

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 7 of this Circular apply throughout this Circular, including this front cover.

Action required by Shareholders:

This Circular is important and should be read in its entirety, with particular attention to be given to the section entitled: "*Action required by Shareholders*" commencing on page 2 of this Circular, which sets out the detailed actions required of Shareholders in respect of the matters dealt with in this Circular.

If you are in any doubt as to what action you should take in relation to this Circular, please consult your CSDP, Broker, agent, banker, accountant, attorney or other professional advisor immediately.

If you have disposed of all your Shares, this Circular should be handed to the purchaser of such Shares or to the CSDP, Broker or other agent through whom such disposal was effected.

THL does not accept responsibility, and will not be held liable, under any applicable law, regulation or otherwise, for any action of, or omission by, any CSDP, Broker or other service provider to, or other agent of, any beneficial owner of Shares including, without limitation, any failure on the part of the CSDP, Broker or other service provider to, or agent of, any beneficial owner of Shares to notify such beneficial owner of the General Meeting or of the matters set out in this Circular.

This Circular does not constitute or form part of any offer, or invitation for or solicitation of any offer, to purchase, otherwise acquire, subscribe for, sell, otherwise dispose of, or issue, any security in any jurisdiction, nor shall it or any part of it form the basis of, or be relied on in connection with, any agreement or commitment whatsoever in any jurisdiction.



TongaatHulett®

Tongaat Hulett Limited

(Incorporated in South Africa)

(Registration Number: 1892/000610/06)

ISIN: ZAE000096541 JSE share code: TON

("THL" or the "Company")

CIRCULAR TO SHAREHOLDERS

seeking the approvals which the Company requires from Shareholders to enable it to proceed with the Rights Offer and the Magister Transaction, including, *inter alia*, the proposed:

- conversion of all of the authorised shares (whether issued or unissued) from par value shares of ZAR 1.00 each to no par value shares;
- increase of the Company's authorised shares by the creation of an additional 4 850 000 000 Shares;
- amendments to the MOI to reflect the abovementioned change to, and increase in, the authorised shares of the Company;
- authorisation in accordance with the Companies Act for the Board to issue Shares with voting power in excess of 30% (thirty percent) of the voting power of Shares currently in issue, pursuant to the Rights Offer and the Magister Transaction;
- waiver by the independent Shareholders of the requirement for, and of the benefit of receiving, a Mandatory Offer from Magister, Magister Related Parties, Magister Inter-related Parties, other Members of the Magister Group and Magister Concert Parties which might be triggered by the Rights Offer and the Underwrite,

and incorporating:

- a notice convening a General Meeting of Shareholders; and
- a Form of Proxy (*blue*) in respect of the General Meeting (to be completed by Certificated Shareholders and Own-Name Dematerialised Shareholders only).

Financial Advisor to THL



Legal Advisor to THL



Financial Advisor and Transaction Sponsor to THL



Legal Advisor to Magister



Date of issue: **Wednesday, 15 December 2021**

This Circular is available in English only. This Circular will be available electronically on the THL website (<https://www.tongaat.com>) from the date of issue of this Circular up to and including **Tuesday, 18 January 2022** (both days inclusive).

IMPORTANT INFORMATION, DISCLAIMERS AND FORWARD-LOOKING STATEMENTS

The definitions and interpretations commencing on page 7 of this Circular apply to this section.

GENERAL

This Circular does not constitute or form part of any offer, or invitation for or solicitation of any offer, to purchase, otherwise acquire, subscribe for, sell, otherwise dispose of, or issue, any security in any jurisdiction, nor shall it or any part of it form the basis of, or be relied on in connection with, any agreement or commitment whatsoever in any jurisdiction (including, without limitation, South Africa, Australia, Canada, Japan, the United Kingdom, the United States of America, its territories and possessions, any state of the United States and the District of Columbia (“**United States**”) or any member state of the European Economic Area).

The Rights Offer referred to in this Circular will be made to Shareholders pursuant to a rights offer circular which will be posted at a future point in time to Shareholders in accordance with the applicable South African laws and regulations. That circular will only be addressed to Persons to whom it may lawfully be made. This Circular is not the Rights Offer Circular and does not contain all of the information required for a rights offer circular prepared in accordance with the relevant disclosure requirements under the Companies Act and the JSE Listings Requirements.

This Circular is not for distribution, directly or indirectly, in or into any jurisdiction outside of South Africa (including, without limitation, Australia, Canada, Japan, the United Kingdom, the United States or any member state of the European Economic Area) if such distribution is restricted or prohibited by, or would constitute a violation of, the relevant laws or regulations of such jurisdiction. If the distribution of this Circular and any accompanying documentation in or into any jurisdiction outside of South Africa is restricted or prohibited by, or would constitute a violation of, the laws or regulations of any such jurisdiction, this Circular is deemed to have been sent for information purposes only and should not be copied or redistributed.

The information contained in this Circular constitutes factual information as contemplated in section 1(3)(a) of the Financial Advisory and Intermediary Services Act No. 37 of 2002, as amended, and should not be construed as an express or implied recommendation, guide or proposal that the Rights Offer, the Magister Transaction or the present or future business or investments of THL is appropriate to the particular investment objectives, financial situations or needs of any Shareholder or prospective investor, and nothing in this Circular should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa.

FORWARD-LOOKING STATEMENTS

This Circular contains certain “forward looking statements” which reflect the current views or expectation of THL with respect to future events and future financial and operational performance. All statements other than statements of historical fact are, or should be deemed to be, forward-looking statements, including, without limitation, those concerning: the economic outlook for the industries in which the Group operates; expectations regarding production, cash costs and other operating results; growth prospects and outlook of the Group’s operations, the Group’s liquidity and capital resources and expenditure, and the outcome and consequences of any pending litigation proceedings.

These forward-looking statements are not based on historical facts, but rather reflect THL’s current plans, estimates, projections and expectations concerning future results and events and generally are identified by the use of forward-looking words or phrases such as “believe”, “expect”, “forecast”, “foresee”, “plan”, “intend”, “seek”, “aim”, “anticipate”, “estimate”, “predict”, “potential”, “assume”, “continue”, “may”, “will”, “should”, “could”, “shall”, “risk” or the negative of these terms or similar expressions which are predictions of or indicate future events and future trends. Similarly, statements that describe THL’s objectives, plans or goals are, or should be deemed to be, forward-looking statements.

These forward-looking statements involve known and unknown risks, uncertainties and other factors which might cause the Group’s actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied by these forward-looking statements. Although THL believes that the expectations reflected in these forward-looking statements are reasonable, no assurance can be given that such expectations will materialise or prove to have been correct. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include, without limitation, other matters not yet known to THL or not currently considered material by THL.

The forward-looking statements included in this Circular are made only as of the Last Practicable Date. THL undertakes no obligation to update publicly, or release any revisions to, these forward-looking statements to reflect events or circumstances after the date of this Circular or to reflect the occurrence of unanticipated events.

DATE OF INFORMATION PROVIDED

Unless the context clearly indicates otherwise, all information in this Circular is provided as at the Last Practicable Date.

