

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the one hundred and twenty seventh (127th) annual general meeting of shareholders of the Tongaat Hulett Limited (the Company) will be held at the Corporate Office, Amanzimnyama Hill Road, Tongaat, KwaZulu-Natal on Friday, 24 January 2020 at 12h00 to, among other matters, consider and, if deemed fit, pass (with or without modification) the ordinary and special resolutions set out below.

### RECORD DATES

The board of directors of the Company ("Board") has determined that the date on which a person must be recorded as a shareholder in the Company's securities register in order to:

- receive notice of the annual general meeting is Friday, 29 November 2019; and
- participate in and vote at the annual general meeting is Friday, 17 January 2020.

### Order of business

1. To present the audited consolidated annual financial statements of the Company for the financial year ended 31 March 2019 and the restated audited consolidated annual financial statements of the Company for the financial year ended 31 March 2018, including the reports of the Board and the Audit Committee, such annual financial statements having been approved by the Board as required by section 30(3)(c) of the Companies Act, 2008 ("Act"). These financial statements are available on the Company's website, [www.tongaat.com](http://www.tongaat.com).
2. To present the 2019 Annual Report ("Annual Report"), containing the disclosures required as per the JSE Listings Requirements. The Annual Report is available on the Company's website, [www.tongaat.com](http://www.tongaat.com).
3. To consider and, if deemed fit, pass (with or without modification) the ordinary and special resolutions set out below:

### SPECIAL RESOLUTIONS:

Each special resolution must be supported by at least 75% of the total number of votes exercised on the resolution.

### ORDINARY RESOLUTIONS:

Unless otherwise provided, each ordinary resolution must be supported by more than 50% of the total number of votes exercised on the resolution.

#### Ordinary Resolution Number 1

"Resolved that, as required by section 90(1) of the Act, and as recommended by the Audit Committee, Deloitte be and is hereby re-appointed as external auditors for the financial year ending 31 March 2020 (with Ruwayda Redfearn as individual designated auditor)."

It is the Audit Committee's preference to change the external auditor, to be consistent with the principles of the mandatory audit firm rotation requirements that become effective in 2023, and also to ensure a refresh of auditor independence, having regard to the factors that have given rise to the requirement for restatements. Nonetheless, the Audit Committee is proposing that Deloitte be re-appointed as external auditor for the financial year ending 31 March 2020.

This proposal is made for a number of reasons:

- in light of the significant time delays in finalising the annual financial statements for the financial year ended 31 March 2019, the review of the 30 September 2019 interim results will need to take place almost immediately thereafter, and again immediately thereafter, the 2020 financial year-end reporting and audit process will need to commence. To this end, it would be extremely difficult, if not virtually impossible, from a timeline perspective to put the audit for the financial year ending 31 March 2020 out on tender, and to follow a process to appoint new auditors, in sufficient time to timeously commence and finalise the 2020 audit;
- a new firm of auditors, in engagement with a new finance team that has been hugely overstretched in finalising the 2018 and 2019 financial results, will result in insufficient capacity to meet reporting deadlines. This will be further complicated by the new auditors wanting to ensure that they fully understand the restatements and ensure that all the necessary restatements have been made; and

- Deloitte has for purposes of the audit for the financial year ending 31 March 2020 (as well as the audits for the financial years ended 31 March 2019 and 31 March 2018), changed its senior team, which addresses the concern with the previous senior team. Further, Deloitte's quality control process has been significantly enhanced with both local and global oversight.

The Audit Committee intends to change external auditors after the 2020 financial year audit and to recommend another audit firm for the audit for the financial year ending 31 March 2021.

### Ordinary Resolution Number 2

"Resolved that S Beesley, who retires by rotation, and, being eligible, offers himself for re-election, be and is hereby re-elected as a director of the Company."

The Nomination Committee has assessed S Beesley and the Board unanimously recommends his re-election. Details of S Beesley are set out on page 6 of the Annual Report.

### Ordinary Resolution Number 3

"Resolved that L von Zeuner, having been appointed by the Board on 10 December 2018, and, due to the requirements of the Act, having offered himself for election, and being eligible, be and is hereby elected as a director of the Company."

The Board unanimously recommends L von Zeuner's election. Details of L von Zeuner are set out on page 6 of the Annual Report.

### Ordinary Resolution Number 4

"Resolved that J Hudson, having been appointed by the Board on 1 February 2019, and, due to the requirements of the Act, having offered himself for election, and being eligible, be and is hereby elected as a director of the Company."

The Board unanimously recommends J Hudson's election. Details of J Hudson are set out on page 7 of the Annual Report.

### Ordinary Resolution Number 5

Resolved that R Aitken, having been appointed by the Board on 1 March 2019, and, due to the requirements of the Act, having offered himself for election, and being eligible, be and is hereby elected as a director of the Company"

The Board unanimously recommends R Aitken's election. Details of R Aitken are set out on page 7 of the Annual Report

### Ordinary Resolution Number 6

Resolved that L de Beer, having been appointed by the Board on 1 October 2019, and, due to the requirements of the Act, having offered herself for election, and being eligible, be and is hereby elected as a director of the Company."

The Board unanimously recommends L de Beer's election. Details of L de Beer are set out on page 6 of the Annual Report.

### Ordinary Resolution Number 7

Resolved that J Nel, having been appointed by the Board on 1 October 2019, and, due to the requirements of the Act, having offered himself for election, and being eligible, be and is hereby elected as a director of the Company."

