

EQUITY GROUP EMPLOYEE SHARE OWNERSHIP PLAN AGM FAQ'S

1. What is the Equity Group Employee Share Ownership Plan?

The Equity Group Employee Share Ownership Plan (Equity Group ESOP) is a share-based long term incentive scheme that will be added to Equity Group's existing reward mix of guaranteed pay plus cash-based short-term incentives (annual performance bonus) for qualifying employees. It will enable qualifying employees of the Group to participate in the shared prosperity philosophy of the Group, act like owners and make long-term value creating decisions every day.

2. Which employees of Equity Group would be entitled to join the Equity Group ESOP?

The Equity Group ESOP applies to all the subsidiaries of Equity Group Holdings Plc (the Company) and will also apply to any participate in the Equity Group ESOP.

3. Who is a qualifying employee?

A qualifying employee is any permanent employee of Equity Group who has completed at least 1 year of continuous service and has met their individual performance targets in accordance with the Group's performance management process.

4. Will a qualifying employee be granted shares upon meeting the eligibility criteria?

A qualifying employee will be granted options that will entitle the qualifying employee to a conditional right to purchase units in the Equity Group ESOP at a significantly discounted exercise price per unit. On the establishment of the Equity Group ESOP, the price of a unit shall be equal to the current nominal value of the Company's shares which is Kenya Shillings fifty cents (KES 0.50). (Option Exercise Price)

5. How often will the grants be made?

Annually, where the Board reviews and confirms the agreed parameters which will be based on the employee and the business performance of the previous year, are met.

6. What is the vesting period for the options granted?

3 years after the grant of the option.

7. Will all the options vest on expiry of the vesting period?

The percentage of options that vest will depend on the employee meeting the prescribed vesting conditions, performance conditions and service conditions. If all the conditions are met, all the options granted will vest in year 3. If some of the conditions are not met, a portion of the options can be cancelled.

8. Can options awarded be forfeited? If so, under what circumstances would the options be forfeited?

Options can be forfeited. Options that are unvested at the time of termination of employment will be forfeited except in certain circumstances where the termination of employment is involuntary in nature (e.g. as a result of retirement, redundancy, ill-health or on death)

9. Is there a limit on the number of units that may be issued to a qualifying employee?

The maximum number of units that can be issued to a qualifying employee shall not exceed 10% of the units issued by the Equity Group ESOP from time to time.

10. Following issuance of units, at what point would an employee be entitled to redeem the units for shares in the Company?

Qualifying employees that hold units in the Equity Group ESOP shall be entitled to either

(i) encash their units and receive cash; or

(ii) have such number of shares as shall equal the number of units held transferred to them 2 years after issuance of the units, however, this subject to and in accordance with the rules of the Equity Group ESOP.

11. How will the cash amounts to be paid to employees on redemption of units be funded?

The Equity Group ESOP will fund the cash settlement value to be paid to qualifying employees that hold units who choose to redeem their units for cash through a sale of the equivalent number of shares on the primary securities market on which the shares of the Company are traded.

12. Will participants in the Equity Group ESOP be entitled to receive dividends?

Qualifying employees who hold units in the Equity Group ESOP will be entitled to receive dividends in respect of the shares represented by the units that the qualifying employees hold in the Equity Group ESOP.

13. How will the subscription consideration for issuance of shares to the Trust be funded?

The Company will issue shares to the Equity Group ESOP from time to time following receipt of a cash subscription price of Kenya Shillings fifty cents (KES 0.50) per new share, that is to be funded by qualifying employees on exercise of vested options. Such issuance shall be undertaken after the expiry of the vesting period and following exercise of the vested options by qualifying employees.

14. What is the impact of the establishment of the Equity Group ESOP on my shareholding?

The establishment of the Equity Group ESOP will result in a dilution of your percentage stake in the Company. This effective dilution will occur only as and when the directors of the Company issue new shares to the Equity Group ESOP over a 6 year period beginning, at the earliest, in 2028 and up to a maximum of 5% of the current share capital of the Company. However, the objective of establishing the Equity Group ESOP is to help attract, retain and motivate high calibre employees that, in turn, the Group Board expects will lead to enhanced incremental earnings that exceed the incremental expenses recognized that could lead to improved return on investment for the current shareholders of the Company.

15. What are the next steps after approvals by the Shareholders?

The establishment and implementation of the Equity Group ESOP is subject to the approval of the Capital Markets Authority. In this regard, the approval of the trust deed and rules of the Equity Group ESOP will be sought from the Capital Markets Authority, following approval by the Shareholders.