CORPORATE INFORMATION AND ADVISORS

Registered Office

Tongaat Hulett Limited
(Registration Number: 1892/000610/06)
Amanzimnyama Hill Road, Tongaat, KwaZulu-Natal,
South Africa
(PO Box 3, Tongaat, KwaZulu-Natal, 4400,
South Africa)

Place of incorporation: South Africa

Date of incorporation: 7 September 1892

Website: www.tongaat.com

Investor Enquiries

Tiisetso Selaletse
Tel: +27 32 439 4000
E-mail: info@tongaat.com

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration Number: 2004/003647/07)
Rosebank Towers, 15 Biermann Avenue, Rosebank,
Johannesburg, 2196, South Africa
(Private Bag X9000, Saxonwold, 2132
Johannesburg, South Africa)
Tel: +27 11 370 5000
Email: proxy@computershare.co.za

Legal Advisor to Magister

Fluxmans Inc.
(Registration Number: 2000/024775/21)
30 Jellicoe Avenue, Rosebank, Johannesburg
2196, South Africa
(Private Bag X41, Saxonwold, Johannesburg, 2132,
South Africa)

Company Secretary

JJ van Rooyen

B.Proc, MBA
Amanzimnyama Hill Road, Tongaat, KwaZulu-Natal,
South Africa
(PO Box 3, Tongaat, KwaZulu-Natal, 4400,
South Africa)
E-mail: johann.vanrooyen@tongaat.com

Financial Advisors to THL

Rothschild and Co (South Africa) Proprietary Limited
(Registration Number: 1999/021764/07)
7th Floor, 144 Oxford, 144 Oxford Road, Rosebank,
Johannesburg, 2196, South Africa
(PO Box 411332, Craighall, 2014, South Africa)

PricewaterhouseCoopers Corporate Finance
Proprietary Limited

(Registration Number: 1970/003711/07)
4 Lisbon Lane, Waterfall City, Jukskei View, 2090
South Africa
(Private Bag X36, Sunninghill, 2157, South Africa)

Legal Advisor to THL

Bowman Gilfillan Inc.
(Registration Number: 1998/021409/21)
11 Alice Lane, Sandton, 2146, South Africa
(PO Box 785812, Sandton, 2146, South Africa)

Transaction Sponsor to THL

PricewaterhouseCoopers Corporate Finance
Proprietary Limited

(Registration Number: 1970/003711/07)
4 Lisbon Lane, Waterfall City, Jukskei View, 2090
South Africa
(Private Bag X36, Sunninghill, 2157, South Africa)

ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations commencing on page 7 of this Circular apply to this section.

This Circular is important and requires your immediate attention.

If you are in any doubt as to what action to take, please consult your CSDP, Broker, agent, banker, accountant, attorney or other professional advisor immediately.

If you have disposed of all your Shares, this Circular should be handed to the purchaser of such Shares or to the CSDP, Broker or other agent through whom such disposal was effected.

Shareholders are requested to take note of the following information regarding the actions required by them in connection with this Circular.

1. **General Meeting**

Shareholders are invited to speak and vote at, and participate in, a General Meeting, convened in terms of the Notice of General Meeting (which is attached to, and forms part of, this Circular) for purposes of considering and, if deemed fit, adopting, with or without modification, the resolutions set out in the Notice of General Meeting.

The General Meeting will be held at **10:00 on Tuesday, 18 January 2022** and will be conducted entirely by electronic communication, as contemplated in the MOI and in section 63(2)(a) of the Companies Act. Shareholders will accordingly only be able to access, and speak and vote at, and participate in, the General Meeting electronically via an electronic facility. Further details on the steps which need to be taken in order to access the electronic facility are provided in the Notice of General Meeting.

2. **Voting and attendance at the General Meeting**

2.1 **Dematerialised Shareholders other than Own-Name Dematerialised Shareholders**

If you have Dematerialised your Shares without “own name” registration, then the following is relevant to you in connection with the General Meeting:

Voting at the General Meeting

- Your CSDP or Broker should contact you to ascertain how you wish to cast your vote (or to ascertain whether you wish to abstain from casting your vote) at the General Meeting, and thereafter cast your vote (or abstain from casting your vote) in accordance with your instructions.
- If you have not been contacted by your CSDP or Broker, it is advisable that you contact your CSDP or Broker and furnish it with your voting instructions.
- If your CSDP or Broker does not obtain voting instructions from you, it should vote in accordance with the instructions contained in the mandate agreement between you and your CSDP or Broker.
- You must **NOT** complete the attached Form of Proxy (*blue*).

Attendance and representation at the General Meeting

In accordance with the mandate agreement between you and your CSDP or Broker, you must advise your CSDP or Broker if you wish to speak and vote at, and participate in, the General Meeting yourself or through a representative. If you do so, your CSDP or Broker should issue the necessary letter of representation to you or your representative to speak and vote at, and participate in, the General Meeting. In order to speak and vote at, and participate in, the General Meeting, you or your representative will additionally need to take the steps required in order to access the electronic facility, as provided in the Notice of General Meeting.

THL does not accept responsibility, and will not be held liable, under any applicable law, regulation or otherwise, for any action of, or omission by, any CSDP, Broker or other service provider to, or agent of, any beneficial owner of Shares, including, without limitation, any failure on the part of the CSDP, Broker or other service provider to, or agent of, any beneficial owner of Shares to notify such beneficial owner of the General Meeting or of the matters set out in this Circular.

2.2 Own-Name Dematerialised Shareholders and Certificated Shareholders

If you are a Certificated Shareholder or an Own-Name Dematerialised Shareholder, then the following actions are relevant to you in connection with the General Meeting:

Voting, attendance and representation at the General Meeting

- You may speak and vote at, and participate in, the General Meeting yourself or through a representative by registering to do so in the manner provided in the “Electronic Participation” section in the Notice of General Meeting.
- Alternatively, you may appoint one or more proxies to represent you at the General Meeting by completing the attached Form of Proxy (*blue*) in accordance with the instructions contained therein. In order for your proxy to speak and vote at, and participate in, the General Meeting, your proxy will additionally need to take the steps required in order to access the electronic facility, as provided in the “Electronic Participation” section in the Notice of General Meeting. A proxy need not be a Shareholder. For the purpose of effective administration, it is requested that the Form of Proxy (*blue*) be lodged with, emailed to or posted to the Transfer Secretaries, to the addresses provided below, so as to reach the Transfer Secretaries at or before **10:00 on Friday, 14 January 2022**:

Hand deliveries to:

Computershare Investor Services
Proprietary Limited
Rosebank Towers, 15 Biermann Avenue,
Rosebank, Johannesburg, 2196,
South Africa

Postal deliveries to:

Computershare Investor Services
Proprietary Limited
Private Bag X9000, Saxonwold, Johannesburg,
2132, South Africa

Email deliveries to:

proxy@computershare.co.za

If you do not lodge, email or post the Form of Proxy (*blue*) so as to reach the Transfer Secretaries at or before **10:00 on Friday, 14 January 2022**, you will nevertheless be entitled to email the Form of Proxy (*blue*) to the Transfer Secretaries at proxy@computershare.co.za so as to reach them prior to the time of commencement of the General Meeting.

3. Identification of Shareholders and proxies and representatives

In terms of section 63(1) of the Companies Act, before any person may speak or vote at, or participate in, the General Meeting, that Person must present reasonably satisfactory identification, and the person presiding at the General Meeting must be reasonably satisfied that the right of the person to speak and vote at, and participate in, the General Meeting, either as a Shareholder, or as a proxy or a representative for a Shareholder, has been reasonably verified. Acceptable forms of identification include a valid green barcoded or smart card identification document issued by the South African Department of Home Affairs, a South African driver's licence or a valid passport. A Shareholder or its proxy or representative must electronically provide the necessary proof of its identification in accordance with the relevant provisions of the Notice of General Meeting before such person will be entitled to speak and vote at, and participate in, the General Meeting. If the Shareholder is not an individual, the necessary proof of identification of the representative (such as her/his valid green barcoded, or smart card identification document issued by the South African Department of Home Affairs, South African driver's licence or valid passport) must be accompanied by a copy of a resolution by the relevant entity which sets out that the representative is authorised to represent the relevant entity at the General Meeting.