The Board unanimously recommends J Nel's election. Details of J Nel are set out on page 7 of the Annual Report.

### Ordinary Resolution Number 8

"Resolved that R Goetzsche, having been appointed by the Board on 1 October 2019, and, due to the requirements of the Act, having offered himself for election, and being eligible, be and is hereby elected as a director of the Company."

The Board unanimously recommends R Goetzsche's election. Details of R Goetzsche are set out on page 6 of the Annual Report.

### Ordinary Resolution Number 9

"Resolved that A Sangqu, having been appointed by the Board on 1 October 2019, and, due to the requirements of the Act, having offered himself for election, and being eligible, be and is hereby elected as a director of the Company."

The Board unanimously recommends A Sangqu's election. Details of A Sangqu are set out on page 7 of the Annual Report

### Ordinary Resolution Number 10

"Resolved that D Marokane, having been appointed by the Board on 18 November 2019, and, due to the requirements of the Act, having offered himself for election, and being eligible, be and is hereby elected as a director of the Company"

The Board unanimously recommends D Marokane's election. Details of D Marokane are set out on page 7 of the Annual Report

### Ordinary Resolution Number 11

"Resolved, as required by section 94(2) of the Act, to elect L de Beer, an independent non-executive director, as a member and chairman of the Audit Committee."

The Board unanimously recommends L de Beer's election. Details of L de Beer are set out on page 6 of the Annual Report

### Ordinary Resolution Number 12

"Resolved, as required by section 94(2) of the Act, to elect R Goetzsche, an independent non-executive director, as a member of the Audit Committee."

The Board unanimously recommends R Goetzsche' election. Details of R Goetzsche are set out on page 6 of the Annual Report.

### Ordinary Resolution Number 13

"Resolved, as required by section 94(2) of the Act, to elect J Nel, an independent non-executive director, as a member of the Audit Committee."

The Board unanimously recommends J Nel's election. Details of J Nel are set out on page 7 of the Annual Report.

### Ordinary Resolution Number 14

"Resolved that the unissued ordinary shares from time to time be and are hereby placed under the control of the Board which is hereby authorised and empowered to issue such shares at its discretion, on such terms and conditions and in such amounts as the Board may

determine, subject to compliance with the provisions of the Act and the JSE Listings Requirements; provided that the number of ordinary shares issued under this resolution on a cumulative basis shall not exceed 6 755 625 ordinary shares.

The Board has no immediate intention to use this authority to issue shares. The Board is, however, of the opinion that this authority should be in place should it become appropriate to issue shares in the future.

### Ordinary Resolution Number 15

“Resolved that, subject to the passing of ordinary resolution number 14 and the approval of at least a 75% majority of the total number of votes exercised on this resolution, and subject to compliance with the provisions of the Act and the JSE Listings Requirements, the Board be and is hereby authorised and empowered to issue unissued ordinary shares from time to time for cash, on such terms and conditions and in such amounts as the Board may determine; 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 fifteen months from the date on which this resolution is passed;
- c. the number of ordinary shares issued under this resolution on a cumulative basis shall not exceed 6 755 625 ordinary shares;
- d. a paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published as and when required by the JSE Listings Requirements;
- e. in determining the price at which an issue of ordinary shares will be made in terms of this authority, the maximum discount permitted shall be 10% of the weighted average traded price of the ordinary shares on the JSE over the 30 business days prior to the date that the price of the issue is determined or agreed by the Board. The JSE will be consulted for a ruling if the ordinary shares have not traded in such 30 business day period; and
- f. references in this resolution to “issues” of shares includes the use of “treasury shares” (as defined in the JSE Listings Requirements).

The Board has no immediate intention to use this authority. The Board is, however, of the opinion that this authority should be in place should it become appropriate to issue or utilise shares in the future.

The attention of shareholders is drawn to the fact that no more than 6 755 625 ordinary shares in total can be issued or utilised under the authorities granted in ordinary resolution number 14 and this ordinary resolution number 15. This limit will continue to apply to such authorities throughout the periods over which such authorities are in place. That limit to which such authorities are subject will accordingly not increase if a resolution (if any) increasing the number of authorised shares is proposed and approved at a subsequent general meeting of the Company. If shareholders are requested to approve a resolution authorising an issue of shares under a rights offer (if any), the circular will provide that the authority granted by that resolution is limited to an issue of shares under or pursuant to a single rights offer, and the circular will specify for what purposes the rights offer proceeds will be utilised.

### Ordinary Resolution Number 16

“Resolved that, subject to the approval of at least a 75% majority of the total number of votes cast on this resolution, and subject to compliance with the provisions of the JSE Listings Requirements, the Company hereby adopts the 2019 Conditional Share Plan. Shareholders are referred to the annexure to the notice of annual general meeting containing this resolution for the salient features of the 2019 Conditional Share Plan.”

### Ordinary Resolution Number 17

“Resolved that each director and the company secretary of the Company be and is hereby authorised, on behalf of the Company, to do or cause to be done all such things, and sign or cause to be signed all such documentation, as may be necessary or desirable to give effect to the resolutions in the notice of annual general meeting containing this resolution, and insofar as any such actions have been taken before the adoption of this resolution, such actions be and are hereby ratified and approved to the fullest extent permitted by law.”

