrity Committee Member / Adviser to the SAPREF Refinery in Durban, Chairperson of the HSSE Workstream at the SA Petroleum Industry Association and Alternate Director on the board of ECM Markets SA Proprietary Limited.

Bernhard will need to attend the JSE Directors' Induction Program. His experience was considered appropriate, particularly around Health and Safety, a key requirement of the schools.

- **Mr Lourens Brits (Lou)**

Lou, who has a B.A. degree from the University of South Africa ("UNISA"), has vast experience in project management, property development and the administration of low-cost and affordable housing. He served as the Managing Director of the Elite Group Proprietary Limited for several years, after which he joined Solum Property Development, a property development company.

Lou previously served as the independent Chairman of Pembury, prior to resigning in 2019, and has already attended the JSE Directors' Induction Program. His reappointment to the Board was considered value-additive due to his existing knowledge of Pembury from the time of its listing and his property knowledge.

The following directors have been nominated by Verityhurst and appointed as independent non-executive directors of the Company with effect from 25 August 2021:

- **Professor Mazwe Majola (Prof Majola)**

Prof Majola is the associate professor of Leadership and Management at South Valley University. In addition to having completed the Executive Development Program at Manchester University, he holds several degrees, including a Master of Business Administration from Preston University, a Master of Philosophy from the University of Pretoria, a Master of Commerce from the University of KwaZulu-Natal, and a Doctor of Philosophy from Newburgh Seminary.

Prof Majola has over 30 years of leadership and management experience. He is the Founder and Executive Chairman of the Worldwide Institute of Leadership and Development, the Founder and Chief Executive Officer of Umnotho Wamazwe Consulting Proprietary Limited, a 100% black owned company with a Level 1 Black Economic Empowerment Status and was the Executive Director for Transformation policy at BUSA.

Prof Majola has an extensive consultation and facilitation experience. He is currently lecturing modules on Strategic Leadership at the Henley Business School. He was also involved with the University of Pretoria and the Gordon Institute of Business Science (GIBS), facilitating or lecturing Leadership, Management, and Strategy. He has also lectured a Strategy module for the University of Witwatersrand's MAP program. He has been involved with the University of Pretoria's RMDP and RLDP programs for the last 7 years, lecturing a Leadership module for middle and senior managers.

He has been involved with UNISA's executive coaching program for the past 8 years where he has coached a number of executives, managers and academics. He is also one of UNISA's external markers for their Masters and PhD students.

Prof Majola is a recognised and seasoned analyst and public commentator on politics and socio-economic issues including leadership, transformation, ethics and governance. He has appeared on numerous occasions on the national and local radio stations and also TV channels such as ENCA and SABC, analysing and discussing leadership issues in politics, government and business.

Due to his extensive experience in the field of education, coaching, transformation and his leadership positions, Prof Majola is considered to be an asset to the Board as previously no “educationalist” was represented on the Board. Prof. Majola will need to attend the JSE Directors’ Induction Program.

- **Ms Precious Gondwe (Precious)**

With a Bachelor of Law degree from the University of South Africa, Precious is a Pan-African corporate lawyer and Founding Partner of Precious & Partners, based in the Republic of Botswana (Botswana). She is an admitted Attorney, Notary Public & Conveyancer in Botswana and a member of the Law Society of Botswana. She is also registered with the Solicitor Regulator Authority (SRA) as a foreign lawyer, propelling her to her admission as a solicitor in the UK & Wales. Precious is also an Arbitrator with the Association of Arbitrators in Southern Africa.

She was named as part of the Top 30 Most Influential Female Lawyers in Africa. Precious’ skills have been recognised by Courtroom Mail Africa, Africa Legal UK, and Southern African Women Leaders as an aspiring top corporate female lawyer and entrepreneur.

Precious is currently studying a Masters in Corporate Law at UNISA and, aside from retaining a degree of female diversity on the Board, brings a wealth of legal experience ranging from litigation to conveyancing and corporate law. Precious will need to attend the JSE Directors’ Induction Program.

- **Mr Boy Ngubo (Manqoba)**

Manqoba, who holds a Bachelor of Accounting Science degree from the University of the Free State, obtained a MBA from Oxford Business School (United Kingdom), a Post Graduate Diploma in Management and Leadership from Chartered Management Institute (United Kingdom) and a Master of Science degree in Global Energy, Climate Change Policy and Mineral Law from the University of London.

He is currently pursuing his Doctor of Commerce degree at the University of Zululand. Manqoba is the founder and director of Cresita Energy Proprietary Limited.

Mr Ngubo is currently the Acting Chief Executive Officer of the Joburg Market SOC Limited, whilst concurrently serving on the following Boards: Umgeni Water Board SOC Limited, PSV Holdings Limited and Nutritional Holdings Limited. Mr Ngubo is also currently a lecturer in DaVinci Institute of High Learning, where he focuses on New Venture Creation Module.

Board Subcommittees

Following the Board Restructure, the Board Committees will also be reconstituted in compliance with applicable regulatory requirements and the composition thereof will be announced on SENS in due course.

Johannesburg
26 August 2021

Designated Adviser

Merchantec Capital