TABLE OF CONTENTS

	Page
IMPORTANT INFORMATION, DISCLAIMERS AND FORWARD-LOOKING STATEMENTS	IFC
CORPORATE INFORMATION AND ADVISORS	1
ACTION REQUIRED BY SHAREHOLDERS	2
IMPORTANT DATES AND TIMES	6
DEFINITIONS AND INTERPRETATIONS	7
CIRCULAR TO SHAREHOLDERS	14
1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR	14
2. THE RIGHTS OFFER AND THE MAGISTER TRANSACTION	14
2.1 Background to the Rights Offer and the Magister Transaction	14
2.2 THL's rationale for the Rights Offer and the Magister Transaction	16
2.3 Intended use of proceeds	17
2.4 Overview of Magister	17
2.5 Magister's intentions	18
3. SALIENT TERMS OF THE RIGHTS OFFER AND THE MAGISTER TRANSACTION	18
3.1 Rights Offer	18
3.2 Underwriting arrangements with Magister	18
3.3 Confirmations from Magister and THL	19
3.4 Conditions Precedent	20
3.5 Possible agreements with additional underwriters and committing Shareholders	21
3.6 Other provisions contained in the Magister Transaction Agreement	21
4. CHANGES TO SHARE CAPITAL, AND AMENDMENTS TO THE MOI, REQUIRED TO FACILITATE THE RIGHTS OFFER AND MAGISTER TRANSACTION	22
5. CONVERSION OF AUTHORISED SHARES (WHETHER OR NOT ISSUED) FROM PAR VALUE TO NO PAR VALUE SHARES	23
5.1 The rationale	23
5.2 Shareholder approval	23
5.3 Board report requirement	23
6. INCREASE OF AUTHORISED SHARES	23
6.1 The rationale	23
6.2 Shareholder approval	24
7. MOI AMENDMENTS	24
8. AUTHORITY TO ISSUE SHARES IN TERMS OF THE RIGHTS OFFER AND THE MAGISTER TRANSACTION	24

	Page
9. THE MANDATORY OFFER WAIVER	24
9.1 The rationale	24
9.2 Additional information required by the TRP on the Rights Offer	26
10. SHARE CAPITAL	27
11. DIRECTORS	28
12. IRREVOCABLE UNDERTAKINGS AND LETTERS OF SUPPORT	29
13. RESOLUTIONS TO BE PROPOSED TO SHAREHOLDERS	29
14. RECOMMENDATIONS	29
15. CONSENTS	29
16. DIRECTORS' RESPONSIBILITY STATEMENT	29
17. MAGISTER DIRECTORS' RESPONSIBILITY STATEMENT	30
18. NOTICE OF GENERAL MEETING	30
19. DOCUMENTS AVAILABLE FOR INSPECTION	30
ANNEXURE 1: HISTORICAL FINANCIAL INFORMATION	31
ANNEXURE 2: THE BOARD REPORT IN TERMS OF REGULATIONS 31(7) AND 31(8) OF THE COMPANIES REGULATIONS	41
ANNEXURE 3: MOI AMENDMENTS	46
NOTICE OF GENERAL MEETING	47
FORM OF PROXY (<i>blue</i>)	<i>Attached</i>

IMPORTANT DATES AND TIMES

The definitions and interpretations commencing on page 7 of this Circular apply to this section.

2021

Last Practicable Date	Wednesday, 8 December
Record date determined by the Board in terms of section 59 of the Companies Act as the date on which a Person must be entered in the Securities Register in order to be eligible to receive this Circular (including the Notice of General Meeting)	Friday, 10 December
Distribution of Circular (including the Notice of General Meeting) to Shareholders	Wednesday, 15 December
SENS announcement confirming distribution of the Circular (including the Notice of General Meeting)	Wednesday, 15 December

2022

Last Day to Trade in order to be eligible to speak and vote at, and participate in, the General Meeting	Tuesday, 4 January
Voting Record Date to speak and vote at, and participate in, the General Meeting	Friday, 7 January
Last date and time to deliver representations to the TRP relating to the proposed exemption from the obligation to make a Mandatory Offer, by 17:00 on	Friday, 14 January
Last date and time to register to participate electronically in the General Meeting by 10:00 on	Friday, 14 January
For the purpose of effective administration, requested last date and time on and at which Forms of Proxy (<i>blue</i>) are to reach the Transfer Secretaries, by 10:00 on	Friday, 14 January
Last date and time on and at which Forms of Proxy (<i>blue</i>) are to reach the Transfer Secretaries, prior to the time of commencement of the General Meeting on	Tuesday, 18 January
General Meeting of Shareholders at 10:00 on	Tuesday, 18 January
Results of General Meeting released on SENS	Tuesday, 18 January
Contemplated date for receipt of the TRP's ruling on the requested exemption from the obligation to make a Mandatory Offer	Thursday, 20 January
Proposed date of release on SENS of announcement on the TRP's ruling on the requested exemption from the obligation to make a Mandatory Offer	Friday, 21 January
Last day for Shareholders to request a review of the ruling on the requested exemption from the obligation to make a Mandatory Offer	Friday, 28 January

Notes:

- (1) All dates and times above and elsewhere in this Circular are South African Standard Time.
- (2) The above dates and times are subject to amendments. Any material amendments will be released on SENS.
- (3) Shareholders are reminded that Shares can only be traded on the JSE in Dematerialised form. No orders to Dematerialise or rematerialise Shares will be processed from the Business Day following the Last Day to Trade up to and including the Voting Record Date. Such orders will again be processed from the first Business Day after the Voting Record Date.
- (4) The Securities Register will be closed for Certificated Shareholders between the Last Day to Trade and the Voting Record Date.
- (5) If the General Meeting is adjourned or postponed, Forms of Proxy (*blue*) submitted for the General Meeting will remain valid in respect of the resumption of the adjourned meeting, and the recommencement of the postponed meeting.

DEFINITIONS AND INTERPRETATIONS

In this Circular (including the Notice of General Meeting but excluding the Annexures hereto), unless otherwise stated or the context indicates otherwise: (i) the words or expressions in the first column below shall have the meaning assigned to them in the second column; (ii) a reference to the singular shall include the plural and *vice versa*; (iii) a word or an expression which denotes one gender includes all other genders; (iv) a natural person includes a juristic person and *vice versa*; and (v) cognate words and expressions shall bear corresponding meanings:

“Acceptable Conditions”	conditions acceptable to each of THL and Magister, acting reasonably;
“Acting in Concert”	means “act in concert” as such term is defined in section 117 of the Companies Act, read with regulation 84 of the Takeover Regulations;
“Applicable Merger Control Approvals”	approvals for Implementation pursuant to: <ul style="list-style-type: none">• the Competition Act No. 89 of 1998 of South Africa, as amended from time to time;• the Zimbabwean Competition Act, Chapter 14:28, as amended from time to time;• the Competition Act No. 17 of 2018 of Botswana, as amended from time to time;• Competition Law (Law No. 10/2013), and Decree No. 37/2014, of Mozambique, as amended from time to time; and• the Competition Act 2 of 2003 of Namibia, as amended from time to time, from: <ul style="list-style-type: none">• the South African Competition Commission, Competition Tribunal and Competition Appeal Court;• the Competition and Tariff Commission in Zimbabwe;• the Competition and Consumer Authority in Botswana;• the Competition Regulatory Authority in Mozambique; and• the Namibian Competition Commission;
“Board” or “Directors”	the board of directors of THL. The names of the directors of THL as at the Last Practicable Date are listed on page 14 of this Circular;
“Braemar”	Braemar Trading Limited (Registration Number: IBC/04/16/12691), a company re-registered in Ras Al Khaimah, United Arab Emirates, under the Ras Al Khaimah International Corporate Centre Business Companies Regulations 2016/2018, registered in accordance with the laws of the United Arab Emirates. THL has been advised by Magister that the sole shareholder and director of Braemar is a member of the Rudland family, Adrienne Rudland;
“Broker”	a “ <i>stockbroker</i> ” as defined in the Financial Markets Act, or its nominee;
“Business Day”	a Day, other than a Saturday, a Sunday or a statutory public holiday in South Africa, on which banks are generally open for business in South Africa, save where a reference to “Business Day” is made within the context of a law in which case it shall bear the meaning ascribed to it by that law, if any;
“Certificated Share”	a Share which has not been Dematerialised, title to which is evidenced by a share certificate, or other physical document of title acceptable to the Company;
“Certificated Shareholders”	Shareholders who hold Certificated Shares;