### Special Resolution Number 1

#### GENERAL AUTHORITY TO PURCHASE SHARES IN THE COMPANY

“Resolved that the Company hereby approves, as a general approval contemplated in the JSE Listings Requirements, subject to compliance with the provisions of the Act and the JSE Listings Requirements, the acquisition by:

- a. the Company of ordinary shares issued by it on such terms and conditions and in such amounts as the Board may determine; and
- b. any subsidiary of the Company of ordinary shares issued by the Company on such terms and conditions and in such amounts as the board of directors of any such subsidiary may determine;

provided that:

1. the number of ordinary shares acquired by the Company and its subsidiaries under this resolution on a cumulative basis shall not exceed 5% of the number of ordinary shares in issue on 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 on which this resolution is passed, 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 Act;
3. such an acquisition may not be made at a price greater than 10% above the weighted average of the market value for the ordinary shares on the JSE for the 5 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 ordinary shares have not traded in such 5 business day period;
4. the acquisitions shall 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 shall appoint, at any point in time, only one agent to effect any acquisition/s on the Company's and its subsidiaries' 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 the Company has in place a repurchase programme where the dates and quantities of ordinary shares 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; and;
7. when the Company and/or its subsidiaries have cumulatively acquired 3% of the initial number of ordinary shares (the number of ordinary shares in issue on the date on which this resolution is passed), an announcement must be made giving the details required in terms of the JSE Listings Requirements, in respect of such acquisitions.

This authority will be used if the Board considers that it is in the best interests of the Company to effect any such acquisitions having regard to prevailing circumstances and the cash resources of the

Company and/or its subsidiaries at the relevant time.

The Board has no immediate intention to use this authority to repurchase shares. The Board is, however, of the opinion that this authority should be in place should it become appropriate to undertake a share repurchase in the future.

The Board undertakes that the Company will not commence a repurchase of shares as contemplated above unless:

- the Company and the group will be able in the ordinary course of business to repay its debts for a period of 12 months after the date of the repurchase;
- the assets of the Company and the group will be in excess of the liabilities of the Company and the group for a period of 12 months after the date of the repurchase, for which purpose the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements;
- the share capital and reserves of the Company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the repurchase;
- the working capital of the Company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the repurchase; and
- a resolution has been passed by the Board authorising the repurchase and confirming that the Company and its subsidiary/ies (as applicable) have passed the solvency and liquidity test in the Act and that, since the test was performed, there have been no material changes to the financial position of the group.

The general information regarding the Company, referred to in paragraph 11.26(b) of the JSE Listings Requirements, is contained in the Annual Report on the following pages:

- a. major shareholders: page 41; and
- b. share capital: page 41.

The directors collectively and individually accept full responsibility for the accuracy of the information given in relation to special resolution number 1 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 Annual Report and the notice of annual general meeting contain all information required by law and the JSE Listings Requirements in relation to special resolution number 1.

Other than the facts and developments reported on in the Annual Report and in the financial results for the financial year ended 31 March 2019, there have been no material changes in the financial or trading position of the Company and its subsidiaries since the end of the last financial year for which audited annual financial statements have been published.

#### Reason and Effect:

In terms of the JSE Listings Requirements, a company may only make a repurchase of securities if approved by shareholders in terms of a special resolution. The reason for special resolution number 1 is to enable the Company and its subsidiaries to acquire ordinary shares in accordance with the provisions of the Act and the JSE Listings Requirements as and when the Board deems it to be in the Company's best interest to do so. If special resolution number 1 is passed, it will have the effect of permitting the Company and its subsidiaries to acquire ordinary shares, which authority will last until the earlier of the next annual general meeting of the Company and the expiry of a period of 15 months from the date on which special resolution number 1 is passed.

### Special Resolution Number 2

#### APPROVAL OF DIRECTORS' FEES

"Resolved, with effect from the date of the annual general meeting at which this resolution is proposed, that the remuneration, as set out in the second table below, to directors for their service as directors of the Company, as recommended by the Remuneration Committee and the Board, be and is hereby approved and ratified."

#### Existing directors' fees (applicable up to the date of this annual general meeting)

	Annual fixed/ retainer fee (R) Excluding VAT	Attendance fee per meeting (R) Excluding VAT
<b>Tongaat Hulett Board:</b>		
Chairman	880 297	117 372
Non-executive directors	249 255	33 234
<b>Audit and Compliance Committee:</b>		
Chairman	244 719	54 382
Non-executive directors	122 372	27 187
<b>Remuneration Committee:</b>		
Chairman	195 250	43 368
Non-executive directors	97 618	21 684
<b>Risk, SHE, Social and Ethics Committee:</b>		
Chairman	195 250	43 368
Non-executive directors	97 618	21 684

## Proposed directors' fees from the date of this annual general meeting to the next annual general meeting

	Annual retainer fee* (R) (excluding VAT)	Attendance fee per meeting (R) (excluding VAT)
<b>Tongaat Hulett Limited Board</b>		
Chairman	1 300 000**	-
Non-executive directors	249 255	33 234
<b>Audit and Compliance Committee</b>		
Chairman	244 719	54 382
Other committee members	122 372	27 187
<b>Risk, Capital and Investment Committee</b>		
Chairman	195 250	43 368
Other committee members	97 618	21 684
<b>Remuneration and Human Resources Committee</b>		
Chairman	195 250	43 368
Other committee members	97 618	21 684
<b>Nomination/Directors Affairs Committee</b>		
Chairman	195 250	43 368
Other committee members	97 618	21 684
<b>Social, Ethics, Health and Safety Committee</b>		
Chairman	195 250	43 368
Other committee members	97 618	21 684
<b>Strategy, Transformation and Operations Committee</b>		
Chairman	195 250	43 368
Other committee members	97 618	21 684
<b>Legal and Regulatory Committee</b>		
Chairman	-	4 000 (per hour)
Other committee members	-	4 000 (per hour)
<b>Other/Ad hoc Committees established by the Board from time to time (if any)</b>		
Chairman	-	4 000 (per hour)
Other committee members	-	4 000 (per hour)

\*This amount will be pro-rated for periods of less than 12 months.

