

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the one hundred and twenty sixth (126th) annual general meeting of shareholders of the Company will be held at the Corporate Office, Amanzimnyama Hill Road, Tongaat, KwaZulu-Natal on Wednesday 8 August 2018 at 09h00, to among other matters, consider and if deemed fit, to pass (with or without modification) the ordinary and special resolutions set out below.

The record date on which shareholders must be registered in the Company's securities register in order to attend, participate and vote at the annual general meeting is Friday, 3 August 2018. The last day to trade in order to attend, participate and vote at the annual general meeting is Tuesday, 31 July 2018.

## Order of business

1. To receive and consider the annual financial statements of the Company for the year ended 31 March 2018, such annual financial statements having been approved by the Board as required by Section 30(3)(c) of the Companies Act 2008 ("the Act"), including the reports of the directors, the Risk, SHE, Social and Ethics Committee, the Audit and Compliance Committee and the auditors, which are presented to the shareholders in the integrated annual report. The 2018 Integrated Annual Report is available on the Company's website, [www.tongaat.com](http://www.tongaat.com).
2. As required by section 90(1) of the Act, and as recommended by the Audit and Compliance Committee, to re-appoint Deloitte & Touche as external auditors for the 2018/2019 financial year (with Mr G Kruger as individual designated auditor).
3. To re-elect each of MH Munro, TA Salomão and CB Sibisi, who retire by rotation in terms of article 61 of the memorandum of incorporation. Further, the memorandum of incorporation states that a director who has reached the mandatory retirement age of 70 is required to retire at the AGM and may be re-elected by shareholders for a specific term as determined by shareholders in a specific ordinary resolution. This applies to the Chairman of the Remuneration Committee, SG Pretorius, who turned 70 in 2018, and whose services, experience, knowledge, skills and wisdom the Company wishes to retain for a further period of up to two years. The directors are eligible and offer themselves for re-election. Motions for re-election will be moved individually. The Nomination Committee has assessed each of the retiring directors and the Board unanimously recommends their re-election. Details of each of these retiring directors are set out on pages 64 to 65 of the integrated annual report.
4. As required by section 94(2) of the Act, to elect the Audit and Compliance committee comprising of the following independent non-executive directors: J John (Chairman), SM Beesley, F Jakoet and RP Kupara. Motions for re-election will be moved individually. Details of each of these proposed committee members are set out on pages 64 to 65 of the integrated annual report.
5. To consider and, if deemed fit, to pass, with or without modification, the following resolutions:

## SPECIAL RESOLUTIONS:

To adopt special resolutions, each resolution must be supported by at least 75% of the total number of votes which the shareholders or their proxies exercise at the meeting.

## ORDINARY RESOLUTIONS:

Unless otherwise provided, to adopt ordinary resolutions, each resolution must be supported by more than 50 percent of the total number of votes which the shareholders or their proxies exercise at the meeting.

## Special Resolution Number 1

### GENERAL AUTHORITY TO PURCHASE SHARES IN THE COMPANY

"Resolved as a special resolution that the Company hereby approves, as a general approval contemplated in the JSE Listings Requirements, the acquisition by:

- a. the Company of shares or other securities (collectively, "securities") issued by it on such terms and conditions and in such amounts as the directors of the Company may deem fit; and
- b. any subsidiary of the Company of securities issued by the Company on such terms and conditions and in such amounts as the directors of any such subsidiary may deem fit;

provided that:

1. the aggregate number of ordinary shares acquired by the Company and its subsidiaries in any one financial year shall not exceed five percent of the ordinary shares in issue at the date on which this resolution is passed;
2. such general approval:
  - 2.1 shall be valid only until the next annual general meeting of the Company or the expiry of a period of 15 months from the date of adoption of this resolution, whichever occurs first, or until varied or revoked prior thereto by special resolution at any shareholders' meeting of the Company; and
  - 2.2 is subject to compliance with the requirements of sections 46 and 48 of the Companies Act 2008;
3. such acquisitions may not be made at a price greater than ten percent above the weighted average of the market value for the securities on the JSE for the five business days immediately preceding the date on which the transaction for the acquisition is effected. The JSE will be consulted for a ruling if the Company's securities have not traded in such five business day period;
4. the acquisitions be effected through the order book operated by the JSE trading system, without any prior understanding or arrangement between the Company and the counterparty;
5. the Company appoints, at any point in time, only one agent to effect any acquisition/s on the Company's behalf;
6. acquisitions will not be undertaken by the Company or its subsidiaries during a prohibited period, as defined by the JSE Listings Requirements, unless it has in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed and have been submitted to the JSE in writing prior to the commencement of the prohibited period;
7. when the Company and/or its subsidiaries have cumulatively repurchased three percent of the initial number (the number of that class of securities in issue at the time that this general approval is granted) of the relevant class of securities, and for each three percent in aggregate of the initial number of that class acquired thereafter, an announcement must be made giving the details required in terms of the JSE Listings Requirements, in respect of such acquisitions;