“CIPC”	the Companies and Intellectual Property Commission, established in terms of section 185 of the Companies Act;
“Circular”	this bound document dated Wednesday, 15 December 2021 , including, without limitation, the Notice of General Meeting and the Form of Proxy (<i>blue</i>);
“Companies Act”	the Companies Act, No. 71 of 2008, as amended from time to time;
“Companies Regulations”	the Companies Regulations, 2011, promulgated in terms of section 223 of the Companies Act, as amended from time to time;
“Company” or “THL”	Tongaat Hulett Limited (Registration Number: 1892/000610/06), a limited liability public company incorporated in accordance with the laws of South Africa, whose shares are listed on the main board of the JSE;
“Company Secretary”	the company secretary of THL. The name of the company secretary as at the Last Practicable Date is stated in the “ <i>Corporate Information and Advisors</i> ” section of this Circular;
“Conditions Precedent”	the conditions precedent to the Rights Offer and the Magister Transaction as set out in paragraph 3.4 of this Circular;
“CSDP”	a central securities depository participant, being a “ <i>participant</i> ” as defined in section 1 of the Financial Markets Act;
“Day”	a calendar day, whether or not a Business Day;
“Dematerialised” or “Dematerialisation”	the process whereby physical share certificates are replaced with electronic records evidencing ownership of shares in accordance with the rules of Stare, as contemplated in the Financial Markets Act;
“Dematerialised Share”	a Share which has been Dematerialised;
“Dematerialised Shareholders”	Shareholders who hold Dematerialised Shares;
“Equity PIK Instrument”	the PIK Instrument referred to in paragraph 2.1(viii)a below;
“Exchange Control Regulations”	the Exchange Control Regulations, 1961 in South Africa made in terms of the Currency and Exchanges Act No. 9 of 1933, as amended from time to time, and all directives and rulings issued thereunder;
“Family Member”	of a natural person: <ul style="list-style-type: none"> • any spouse (common law or otherwise), life partner, parent, sibling, child or grandchild of such natural person; and • any spouse (common law or otherwise), life partner, parent, sibling, child or grandchild of a person referred above;
“Financial Markets Act”	the Financial Markets Act No.19 of 2012, as amended from time to time;
“Finsurv”	(i) the Financial Surveillance Department of the South African Reserve Bank responsible for the administration of exchange controls under the Exchange Control Regulations; and/or (ii) authorised dealers to the extent those dealers are authorised by law to make decisions or grant approvals in relation to exchange control matters;
“Form of Proxy”	the form of proxy (<i>blue</i>) incorporated into this Circular for use by Certificated Shareholders and Own-Name Dematerialised Shareholders only, for purposes of appointing a proxy to represent such Shareholders at the General Meeting;

“General Meeting”	the meeting of Shareholders to be held electronically only at 10:00 on Tuesday, 18 January 2022 for the purposes of Shareholders considering, and if deemed fit, adopting, the Shareholder Resolutions, including a resumption of an adjourned meeting, and a recommencement of a postponed meeting;
“Group”	the Company and its Subsidiaries from time to time, and “Member of the Group” shall be construed accordingly;
“Holding Company”	the meaning ascribed to it by the Companies Act, irrespective of the place of registration, establishment or incorporation of the relevant Person;
“Implementation”	the issue of Shares pursuant to the Rights Offer, the Underwrite and the arrangements with other Persons contemplated in paragraph 3.5 below;
“Independent Board”	the “independent board” of THL comprising L de Beer, RM Goetzsche and DC Noko, voluntarily established by the Board;
“Inter-related”	the meaning ascribed to it by the Companies Act, irrespective of the place of registration, establishment or incorporation of the relevant Person;
“JSE”	as the context requires, either the: (i) JSE Limited (Registration Number: 2005/022939/06), a limited liability public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act; or (ii) securities exchange operated by the aforementioned company;
“JSE Listings Requirements”	the listings requirements of the JSE, as amended from time to time;
“Last Day to Trade”	the last JSE trading day to trade Shares in order to be reflected in the Securities Register so as to be eligible to vote at the General Meeting, being Tuesday, 4 January 2022 ;
“Last Practicable Date”	Wednesday, 8 December 2021 , being the last practicable date prior to the finalisation of this Circular;
“Magister”	Magister Investments Limited (Registration Number: C125293 GBL), a private limited company registered in accordance with the laws of the Republic of Mauritius. Magister has advised that it is controlled by Mauritian International Trust Company Limited as Trustee of the Casa Trust, a trust operating for the benefit of Hamish Rudland, his wife, and their children;
“Magister Affiliates”	<ul style="list-style-type: none"> • Hamish Rudland; • Family Members from time to time of Hamish Rudland; • Magister Related Parties; • Magister Inter-related Parties; • Subsidiaries from time to time of Magister, or of other Person/s referred in this definition, Holding Companies from time to time of Magister or of other Person/s referred to in this definition, and Subsidiaries from time to time of any such Holding Companies; • Persons controlled from time to time by Magister, or by any other Person/s referred to in this definition, Persons controlling from time to time Magister or any other Person/s referred to in this definition, and Persons under common control from time to time with Magister or with any other Person/s referred to in this definition; • Braemar; and • trusts or similar entities operating for the benefit (whether vested, discretionary or otherwise, whether directly or indirectly, and whether or not the sole and exclusive benefit) of Magister or of any other Person/s referred to in this definition;

“Magister Concert Parties”	Persons Acting in Concert from time to time with any Member of the Magister Group. Magister has advised THL that there is no such Person as at the Last Practicable Date;
“Magister Group”	Magister and the Magister Affiliates from time to time, and “Member of the Magister Group” shall be construed accordingly;
“Magister Inter-related Parties”	Persons from time to time Inter-related with any Member of the Magister Group. Magister has advised THL that, as at the Last Practicable Date, no Inter-Related Person is able to exercise voting rights attached to any Shares;
“Magister Related Parties”	Persons from time to time Related to any Member of the Magister Group. Magister has advised THL that, as at the Last Practicable Date, no Related Person is able to exercise voting rights attached to any Shares;
“Magister Transaction”	the proposed transaction set out in the Magister Transaction Agreement, the material terms of which are summarised in paragraph 3 below, including without limitation the arrangements with other Persons contemplated in paragraph 3.5 below;
“Magister Transaction Agreement”	the underwriting, subscription and relationship agreement between THL and Magister dated 16 November 2021, as amended from time to time;
“Mandatory Offer”	an offer to shareholders of a regulated company, as contemplated in section 123(4) of the Companies Act, to acquire all remaining securities of that regulated company on terms determined in accordance with the Companies Act and the Takeover Regulations;
“Mandatory Offer Waiver”	a waiver by resolution of independent Shareholders, in terms of regulation 86(4) of the Takeover Regulations, of the requirement for, and of the benefit of receiving, a Mandatory Offer from Magister, Magister Related Parties, Magister Inter-related Parties, other Members of the Magister Group and Magister Concert Parties as a result of Implementation;
“Mandatory Offer Waiver Resolution”	ordinary resolution number 1 in the Notice of General Meeting proposing the Mandatory Offer Waiver;
“Maximum Shareholding Threshold”	the maximum percentage of the Total Shares that Magister and other Members of the Magister Group are permitted to beneficially own immediately after Implementation, being 60% (sixty percent) of the Total Shares; provided that the Company will be entitled to waive this restriction with the consent of Magister;
“MOI”	the memorandum of incorporation of the Company;
“MOI Amendments”	the amendments to the MOI proposed by special resolution number 3 set out in the Notice of General Meeting, which amendments are also set out in Annexure 3 to this Circular;
“Notice of General Meeting”	the notice convening the General Meeting to conduct the business described therein and to consider and, if deemed fit, adopt, with or without modification, the Shareholder Resolutions, and which notice is attached to, and forms part of, this Circular;
“Own-Name Dematerialised Shareholders”	Dematerialised Shareholders who have instructed their CSDP to hold their Dematerialised Shares in their own name on the sub-registers maintained by the CSDP;
“Person”	a natural person, firm, company, body corporate, juristic person, unincorporated association, regulatory authority or any association, trust, partnership, consortium, or other entity (whether or not having separate legal personality, and in each case in any jurisdiction);
“PIK Instrument”	a payment-in-kind debt instrument;
“Property PIK Instrument”	the PIK Instrument referred to in paragraph 2.1(viii)b below;