\*\*The role and responsibility of the Board Chairman extends beyond the preparation for and attendance at meetings, which have increased with the additional committees. The Board Chairman's fees have been restructured on an all-inclusive fee basis, amounting to R1,3 million (excluding VAT). The previous Chairman's actual fees in 2018/19 based on a combination of the annual retainer, plus Board meeting attendances and committee meeting attendances amounted to R2 731 270.61.

### Reason and Effect:

Sections 66(8) and (9) of the Act provide that a company may only pay remuneration to its directors for their service as directors with the approval of a special resolution. If special resolution number 2 is passed, the Company will be authorised to pay its directors the remuneration specified in the table above.

### Reason and Effect:

Sections 66(8) and (9) of the Act provide that a company may only pay remuneration to its directors for their service as directors with the approval of a special resolution. If special resolution number 3 is passed, the Company will be authorised to pay the members of the Restructuring Committee the remuneration specified in special resolution number 3.

## Special Resolution Number 3

### APPROVAL OF RESTRUCTURING COMMITTEE'S FEES

"Resolved, with effect from the date of the annual general meeting at which this resolution is proposed, that the remuneration, as set out below, to directors for their service as members of the Restructuring Committee, as recommended by the Remuneration Committee and the Board, be and is hereby approved and ratified."

## Restructuring Committee's fees (applicable from 7 March 2019 up to the date of this annual general meeting)

	Annual retainer fee (R) (excluding VAT)	Attendance fee per meeting (R) (excluding VAT)
<b>Restructuring Committee*</b>		
Other committee members	-	4 000 (per hour)

\*The Restructuring Committee was constituted on 7 March 2019 to oversee the implementation of the Company's restructuring initiatives. The attendance fee for meetings of the Committee is R4 000 per hour exclusive of VAT. In instances where meetings exceed 3 hours, the attendance fee is the same as those that have up to the date of this annual general meeting applied for meetings of the Remuneration Committee. The functions of the Restructuring Committee have now been split between the Risk, Capital and Investment Committee and the Strategy, Transformation and Operations Committee.



## Special Resolution Number 4

### FINANCIAL ASSISTANCE UNDER THE 2019 CONDITIONAL SHARE PLAN

“Resolved that, subject to the passing of ordinary resolution number 16, and subject to compliance with the provisions of the Act and the JSE Listings Requirements, the Board be and is hereby authorised (if and to the extent such authorisation is required under the Act) to authorise the Company to provide direct and/or indirect financial assistance contemplated in sections 44 and/or 45 of the Act pursuant to or in relation to the 2019 Conditional Share Plan (including without limitation to or in relation to eligible participants). Shareholders are referred to the annexure to the notice of annual general meeting containing this resolution for the salient features of the 2019 Conditional Share Plan.”

#### Reason and Effect:

Given the requirements of sections 44 and 45 of the Act relating, inter alia, to the provision of direct or indirect financial assistance to, inter alia, directors and prescribed officers, the reason for special resolution number 4 is to ensure that such financial assistance can be provided under the 2019 Conditional Share Plan. If and to the extent eligible persons might not be able to participate in the 2019 Conditional Plan in the absence of the authorisation contemplated in terms of this special resolution, this special resolution grants that authorisation.

The authority granted under special resolution number 4 is subject to compliance with the requirements of sections 44 and 45 of the Act (including the provisions thereof relating to solvency and liquidity).

A copy of the 2019 Conditional Share Plan is available for inspection up to the time of the annual general meeting at the Company's offices referred to below.

## Special Resolution Number 5

### ISSUES OF SHARES UNDER THE 2019 CONDITIONAL SHARE PLAN

“Resolved that, subject to the passing of ordinary resolution number 16, and subject to compliance with the provisions of the Act and the JSE Listings Requirements, the Board be and is hereby authorised (if and to the extent such authorisation is required under the Act) to issue unissued ordinary shares to eligible participants in the 2019 Conditional Share Plan, subject to the limits set out in the annexure to the notice of annual general meeting containing this resolution. Shareholders are referred to the annexure to the notice of annual general meeting containing this resolution for the salient features of the 2019 Conditional Share Plan.”

#### Reason and Effect:

Given the requirements of section 41(1) of the Act relating, inter alia, to the issue of shares to, inter alia, directors and prescribed officers, the reason for special resolution number 5 is to ensure that shares can be issued to eligible participants under or pursuant to the 2019 Conditional Share Plan. If and to the extent eligible persons might not be able to participate in the 2019 Conditional Share Plan in the absence of the authorisation contemplated in terms of this special resolution, this special resolution grants that authorisation.

A copy of the 2019 Conditional Share Plan is available for inspection up to the time of the annual general meeting at the Company's offices referred to below.