8. before entering the market to effect the general repurchase, the directors, having considered the effects of the repurchase of the maximum number of securities in terms of the foregoing general authority, will
  - 8.1 authorise the general repurchase;
  - 8.2 resolve that the Company has passed the solvency and liquidity test described in section 4 of the Act; and
9. this authority will be used if the directors consider that it is in the best interests of the Company and shareholders to effect any such acquisitions having regard to prevailing circumstances and the cash resources of the Company at the relevant time."

The general information regarding the Company, referred to in paragraph 11.26(b) of the JSE Listings Requirements, is contained in the integrated annual report on the page references as follows:



- a. major shareholders: page 142;
- b. directors' responsibility statement: page 97; and
- c. share capital: page 121.

There have been no material changes to this information since 31 March 2018. The Company is not a party to any material litigation nor is it aware of any pending material litigation to which it may become a party.

The directors collectively and individually accept full responsibility for the accuracy of the information given in the integrated annual report and certify that to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the above special resolution number 1 contains all the required information.

#### Reason and Effect:

In terms of the JSE Listings Requirements, a company may only make a general repurchase of securities if approved by shareholders in terms of a special resolution. The reason for special resolution number 1 is to provide a general authority for the Company and its subsidiaries to acquire securities issued by the Company in accordance with the provisions of the Act and the JSE Listings Requirements. If special resolution number 1 is passed, it will have the effect of authorising the Company or any of its subsidiaries to acquire any of the securities issued by the Company, which authority will last until the earlier of the next annual general meeting of the Company or the expiry of a period of 15 months from the date of adoption of this special resolution number 1.

#### Ordinary Resolution Number 1

"Resolved as an ordinary resolution that the directors be and are hereby authorised and empowered to do all such things and sign all such documents and procure the doing of all such things and the signature of all such documents as may be necessary or incidental to give effect to the adopted resolutions proposed at this general meeting."

#### Ordinary Resolution Number 2

"Resolved as an ordinary resolution that the unissued shares in the capital of the Company be and are hereby placed under the control of the directors of the Company who are hereby authorised to allot and issue such shares at their discretion, including for scrip dividend distribution or capital funding optimisation if appropriate, upon such terms and conditions as they may determine, subject to the proviso that the aggregate number of shares to be allotted and issued in terms of this resolution shall be limited to five percent representing 6 755 625 of the number of the Company's shares in issue at 8 August 2018 and subject to the provisions of the Companies Act and the JSE Listings Requirements."

#### Ordinary Resolution Number 3

"Resolved as an ordinary resolution that subject to the passing of ordinary resolution number 2 and the approval of a 75 percent majority of the votes cast by shareholders present in person or represented by proxy at the annual general meeting at which this resolution is proposed, and the JSE Listings Requirements, the directors of the Company be and are hereby authorised and empowered to allot and issue for cash, without restriction, all or any of the unissued shares in the capital of the Company placed under their control in terms of ordinary resolution number 2 as they in their discretion may deem fit (including for the reasons explained in ordinary resolution number 2), provided that:

- a. any such issue shall be to "public shareholders" as defined in the JSE Listings Requirements and not to "related parties";
- b. this authority shall not extend beyond 15 months from the date of this annual general meeting;
- c. a paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue representing, on a cumulative basis within one financial year, five percent or more of the number of ordinary shares of the Company's ordinary share capital in issue prior to such issues provided further that such issues shall not in any one financial year exceed five percent representing 6 755 625 shares of the Company's issued ordinary share capital; and
- d. in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted shall be ten percent of the weighted average traded price of the shares in question over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors. The JSE will be consulted for a ruling if the Company's securities have not traded in such 30 business day period."

#### Special Resolution Number 2

##### APPROVAL OF NON-EXECUTIVE DIRECTORS' FEES

"Resolved as a special resolution that the remuneration, as set out in the table below, to be paid to directors for their service as directors of the Company for the ensuing year, as recommended by the Remuneration Committee and the Board, subject to approval by the shareholders at the annual general meeting, be and is hereby approved."

#### Reason and Effect:

Special resolution number 2 is proposed to comply with the provisions of sections 66(8) and (9) of the Act which provide that the company may pay remuneration to its directors for their service as directors by special resolution.

If special resolution number 2 is passed, the Company will be authorised to pay its directors the remuneration specified in the table on the following page.