“Related”	the meaning ascribed to it in the Companies Act, irrespective of the place of registration, establishment or incorporation of the relevant Person;
“Required Shareholder Resolutions”	the Shareholder Resolutions other than ordinary resolutions numbers 2 and 3;
“Rights”	the renounceable entitlement to be granted to Shareholders to subscribe for Rights Offer Shares in proportions pro-rating to their respective percentage holdings of Shares;
“Rights Offer”	a partially underwritten renounceable rights offer to be proposed by THL if the Required Shareholder Resolutions are adopted and the other Conditions Precedent are fulfilled or waived, intended to raise proceeds equal to the Rights Offer Amount, and full details of which will be set out in the Rights Offer Circular;
“Rights Offer Amount”	the size of the Rights Offer, being an amount determined by THL of between ZAR 3 000 000 000 (three billion Rand) and ZAR 4 000 000 000 (four billion Rand) (or such other amount, if any, determined by THL);
“Rights Offer Circular”	a contemplated circular to Shareholders containing the terms and conditions of the Rights Offer, which will be distributed to Shareholders once all the Conditions Precedent have been fulfilled or waived;
“Rights Offer Launch Date”	the date on which the Rights Offer Price is announced on SENS;
“Rights Offer Price”	the subscription price per Share at which the Rights Offer will be made, to be determined by THL and which will represent a discount of no less than 15% (fifteen percent) to the volume weighted average price of Shares measured over the 30 (thirty) JSE (trading days or over such other period of JSE trading days agreed in writing by THL and Magister) up to (and including) the JSE trading day preceding the Rights Offer Launch Date (or up to (and including) such other date which is prior to the Rights Offer Launch Date as is agreed in writing by THL and Magister) or such other subscription price per Share agreed in writing by THL and Magister;
“Rights Offer Shares”	Shares to be offered in terms of the Rights Offer;
“Securities Register”	the register of Certificated Shareholders maintained by the Transfer Secretaries on behalf of the Company and each of the sub-registers of Dematerialised Shareholders maintained by the relevant CSDP’s in terms of the Financial Markets Act;
“SENS”	the Stock Exchange News Service of the JSE;
“Shareholder Resolutions”	the resolutions contained in the Notice of General Meeting;
“Shareholders”	the registered holders of issued Shares from time to time;
“Share(s)”	an ordinary share or shares in THL;
“South Africa”	the Republic of South Africa;

“South African Lenders”	<p>THL’s South African debt providers being, as at the Last Practicable Date:</p> <ul style="list-style-type: none"> • Absa Bank Limited; • The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking division) (including in its capacity as facility agent); • FirstRand Bank Limited (acting through its Rand Merchant Bank division); • Investec Bank Limited (acting through its Corporate and Institutional Banking division and its Investment Banking Division, Corporate Solutions); • Nedbank Limited (acting through its Nedbank Corporate and Investment Banking division); • The Land and Agricultural Development Bank of South Africa; • Sanlam Life Insurance Limited (acting through its Specialised Finance division and its Sanlam Investment Management division); • Sanlam Investment Management Proprietary Limited (acting on behalf of its third-party clients); • Momentum Metropolitan Life Limited; and • Ashburton Fund Managers Proprietary Limited (acting on behalf of its clients);
“Strate”	<p>Strate Proprietary Limited (Registration Number: 1998/022242/07), a limited liability private company incorporated in accordance with the laws of South Africa being a licensed central securities depository in terms of the Financial Markets Act, which is responsible for the electronic settlement system for transactions that take place on the JSE and off market trades;</p>
“Subsidiary”	<p>the meaning ascribed to it in the Companies Act, irrespective of the place of registration, establishment or incorporation of the relevant Person;</p>
“Takeover Regulations”	<p>the Takeover Regulations promulgated in terms of section 120 of the Companies Act, and forming part of the Companies Regulations;</p>
“Total Shares”	<p>at a point in time, the total number of Shares then in issue;</p>
“Transaction Sponsor”	<p>PricewaterhouseCoopers Corporate Finance Proprietary Limited (Registration Number: 1970/003711/07), a limited liability private company incorporated in accordance with the laws of South Africa;</p>
“Transfer Secretaries”	<p>Computershare Investor Services Proprietary Limited (Registration Number: 2004/003647/07), a limited liability private company incorporated in accordance with the laws of South Africa, and transfer secretaries to the Company;</p>
“TRP”	<p>the Takeover Regulation Panel, established by section 196 of the Companies Act;</p>
“TRP Waiver Ruling”	<p>a ruling to be requested from the TRP exempting Magister, Magister Related Parties, Magister Inter-related Parties, other Members of the Magister Group and Magister Concert Parties from having to make a Mandatory Offer as a result of the Rights Offer and the Underwrite;</p>
“Underwrite” or “Underwriting”	<p>the partial underwriting of the Rights Offer by Magister up to the ZAR Cap and subject to the Maximum Shareholding Threshold;</p>

“Underwriting Commission”	the commission to which Magister will be entitled as consideration for the commitment made by Magister in relation to the Underwriting, being 1.5% (one point five percent) of ZAR 2 000 000 000 (two billion Rand) (i.e. ZAR 30 000 000 (thirty million Rand)), plus VAT, if applicable, payable in cash; provided that, if any commitment, underwriting, sub-underwriting and/or other fee which THL agrees with any Shareholder (or its intended renounee) or other Person as consideration for an upfront commitment to participate in the Rights Offer or to underwrite or sub-underwrite any part of the Rights Offer (as contemplated in paragraph 3.5 below) is calculated using a percentage higher than 1.5% (one point five percent), the commission to which Magister will be entitled as consideration for the Underwriting will increase to that higher percentage of ZAR 2 000 000 000 (two billion Rand);
“Unsubscribed Rights Offer Shares”	those of the Rights Offer Shares in relation to which Rights are neither exercised by Shareholders nor by any renounees, or any third parties who acquire letters of allocation, pursuant to the Rights Offer;
“USD”	United States Dollar;
“Voting Record Date”	the date on which Shareholders must be entered in the Securities Register in order to be eligible to speak and vote at, and participate in, the General Meeting, being Friday, 7 January 2022 ;
“ZAR”, “R” or “Rand”	South African Rand, the lawful currency of South Africa; and
“ZAR Cap”	the maximum amount of the Underwrite, being ZAR 2 000 000 000 (two billion Rand).



Est. 1892

TongaatHulett®

Tongaat Hulett Limited

(Incorporated in South Africa)

(Registration Number: 1892/000610/06)

ISIN: ZAE000096541 JSE share code: TON

("THL" or the "Company")

DIRECTORS

Executive Directors:

JG Hudson (*Chief Executive Officer*)

RD Aitken (*Chief Financial Officer*)

DL Marokane

Non-executive Directors:

L von Zeuner (*Chairman of the Board*)*

L de Beer*

RM Goetzsche*

J Nel*

DC Noko*

AH Sangqu*

L Stephens*

**Independent*

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

- 1.1 Shareholders are referred to the announcement released on SENS on 17 November 2021 in relation to a proposed equity raise by way of a Rights Offer and the Magister Transaction.
- 1.2 The purpose of this Circular is to:
 - (i) provide Shareholders with additional information in relation to the Rights Offer and the Magister Transaction; and
 - (ii) convene the General Meeting in order for Shareholders to consider and vote on the Shareholder Resolutions for which Shareholder approval is sought.