4. To consider the following matters by way of a non-binding advisory vote:

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

“Resolved to endorse, through a non-binding advisory vote, the Company's remuneration policy, as set out in the remuneration policy commencing on page 19 of the Annual Report.”

#### Non-binding advisory vote on the remuneration implementation report

“Resolved to endorse, through a non-binding advisory vote, the Company's remuneration implementation report, as set out in the remuneration implementation report commencing on pages 34 of the Annual Report.”

The endorsement of each of the remuneration policy and the remuneration implementation report is tabled as a non-binding advisory vote. However, the outcome of each vote will be acknowledged when considering the remuneration policy and the implementation thereof. If either the remuneration policy or the remuneration implementation report, or both, is/are voted against by 25% or more of the voting rights exercised, the Board will, as recommended by King IV and required by the JSE Listings Requirements, implement certain measures to initiate engagement with the relevant shareholders. The outcome thereof will be disclosed in the 2020 annual report.

5. 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) or broker 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 beneficial owner of dematerialised ordinary shares in the Company who 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, at their address below, by 15h00 on Wednesday, 22 January 2020 for administrative purposes. Proxies to be delivered thereafter must be delivered by hand to the transfer secretaries on Friday, 24 January 2020 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 that 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 proxy to provide reasonably satisfactory identification to the transfer secretaries for purposes of section 63(1) of the Act, at their address below, to be received by the transfer secretaries by no later than Wednesday, 22 January 2020.

Shareholders who wish 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 present at the annual general meeting or represented at the meeting either by proxy or by letter of representation, as provided for in the notice of annual general meeting.

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 Hill Road  
Tongaat  
KwaZulu-Natal  
9 December 2019

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

# ANNEXURE 1

## SALIENT FEATURES: TONGAAT HULETT LIMITED

### 2019 CONDITIONAL SHARE PLAN

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#### Introduction

During 2019 Tongaat Hulett Limited (the company) undertook a review of its remuneration policies and incentive plans to address shareholder feedback and concerns and re-align incentives to the company's strategy. Full details regarding the remuneration arrangements (including the Turnaround Incentive) for 2019 can be found in the remuneration report.

Once the company has stabilised due to the successful execution of its turnaround strategy, to ensure that the business remains sustainable and viable in the short- to long-term during and after the turnaround period, Tongaat Hulett will use its conventional incentives which include a new short-term incentive (STI) (the details of which are set out in the remuneration report) and a proposed new share plan, namely the Tongaat Hulett Limited 2019 Conditional Share Plan (CSP). After the approval of the CSP, no further awards will be made under the previously used share plans, namely the Deferred Bonus Plan, Long-term Incentive Plan and Share Appreciation Rights Scheme, but existing awards will run their course. The following awards are made under the existing share plans:

- Share Appreciation Rights Scheme (SARS) – whereby rights to Shares in the company at a future date are granted, subject to the increase in value of the company's share price between the award date and the exercise date.
- Long-term Incentive Plan (LTIP) – whereby annual conditional performance shares, LTIPs, vest subject to the achievement of pre-determined performance conditions. In addition, retention awards (RLTIPs) which are not subject to performance conditions, can be granted where a specific retention risk is identified to assist with the retention of high potential employees. These RLTIPs do not have performance conditions attached and vest after a four or five year period, settled in Shares.
- Deferred Bonus Plan (DBP) – participating employees purchase Shares (Deferred Bonus Shares) in the company with a portion of their after-tax bonus. The pledged shares will be held in trust by a third party administrator for a period of three years after which the company will award the participants with matching awards equivalent to the pledged shares.

#### Purpose

The CSP has been designed as a simple long-term incentive structure that is easily understood both externally and internally. The purpose of the CSP is as follows:

- (a) to incentivise executives and senior management (Participants) to enhance the performance of the company, thereby providing alignment between the Participants and shareholders;
- (b) to provide Participants with the opportunity to share in the benefits of the increased performance of the company; and
- (c) to motivate Participants to remain in the employ of the company.

The CSP allows for the award of conditional rights to Tongaat Hulett shares (Shares); the following awards can be made:

- Annual performance related awards (Performance Shares): the vesting of which is subject to the satisfaction of forward-looking corporate performance conditions (Performance Condition/s and continued employment for the duration of the vesting period (Employment Condition));
- Bonus Shares which are determined as a percentage of the annual bonus (determined in terms of the STI): the vesting of which is

subject to the satisfaction of the Employment Condition; and

- Ad hoc awards with the main intention being to retain key talent (Retention Shares): the vesting of which is subject to the satisfaction of the Employment Condition.

The Performance Shares, Bonus Shares and Retention Shares will be collectively referred to as "Conditional Shares".

The new STI will apply from 1 April 2020, and provides for a mandatory deferral of the bonus received into Bonus Shares. It must be noted that the first awards of Performance Shares will be made during the 2020 financial year, whilst the first awards of Bonus Shares will only be made during the 2021 financial year, after the required shareholder approval has been obtained.

#### Participants [LR14.1(a)]

Senior executives and senior management are eligible to participate in the CSP. Participation in the CSP is not a condition of employment, and the Remuneration Committee has the absolute discretion to make an award to any Participant in terms of the CSP.

Non-executive directors of the company will not be eligible to participate in the CSP.

#### Rights of Participants [LR14.1(e)]

Participants are awarded conditional rights to Shares and will not be entitled to any shareholder rights prior to the settlement thereof. On settlement, Shares will be registered in the name of the Participants and they will have all shareholder rights in terms thereof, including dividend and voting rights.