#### Non-binding advisory vote on remuneration policy

"Resolved to endorse, through a non-binding advisory vote, the Company's remuneration policy as set out in the Remuneration report contained on pages 76 to 82 of this integrated annual report."



#### Non-binding advisory vote on the Implementation Report

"Resolved to endorse, through a non-binding advisory vote, the Company's implementation report as set out in the Remuneration report contained on pages 83 to 92 of this integrated annual report".



**Proposed Directors' Fees from 8 August 2018 to 2019 AGM**

Type of fee	Existing annual fees		Proposed annual fees from August 2018 AGM to 2019 AGM	
	Annual fixed/retainer fee	Attendance fee per meeting	Annual fixed/retainer fee	Attendance fee per meeting
Tongaat Hulett Board:				
Chairman	830 469	110 728	880 297	117 372
Non-Executive Directors	235 146	31 352	249 255	33 234
Audit and Compliance Committee:				
Chairman	230 867	51 304	244 719	54 382
Non-Executive Directors	115 445	25 648	122 372	27 187
Remuneration Committee:				
Chairman	184 198	40 913	195 250	43 368
Non-Executive Directors	92 092	20 456	97 618	21 684
Risk, SHE, Social and Ethics Committee:				
Chairman	184 198	40 913	195 250	43 368
Non-Executive Directors	92 092	20 456	97 618	21 684

Any special committee meeting, if required, would earn the same fees as the Remuneration Committee or Risk, SHE, Social and Ethics Committee.

#### 6. Other Matters.

To transact such other business as may be transacted at an annual general meeting.

#### Voting

Any shareholder who holds certificated ordinary shares in the Company or who holds dematerialised ordinary shares in the Company through a Central Securities Depository Participant (CSDP) and who has selected "own name" registration, may attend, speak and vote at the annual general meeting or may appoint any other person or persons (none of whom need be a shareholder) as a proxy or proxies, to attend, speak and vote at the annual general meeting in such shareholder's stead.

Should any shareholder who holds dematerialised ordinary shares in the Company and has not selected "own name" registration, wish to attend, speak and vote at the annual general meeting, such shareholder should timeously inform his CSDP or broker for the purposes of obtaining the necessary letter of representation from such shareholder's CSDP or broker to attend the annual general meeting or timeously provide such shareholder's CSDP or broker with such shareholder's voting instruction in order for the CSDP or broker to vote on such shareholder's behalf at the annual general meeting. A proxy form is enclosed for use by shareholders holding certificated ordinary shares in the Company or dematerialised ordinary shares in the Company through a CSDP and who have selected "own name" registration. Such proxy form, duly completed, should be forwarded to reach the transfer secretaries of the Company by 15h00 on Monday 6 August 2018 for administrative purposes. Proxies to be delivered thereafter must be delivered by hand to the transfer secretaries on 8 August 2018 before the commencement of the annual general meeting, at the venue of the annual general meeting. The completion of a proxy form will not preclude a shareholder from attending the meeting.

A proxy need not be a shareholder of the Company. In terms of section 63(1) of the Act, before any person may attend or participate in the annual general meeting, that person must present reasonable satisfactory identification to the Chairman of the meeting, who must be reasonably satisfied that the person has the right to attend, participate in and vote at the meeting, either as a shareholder or as a proxy for a shareholder. Acceptable forms of identification include a valid identity document, passport or driver's license.

#### Electronic Participation by Shareholders

Should any shareholder (or any proxy for a shareholder) wish to participate in the annual general meeting by way of electronic participation, that shareholder should make application to the transfer secretaries, to arrange for the shareholder or its representatives or proxy to provide reasonably satisfactory identification to the transfer secretaries for purposes of section 63 (1) of the Companies Act, at their address below, for the attention of Peter Du Plooy, to be received by the transfer secretaries by no later than Friday 3 August 2018.

Shareholders willing to so participate must also provide a valid email address and contact number to the transfer secretaries. Voting will not be possible via the teleconference call and shareholders wishing to vote their shares will need to be represented at the meeting either in person, by proxy or by letter of representation, as provided for in this notice of annual general meeting.

Note that shareholders will be billed separately for the dial-in call by their telephone service providers. The Company reserves the right to elect not to provide for electronic participation at the annual general meeting in the event that it determines that it is not practical to do so.

By order of the Board



**MAC Mahlari**  
Company Secretary

Amanzimnyama  
Tongaat, KwaZulu-Natal

24 May 2018

Transfer Secretaries:  
Computershare Investor Services Pty Limited  
Rosebank Towers  
15 Biermann Avenue  
Rosebank 2196  
PO Box 61051  
Marshalltown 2017