2. THE RIGHTS OFFER AND THE MAGISTER TRANSACTION

2.1 Background to the Rights Offer and the Magister Transaction

- (i) As part of THL's comprehensive turnaround strategy, which commenced two and a half years ago and as reported in the Company's financial results for the financial year ended 31 March 2021, a 42% (forty two percent) reduction in debt levels has been achieved through the successful implementation of asset disposals, stringent cashflow management and cost reduction efforts. These initiatives have enabled THL to settle debt of in excess of ZAR 6 097 000 000 (six billion and ninety seven million Rand), owing to the South African Lenders.
- (ii) In order to achieve a further reduction in debt to more sustainable levels, THL has been exploring strategic alternatives including the disposal (or part disposal) of a strategic sugar asset, the disposal of strategic landholdings and a possible rights offer.
- (iii) The COVID-19 pandemic has placed significant pressure on the ability of the Company to conclude the key strategic partnerships it had pursued within its South African sugar operation and its land portfolio. Consequently, THL has not been able to meet the cumulative ZAR 8 100 000 000 (eight billion one hundred million Rand) debt reduction milestone originally agreed with the South African Lenders.

- (iv) To address this issue, the Company commenced a debt refinance in March 2021 that culminated with the execution of a credit-approved term sheet between THL and the South African Lenders on 12 July 2021. The principle underlying the debt refinance was to negotiate a sustainable debt solution with longer dated facilities that creates stability for THL, and allows sufficient time to enable management to raise capital and protect the value of the business for the benefit of all stakeholders. Any remaining debt was allocated to two separate PIK Instruments to be repaid from the proceeds of the various strategic debt reduction initiatives, namely an equity capital raise, the disposal of its sugar assets, the disposal of strategic landholdings, or a combination thereof.
- (v) However, at the time of signing the term sheet, widespread social unrest and riots broke out across Kwazulu-Natal. The impact of the riots on the business is summarised as follows:
- a. THL's South African sugar operations were forced to shut under emergency-type conditions and remained shut for between six and eight days. Some 1 700 hectares of farmland under sugarcane were set alight, impacting on THL's cane supply. With significant volumes of sugarcane that had been subjected to arson being required to be harvested and transported to the sugar mills, a significant time elapsed before the sugarcane was crushed. The delay caused a number of processing inefficiencies which, together with start-up challenges after the extended stoppage, caused disruptions for the sugar mills and negatively affected operational performance. In total production capacity equivalent to some 34 500 tons of sugar was lost;
 - b. a third party warehouse containing THL's prepack sugar stock was looted during the unrest. THL lost 2 670 tons of sugar that was readily available for sale. The third party has been invoiced ZAR 38 000 000 (thirty eight million Rand) for the recovery thereof. An interim payment of ZAR 12 000 000 (twelve million Rand) was received in November 2021 and the balance remains outstanding; and
 - c. the riots caused extensive damage to third party properties in and around THL's development precincts, including Cornubia and Bridge City. As a result, THL has experienced delays in concluding transactions that were under negotiation, as customers reassessed their investment decisions. Ultimately, a number of transactions that were in the pipeline have fallen away.
- (vi) The impact of the above, together with other operational challenges, placed further pressure on the Company's liquidity and necessitated a renegotiation of certain terms of the debt package. A revised proposal was submitted to lenders in October 2021.
- (vii) The final debt refinance agreements were concluded with the South African Lenders on 6 December 2021. Details of the terms and conditions thereof are contained in the interim financial results of THL for the 6 (six) months ended 30 September 2021, published on 9 December 2021. The agreed refinanced debt arrangement entails the following sustainable debt:
- a. Senior Facility A (a term loan) of ZAR 1 050 000 000 (one billion and fifty million Rand);
 - b. Senior Facility B (a revolving credit facility) of ZAR 1 400 000 000 (one billion and four hundred million Rand); and
 - c. Senior overdraft facilities of ZAR 300 000 000 (three hundred million Rand) with a temporary seasonal increase in the facility of ZAR 200 000 000 (two hundred million Rand) from December to March of each year, while these facilities are in place.
- (viii) The refinanced debt arrangement also includes two PIK Instruments (encompassing the total unsustainable debt), being:
- a. Senior Facility C in an amount of ZAR 2 000 000 000 (two billion Rand), the "Equity PIK Instrument"; and
 - b. Senior Facility D in an amount of ZAR 1 591 880 316 (one billion five hundred and ninety one million eight hundred and eighty thousand three hundred and sixteen Rand), the "Property PIK Instrument".

- (ix) The Equity PIK Instrument is required to be repaid through an equity capital raise, the sale of strategic assets, or a combination of the two. The Property PIK Instrument is required to be repaid through the sale of the Company's longer-dated strategic landholdings and from any surplus proceeds resulting from the initiatives undertaken to repay the Equity PIK Instrument.
- (x) The terms of the refinanced facilities include a requirement that the equity capital raise be fully, finally and irrevocably implemented by 31 March 2022 and that proceeds of at least ZAR 2 000 000 000 (two billion Rand) are paid to the South African Lenders by 14 April 2022. Failure to do so will result in punitive interest charges on all facilities. Furthermore, there are specific milestones and actions in relation to an equity capital raise. If any of these milestones are not met, a process for the sale of strategic assets can be triggered by the South African Lenders. These milestones include the following:
- a. the convening of a general meeting in connection with an equity capital raise by 31 January 2022;
 - b. the entering into of one or more share subscription commitment, share placement and/or underwriting agreements in order to raise a minimum of ZAR 2 000 000 000 (two billion Rand) plus any accrued interest on the Equity PIK Instrument by 28 February 2022;
 - c. by 20 March 2022, Shareholders having passed the shareholder resolutions required to facilitate an equity capital raise, and CIPC having delivered a notice of acceptance in relation to the amendments to the MOI made to facilitate an equity capital raise;
 - d. the sending of a circular to Shareholders relating to an equity capital raise by 20 March 2022; and
 - e. full implementation of an equity capital raise by 31 March 2022.
- (xi) In the context of assessing THL's strategic alternatives, and a potential equity capital raise, THL was approached by Magister, expressing an interest in making an equity investment in THL. Magister has advised that it is an existing Shareholder holding 200 000 (two hundred thousand) Shares (c. 0.15% (zero point one five percent) of the Total Shares) as at the Last Practicable Date.
- (xii) Following an assessment by THL of Magister, THL entered into the Magister Transaction Agreement with Magister, in terms of which, *inter alia*:
- Magister has committed ZAR 2 000 000 000 (two billion Rand) to partially underwrite the Rights Offer, subject to the Maximum Shareholding Threshold; and
 - THL and Magister have agreed to certain arrangements regulating their relationship after Implementation.
- (xiii) Magister has provided THL with a bank guarantee in an amount equal to the Rand equivalent of USD 132 700 000 (one hundred and thirty two million and seven hundred thousand United States Dollars), as mentioned in paragraph 3.2(iii) below.
- (xiv) The Magister Transaction Agreement is subject to the Required Shareholder Resolutions being adopted by Shareholders and the fulfilment or waiver of the other Conditions Precedent as described in paragraph 3.4 below.
- (xv) The Rights Offer and the Magister Transaction constitute 1 (one) indivisible transaction. In other words, one will not occur without the other.
- (xvi) The Company may enter into further underwriting arrangements with other parties interested in supporting the Rights Offer.