#### Basis of awards and award levels [LR14.1(f)]

In line with the requirements of the King IV™ Report on Corporate Governance for South Africa (King IV™) and best practice, the CSP will be used to make the following awards:

- Regular, annual awards of Performance Shares will be made to ensure long-term shareholder value creation. The number of Performance Shares awarded to a Participant will primarily be based on inter alia, the Participant's individual performance, annual salary, level of seniority for purposes of market benchmarking, retention and attraction considerations (as applicable);
- Regular, annual awards of Bonus Shares: A portion of the STI will be paid in cash ("annual bonus" as determined in the STI Rules), and a mandatory portion will automatically be deferred ("Deferred Bonus" as determined in the STI Rules). The Deferred Bonus will be settled in equity as Bonus Shares. In order to earn a bonus (and subsequently qualify for Bonus Shares), certain performance measures must be met; and
- The CSP provides for the award of Retention Shares for use in specific cases where there is a retention risk. Such awards will only be made in specific instances where the Remuneration Committee recognises key talent instrumental in delivering the group's business strategy. Generally, Retention Share awards will not be awarded to executive committee members. This separate arrangement for retention is in line with King IV™, which recommends that any retention policy/awards should be ring-fenced and disclosed separately.



Annual allocations will be benchmarked and set to a market-related level of remuneration whilst considering the overall affordability thereof to the company.

## Performance Condition/s and vesting

Performance Shares will be subject to the fulfilment of both the pre-determined Performance Condition/s and the Employment Condition over an Employment Period of three years, for vesting to occur.

Bonus Shares will be dependent on the quantum of the annual bonus earned based on the company financial and non-financial results modified by the individual's performance and will be linked to performance in this matter. In addition, the vesting thereof will be subject to the fulfilment of the Employment Condition over an Employment Period of three years before vesting can occur.

Retention Shares will be subject to the fulfilment of the Employment Condition over an Employment Period of four years, for vesting to occur.

Once it is established that the turnaround strategy has been successful, and the company has stabilised, it intends to make the first award of Performance Shares to the Participants subject to the following Performance Condition/s measured over a three-year period:

- Headline earnings growth;
- Relative Total Shareholder return (TSR); and
- Return on capital Invested (ROIC).

Appropriate weightings and prospective targets will be set for these Performance Condition/s at the relevant time and these will be communicated in the company's remuneration report.

After the initial awards, the Remuneration Committee will set appropriate Performance Condition/s, Performance Periods, Employment Conditions and Employment Periods, as relevant, for each award, taking into account the business environment at the time of making the awards, and where considered necessary, in consultation with shareholders.

## Dividend Equivalent Shares

Dividend Equivalent Shares in respect of Conditional Shares, as determined by the Remuneration Committee and specified in the Award Letter, may be awarded to Participants. These Dividend Equivalent Shares are a number of Shares, rounded down to the nearest whole number in the case of fractions, equal in value to the dividends that a Participant would have earned if he/she was the owner of the number of vested Shares from the award date to the vesting date, determined upon the vesting date of the Conditional Shares with reference to the dividend record dates occurring in that period. For the avoidance of doubt, no Dividend Equivalent Shares will be awarded in respect of awards that do not vest.

The number of Dividend Equivalent Share awards to be made on all dividends declared after the award date but before settlement, shall be the value of each such dividend declared by the company, divided by the Seven day volume weighted average (VWAP) of the Share price immediately after the Share trades ex dividend.

## Manner of Settlement

Following vesting of the awards, settlement of the Shares shall take place within 30 days of the vesting date. The number of Shares to be settled will be equal to the number of vested awards. The Rules of the CSP are flexible in order to allow for settlement in any of the following manners:

- By way of market purchase of Shares;

- Use of existing Shares held in treasury;
- Issue of Shares by the company; and
- In cash should it not be practical or possible to settle in Shares. For the avoidance of doubt, this will not be standard practice and it is the intention of the company to account for the CSP as an equity-settled transaction in terms of IFRS 2.

The exact method of settlement will be determined by the Remuneration Committee prior to the settlement of each award.

## Limits and adjustments

### Overall company limit

The aggregate number of Shares which may be Settled in respect of the CSP to all Participants will not exceed 6 755 625, which represents approximately 5% of the number of issued ordinary Shares as at the date of adoption of the CSP by shareholders. This is in line with market best practice and a reduction from the previously used limit of 9,6% for the DBP, LTIP and SARS.

In determining the utilisation of the limit for the CSP, Shares issued by the company or Shares held in treasury which have been used by the company for settlement of the CSP will be included in the company limit. Shares purchased in the market as well as Shares which were acquired and held in trust prior to settlement and which do not subsequently vest to a Participant as a result of the forfeiture thereof, are excluded from the limit. The Remuneration Committee must, where required, adjust the company limit (without the prior approval of shareholders in a general meeting), to take account of a sub-division or consolidation of the Shares of the company. [LR14.3(a)]

The company intends to retain its current practice in terms of the DBP, LTIP and SARS and settle all awards through Shares purchased from the market. In this regard, the board adopted a resolution confirming that any currently outstanding awards in terms of the DBP, SARS and LTIP will only be settled through Shares purchased from the market. Therefore, the introduction of the CSP will not result in any additional dilution to shareholders.