2.2 THL's rationale for the Rights Offer and the Magister Transaction

THL's debt reduction imperative entails the raising of equity and other capital to address its unsustainable levels of debt. The Rights Offer and Magister Transaction will facilitate this, by the introduction of a strategic investor, whilst affording Shareholders the opportunity to participate in the equity capital raise.

(i) Debt reduction imperative

The rationale for the Rights Offer and the Magister Transaction is to raise the required equity capital to reduce the outstanding debt owed by THL under the Equity PIK Instrument in full, so as to honour the Company's commitment to the South African Lenders. A further objective of the Rights Offer is to settle a significant amount, if not the full amount, of the outstanding debt owed by THL under the Property PIK Instrument, in order to reduce it to more manageable levels. In doing so, THL is seeking to avert the need to dispose of large tracts of its strategic landholdings in a depressed property market. The proposed de-gearing is intended to reduce debt to levels that can be better serviced from the operational cash flows of the business whilst facilitating greater flexibility in THL's capital structure, strengthening management's ability to deliver on its strategic objectives and to drive future growth and long-term shareholder value.

(ii) Introduction of a strategic investor

- a. The core strategy of the Company is to be a low-cost sugar producer with a predominant focus on Southern Africa, and to capitalise on its sizeable landholdings in Kwazulu-Natal.
- b. As a strategic investor in THL, Magister will advance this goal as it shares management's vision for the business in the long term. The introduction of Magister as a strategic investor will add impetus to THL's comprehensive turnaround strategy and allow management the financial and operational flexibility to redirect its focus towards growth initiatives for the Company. This will advance the objective of creating value for Shareholders and THL's other diverse groups of stakeholders across Southern Africa.

(iii) Shareholder participation

A key imperative for the Company is to continue partnering with existing Shareholders and to afford them the opportunity to increase their investment in THL as it further progresses its turnaround strategy. The Rights Offer creates such an opportunity.

(iv) Long-term retention of strategic assets

The Rights Offer and the Magister Transaction will afford the Company the opportunity to retain, and protect the value of, its key strategic assets, in the interests of its Shareholders and other stakeholders. If the Rights Offer and the Magister Transaction do not proceed, there may be a need to dispose of strategic assets to reduce THL's indebtedness to the South African Lenders (as indicated in paragraph 2.1(x) above). Such disposals will result in the loss of valuable cash flows. This scenario is expected to place the Company under significant pressure in its efforts to advance the interests of its stakeholders and significantly impact management's ability to further progress its turnaround strategy.

2.3 **Intended use of proceeds**

The Rights Offer Amount is the maximum amount that will be raised from the Rights Offer. The proceeds will be used to settle the outstanding debt referred to in paragraph 2.2(i) above; provided that, with required permissions of the South African Lenders and the written consent of Magister, part of the Rights Offer Amount might be used, *inter alia*, for the repayment of other indebtedness of Members of the THL Group and/or for investment in the business.

2.4 **Overview of Magister**

- (i) Magister is a global business company registered in accordance with the laws of the Republic of Mauritius on 10 September 2014, which focuses on long term investments in Southern Africa. Details on the controlling shareholder of Magister are set out in the definition of "Magister" on page 9 of this Circular.
- (ii) The directors of Magister as at the Last Practicable Date are:
 - Reena Doolub;
 - Hamish Rudland; and
 - Peter In Kwong Siaw Chock Chiong.

- (iii) Magister is an investment holding company which houses investments in several listed public companies (including Agriterra Limited, an agri business listed on the London Stock Exchange's AIM market), and private entities primarily in agriculture, agro-processing, distribution, property, civil construction and infrastructure development. It has experience in key sectors which complement THL's strategic focus areas and expects to facilitate access to key markets which will benefit THL and facilitate potential growth in new and existing business areas.
- (iv) Magister is expected to add value to THL through its agricultural management, logistics and commercial experience.
- (v) Its insight into agriculture in Zimbabwe and Mozambique will be invaluable and is expected to aid operational cost reductions, improve operational efficiencies and facilitate a focused strategy for the Company.
- (vi) Neither THL nor any of the Directors has any direct or indirect beneficial interest in Magister.

2.5 **Magister's intentions**

Magister has communicated that it:

- (i) has high regard for the current management of THL and the Board and does not foresee any changes thereto post Implementation; and
- (ii) does not intend to involve itself in the day-to-day management of THL.

3. **SALIENT TERMS OF THE RIGHTS OFFER AND THE MAGISTER TRANSACTION**

3.1 **Rights Offer**

- (i) The Rights Offer will enable Shareholders to participate alongside Magister in the equity capital raise.
- (ii) THL intends raising proceeds equal to the Rights Offer Amount pursuant to the Rights Offer.
- (iii) The subscription price payable for the Rights Offer Shares will be the Rights Offer Price.
- (iv) The Rights Offer will not be conditional on any minimum subscription.
- (v) The Rights Offer will be underwritten by Magister up to the ZAR Cap, subject to the Maximum Shareholding Threshold.
- (vi) Further details of the Rights Offer will be set out in the Rights Offer Circular.
- (vii) The Rights Offer will only proceed if the Required Shareholder Resolutions are adopted by Shareholders, and the other Conditions Precedent are fulfilled or waived.

3.2 **Underwriting arrangements with Magister**

- (i) In terms of the Magister Transaction Agreement, Magister has agreed to partially underwrite the Rights Offer (by subscribing for the Shares neither subscribed for pursuant to the exercise of Rights nor pursuant to any excess allocations mechanism). As consideration for doing so, Magister is entitled to the Underwriting Commission.
- (ii) The Underwriting is subject to the following 2 (two) limits:
 - a. the Shares beneficially owned, in total, by Magister and other Members of the Magister Group immediately after Implementation will not exceed the Maximum Shareholding Threshold; and
 - b. the total subscription amount payable by Magister pursuant to the Underwrite will not exceed the ZAR Cap.
- (iii) Magister has provided THL with a guarantee from The Standard Bank of South Africa Limited in which the bank has irrevocably and unconditionally, and as a principal obligor, undertaken to pay an amount up to the Rand equivalent of USD 132 700 000 (one hundred and thirty two million and seven hundred thousand United States Dollars) to THL in relation to Magister's

subscription obligations in terms of the Underwriting. Payment under the guarantee will be made in ZAR. At a USD/ZAR conversion rate of 15.9526 as at the Last Practicable Date, USD 132 700 000 (one hundred and thirty two million and seven hundred thousand United States Dollars) equates to ZAR 2 116 910 020 (two billion one hundred and sixteen million nine hundred and ten thousand and twenty Rand). THL is considering the possibility of entering into a hedging arrangement off the back of the guarantee in order to protect itself against an appreciation of ZAR against USD. If, on the due date for payment of the subscription amount in terms of the Underwrite, USD 132 700 000 (one hundred and thirty two million and seven hundred thousand United States Dollars) equates to less than such subscription amount, Magister will remain liable for the differential.