### Individual Limit

The maximum number of Shares which may be settled to an individual in respect of all awards under the CSP shall not exceed 1 351 125, which represents approximately 1,0% of the number of issued Shares as at date of adoption of the CSP by shareholders. [LR14.1(c)] The Remuneration Committee may, where required, adjust the individual limit to take account of a Capitalisation Issue, a dividend in specie (other than a dividend paid in the ordinary course of business out of the current year's retained earnings), a Rights Issue, or any other corporate action or other event affecting the share capital of the company, including the reduction in capital of the company. [LR14.3(b)]

The auditors, or other independent advisor acceptable to the JSE, shall confirm to the JSE in writing that any adjustment made in terms of this paragraph has been properly calculated on a reasonable and equitable basis, in accordance with the Rules of the CSP and must be reported on in the company's financial statements in the year during which the adjustment is made. The issue of Shares as consideration for an acquisition, and the issue of Shares or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to the overall company limit and individual limit. [LR14.3(d), (e)]

### Consideration [LR14.1(d)(i)]

Awards are granted for free.

## Malus

In line with corporate governance standards, any Performance Shares, Bonus Shares or Retention Shares may be reduced (including for the avoidance of doubt, to nil - "Malus") if a "Trigger Event" occurs as set out in the Participant's Award Letter and the company's remuneration policy. The remuneration policy will give the Remuneration Committee the discretion to apply Malus. Should a Trigger Event occur at any time before the vesting of an Award, the relevant Award or portion, as relevant, shall be treated as having lapsed.

## Termination of employment [LR14.1(h)]

The CSP makes a distinction between different circumstances surrounding termination of employment as follows:

Termination of employment will be classified as 'fault' termination in the following instances:

- Resignation;
- Dismissal;
- Abscondment;
- Mutual separation; and
- Early retirement, except where designated as a normal retirement by the Remuneration Committee.

All unvested awards will be forfeited in the event of 'fault' termination.

Termination of employment will be classified as 'no fault' termination in the following instances:

- Death;
- Ill-health, injury, permanent disability, or early retirement by reason of any of these;
- Normal retirement;
- Retrenchment; and
- Sale of an employer company.

If the Participant's employment is terminated due to the above circumstances, for the Performance Shares the Remuneration Committee will calculate whether and the extent to which the Performance Condition/s have been satisfied. The portion of the award which shall vest will be determined based on the extent to which the Performance Condition/s have been satisfied, pro-rated for the number of the complete months served from the award date to the date of termination of employment over the total number of months in the Employment Period. The portion of the award that does not vest will lapse.

Provision is made in the CSP for Remuneration Committee discretion where termination of employment occurs in terms of exceptional circumstances. The Remuneration Committee has discretion to deviate from the application of 'fault' termination and classify this as 'no fault' termination, subject to compelling reasons existing for such a deviation and with these reasons being documented and reported to the shareholders of the company in the company's remuneration report.

## Change of Control [LR14.1(g)]

In the event of a change of control of the company occurring before the vesting date of any award, a portion of the award will vest. The proportion to vest will be determined by the Remuneration Committee in its absolute discretion, taking into account such factors as it may consider relevant, including, but not limited to, the time the Award has been held by the Participant and having regard to any Performance Conditions or further conditions imposed when setting Performance Conditions.

The portion of the award which does not vest as a result of the Change of Control will, except on the termination of the CSP,

continue to be subject to the terms of the Award Letter, unless the Remuneration Committee determines otherwise.

Awards will not vest as a consequence of an internal reconstruction or similar event which is not a change of control as defined in the Rules of the CSP. In this case, the Remuneration Committee may take such action as it considers appropriate to protect the interests of Participants, including converting awards into awards in respect of shares in one or more of the other companies, provided the Participants are no worse off.

## Variation of share capital

In the event of a variation in share capital such as a capitalisation issue, a rights issue, subdivision of Shares, a consolidation of Shares, any other corporate action or other event affecting the share capital of the company, including a reduction of capital and distribution in specie, other than a dividend paid in the ordinary course of business, Participants shall continue to participate in the CSP. The Remuneration Committee may make such adjustment to the number of unvested awards or take such other action to place Participants in no worse a position than they were prior to the happening of the relevant event.

The issuing of Shares as consideration for an acquisition, and the issuing of Shares or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to the awards. [LR14.3(c)]

## Liquidation [LR14.1(e)]

If the company is placed into liquidation, other than for purposes of reorganisation, an Award of Performance Shares and/or Bonus Shares and/or Retention Shares shall ipso facto lapse as from the liquidation date. [LR14.1(e)]

## Amendment [LR14.2]

The Remuneration Committee may alter or vary the Rules of the CSP as it sees fit, however in the following instances the CSP may not be amended without the prior approval of the JSE and a resolution by the shareholders of 75% of the voting rights:

- The category of persons who are eligible for participation in the CSP;
- The number of Shares which may be utilised for the purpose of the CSP;
- The individual limitations on benefits or maximum entitlements;
- The basis upon which awards are made;
- The amount payable upon the award, settlement or vesting of an award;
- The voting, dividend, transfer and other rights attached to the awards, including those arising on a liquidation of the company;
- The adjustment of awards in the event of a variation of capital of the company or a Change of Control of the company; and
- The procedure to be adopted in respect of the vesting of awards in the event of termination of employment.

## General

The Rules of the CSP are available for inspection during normal business hours at the registered office of the company from the date of issue of the Annual Report of which the Notice of Annual General Meeting forms part, up to and including the date of the Annual General Meeting.

In order for the Ordinary Resolution to be approved, the support of at least 75% of the votes cast by shareholders present or represented by proxy at the Annual General Meeting is required.

# FORM OF PROXY FOR THE ANNUAL GENERAL MEETING OF TONGAAT HULETT LIMITED (Company)

For use by shareholders who hold certificated ordinary shares, or who hold dematerialised ordinary shares through a CSDP or broker and who have selected "own name" registration.

Note: All beneficial owners that have dematerialised their shares through a CSDP or broker, other than those which are in "own name", must NOT COMPLETE THIS FORM. Instead, they must either provide the CSDP or broker with their voting instructions, or alternatively, should they wish to attend the annual general meeting themselves, they may request the CSDP or broker to provide them with a letter of representation in terms of the custody agreement entered into between themselves and the CSDP or broker.

A shareholder entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend, speak and, on a poll, to vote in his stead. A proxy need not be a shareholder of the Company.

I/We

(Name in block letters) \_\_\_\_\_

of

(Address in block letters) \_\_\_\_\_

being the holder/holders of \_\_\_\_\_ ordinary shares in the Company do hereby appoint:

or failing him, Mr L von Zeuner or failing him, Mr JG Hudson as my/our proxy to vote for me/us on my/our behalf at the annual general meeting of the Company to be held at 12h00 on Friday, 24 January 2020 for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat, and at each adjournment thereof and to vote on the resolutions in respect of the ordinary shares registered in my/our name/s in accordance with the following instructions.

Proposed resolution	For	Against	Abstain
Ordinary Resolution Number 1: Re-appointment of Deloitte as auditors (with Ms R Redfearn as designated auditor).			
Re-election or election of directors:			
Ordinary Resolution Number 2: Re-election of S Beesley as director.			
Election of directors:			
Ordinary Resolution Number 3: Election of L von Zeuner as director.			
Ordinary Resolution Number 4: Election of J Hudson as director.			
Ordinary Resolution Number 5: Election of R Aitken as director.			
Ordinary Resolution Number 6: Election of L de Beer as director.			
Ordinary Resolution Number 7: Election of J Nel as director.			
Ordinary Resolution Number 8: Election of R Goetzsche as director.			
Ordinary Resolution Number 9: Election of A Sangqu as director.			
Ordinary Resolution Number 10: Election of D Marokane as director.			
Election of Audit and Compliance Committee until the next AGM:			
Ordinary Resolution Number 11: Election of L de Beer as a member.			
Ordinary Resolution Number 12: Election of R Goetzsche as a member.			
Ordinary Resolution Number 13: Election of J Nel as a member.			
Ordinary Resolution Number 14: Authorising the placing of unissued share capital under the control of directors, subject to a maximum of 6 755 625 shares.			
Ordinary Resolution Number 15: Authorising directors to issue shares for cash, subject to a maximum of 6 755 625 shares.			
Ordinary Resolution Number 16: Authorising the adoption of the 2019 Conditional Share Plan.			
Ordinary Resolution Number 17: Authorising directors and company secretary to give effect to the resolutions			
Special Resolution Number 1: Authorising the repurchase of issued shares, subject to a 5 per cent maximum.			
Special Resolution Number 2: Authorising the remuneration payable to directors for their service as directors of the Company.			
Special Resolution Number 3: Approval of Restructuring Committee's Fees			
Special Resolution Number 4: Financial assistance under the 2019 Conditional Share Plan			
Special Resolution Number 5: Issues of shares under the 2019 Conditional Share Plan			
Non-binding advisory vote endorsing the Company's remuneration policy.			
Non-binding advisory vote endorsing the Company's remuneration implementation report.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019/2020 Signature \_\_\_\_\_

Completed forms of proxy should be forwarded to reach the transfer secretaries of the Company, at their address below, by 15h00 on Wednesday, 22 January 2020 for administrative purposes. Proxies to be delivered thereafter must be delivered by hand to the transfer secretaries on Friday, 24 January 2020 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

**South Africa:**

Computershare Investor Services (Pty) Ltd,  
Rosebank Towers, 15 Biermann Ave, Rosebank,  
Johannesburg, 2001  
(PO Box 61051, Marshalltown, 2107).

Notes:

1. A shareholder's instructions to the proxy must be indicated in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the annual general meeting as he/she deems fit. A shareholder may instruct the proxy to vote less than the total number of shares held by inserting the relevant number of shares in the appropriate box provided. A shareholder who fails to do so will be deemed to have authorised the proxy to vote or abstain from voting, as the case may be, in respect of all the shareholder's votes exercisable at the annual general meeting.
2. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy unless previously recorded by the Company's transfer secretaries or waived by the chairman of the annual general meeting.
3. Any alteration or correction made to this form of proxy must be initialed by the signatory/ies.
4. A minor must be assisted by the minor's parent or guardian unless the relevant documents establishing the minor's legal capacity are produced or have been registered by the transfer secretaries of the Company
5. The chairman of the annual general meeting may accept any form of proxy which is completed other than in accordance with these notes if the chairman of the annual general meeting is satisfied as to the manner in which the shareholder wishes to vote.

The chairman of the annual general meeting may accept any form of proxy which is completed other than in accordance with these notes if the chairman of the annual general meeting is satisfied as to the manner in which the shareholder wishes to vote.



Est. 1892

**TongaatHulett**

[www.tongaat.com](http://www.tongaat.com)