- (iv) Magister will subscribe for Shares pursuant to the Underwrite at the Rights Offer Price.
- (v) The number of Shares to be subscribed for by Magister in terms of the Underwrite will be calculated in accordance with the following formula:

$$\mathbf{A = B \text{ minus } [C \text{ plus } D]}$$

where:

- A = the number of Shares subscribed for by Magister in terms of the Underwrite; provided that (i) if “A” would, but for this proviso, exceed the number of Shares comprising those of the Unsubscribed Rights Offer Shares which are not issued or to be issued pursuant to applications under the excess allocations mechanism, “A” shall be deemed to be a number equal to the number of Shares comprising those of the Unsubscribed Rights Offer Shares which are not issued or to be issued pursuant to applications under the excess allocations mechanism; (ii) if “A” would, but for this proviso, be a fraction, it will be rounded down to the nearest whole number and (iii) if “A” would, but for this proviso, be a negative number, it shall be deemed to be zero;
 - B = the maximum number of Shares as Magister and other Members of the Magister Group can beneficially own, in total, immediately after Implementation (inclusive of all and any Shares beneficially owned, in total, by Magister and other Members of the Magister Group immediately prior to the commencement of Implementation), both (i) without exceeding the Maximum Shareholding Threshold and (ii) without the subscription amount having exceeded the ZAR Cap;
 - C = the number of Shares beneficially owned, in total, by Magister and other Members of the Magister Group immediately prior to the commencement of Implementation; and
 - D = the number of Rights Offer Shares subscribed for, in total, by Magister and other Members of the Magister Group under the Rights Offer (excluding, for avoidance of doubt, those issued in terms of the Underwrite).
- (vi) Magister has undertaken that payment of the subscription amount in terms of the Underwrite will be made free of deduction, set off (unless otherwise agreed with Magister in relation to the Underwriting Commission), counterclaim, withholding or charges, and without regard to any lien.
 - (vii) The Magister Transaction will only proceed if the Required Shareholder Resolutions are adopted by Shareholders, and the other Conditions Precedent are fulfilled or waived.

3.3 **Confirmations from Magister and THL**

- (i) Magister has advised THL that, at the Last Practicable Date, Braemar beneficially owned 13 485 584 (thirteen million four hundred and eighty five thousand five hundred and eighty four) Shares, constituting c. 9.98% (nine point nine eight percent) of the Total Shares. Magister has advised THL further that Braemar is not an “associate” (as defined in the JSE Listings Requirements) of Magister.
- (ii) Magister has advised THL that Magister:
 - a. is not Acting in Concert with any other Person in relation to the Rights Offer or the Magister Transaction;
 - b. is not party to any agreement with any director of THL, or any Person who was a director of THL within the period of 12 (twelve) months preceding the Last Practicable Date; and

- c. is not party to any agreement with any Shareholder, or any Person which was a Shareholder within the period of 12 (twelve) months preceding the Last Practicable Date, which is considered by it to be material to a decision whether to vote in favour of the Shareholder Resolutions.
- (iii) The Company is not party to any agreement with:
 - a. Magister, any director of Magister, or any Person who was a director of Magister within the period of 12 (twelve) months preceding the Last Practicable Date, other than the Magister Transaction Agreement and a non-disclosure agreement entered into with Magister prior to the commencement of discussions in relation to the Magister Transaction; and
 - b. any Shareholder, or any Person which was a Shareholder within the period of 12 (twelve) months preceding the Last Practicable Date, which is considered by the Company to be material to a decision whether to vote in favour of the Shareholder Resolutions.
- (iv) Magister has advised that neither it nor any other Member of the Magister Group has had any dealings in Shares during the 6 (six) month period ending on the Last Practicable Date nor will have any dealings in Shares up until Implementation.

3.4 Conditions Precedent

- (i) The Rights Offer and the Magister Transaction are subject to the fulfilment or waiver of the following conditions precedent by 30 June 2022 (or a later date pursuant to paragraph 3.4(iii) below) ("**Long-stop Date**"):
 - a. **JSE approvals** – THL having obtained approval of the Rights Offer Circular from the JSE, and such approval having been obtained unconditionally, or subject to Acceptable Conditions;
 - b. **Shareholder approvals** – each of the Required Shareholder Resolutions having been duly adopted by Shareholders;
 - c. **Filing and acceptance of amendments to the MOI** – the MOI Amendments having been sent to CIPC, and CIPC having delivered a notice of acceptance of those amendments;
 - d. **TRP approvals** –
 - the TRP Waiver Ruling having been granted by the TRP, and such ruling having been obtained unconditionally, or subject to Acceptable Conditions; and
 - either:
 - no Person having applied to the Takeover Special Committee for a hearing regarding the TRP Waiver Ruling within 5 (five) Business Days after the TRP Waiver Ruling is announced on SENS; or
 - if any Person or Persons has/have applied to the Takeover Special Committee within that 5 (five) Business Day period for a hearing regarding the TRP Waiver Ruling, the Takeover Special Committee confirms the TRP Waiver Ruling, or otherwise exempts Magister, Magister Related Parties, Magister Inter-related Parties, other Members of the Magister Group and Magister Concert Parties from having to make a Mandatory Offer as a result of the Rights Offer and the Underwrite, in either case either unconditionally, or subject to Acceptable Conditions;
 - e. **South African Lenders consent** – THL having obtained the approvals it requires from the South African Lenders in relation to the Rights Offer and the Magister Transaction; and
 - f. **Applicable Merger Control Approvals** – THL having obtained all the required Applicable Merger Control Approvals, and such approvals having been obtained unconditionally, or subject to Acceptable Conditions.
- (ii) THL has obtained the approvals required in relation to the Rights Offer and the Magister Transaction from Finsurv in terms of the Exchange Control Regulations.
- (iii) The initial Long-stop Date can be extended on one or more occasions by:
 - a. THL, on written notice to Magister; provided that THL cannot unilaterally extend the Long-stop Date beyond 30 September 2022 (or beyond such other date as THL and Magister may agree); or

- b. written agreement between THL and Magister to that effect entered into on or before the then Long-stop Date.
- (iv) THL and Magister are entitled to agree in writing to the waiver of any Condition(s) Precedent if and to extent the waiver is possible in law.

3.5 Possible agreements with additional underwriters and committing Shareholders

If any of the Unsubscribed Rights Offer Shares are neither issued under an excess allocations mechanism nor issued to Magister in terms of the Underwrite, then THL may issue all or any of those shares pursuant to additional underwriting, sub-underwriting or other agreements which might be entered into by THL with Shareholders (or their intended renounees) or other Persons. THL might agree to pay commitment, underwriting, sub-underwriting and/or other fees to Persons as consideration for upfront commitments to participate in the Rights Offer or to underwrite or sub-underwrite any part of the Rights Offer, subject to compliance with the JSE Listings Requirements (if applicable). It is contemplated that any such commitment, underwriting, sub-underwriting and/or other fee will be payable in cash.

3.6 Other provisions contained in the Magister Transaction Agreement

(i) Right to nominate Directors

THL has undertaken to use its reasonable commercial endeavours to procure that, for each full 20% (twenty percent) of the Total Shares beneficially owned, in total, from time to time by Members of the Magister Group (other than Braemar), 1 (one) nominee of Magister becomes a non-executive Director; provided that no more than 3 (three) Directors at any point in time will be nominees of Members of the Magister Group, and each such nominee must be recommended by THL's Nomination Committee to the Board as a Director.

Subject to Members of the Magister Group (other than Braemar) beneficially owning at least 20% (twenty percent) of the Total Shares immediately after Implementation, Magister intends to initially nominate one Person as a Director, being Hamish Rudland. Ordinary resolution number 2 set out in the Notice of General Meeting is the resolution proposing the appointment of Hamish Rudland as a Director if that 20% (twenty percent) threshold is met.

(ii) Non-compete

Subject to certain carve-outs provisions linked to existing operations of the Magister Group involving the production of stock feed, Magister has undertaken that it will not, and that it will procure that no other Member of the Magister Group will, whether alone, jointly with or through another Person, directly or indirectly, or otherwise, for as long as Members of the Magister Group (other than Braemar) beneficially own, in total, at least 20% (twenty percent) of the Total Shares, carry on or be involved in:

- a. land management and property development in KwaZulu-Natal; or
- b. the growing of sugarcane;
- c. the manufacture, production, sale, export and/or marketing of, *inter alia*:
 - i. those substances and/or products derived directly or indirectly from sugarcane which are manufactured or produced by Members of the Group as at the signature date of the Magister Transaction Agreement, including unrefined and refined sugar and animal feeds;
 - ii. ethanol and molasses; and
 - iii. substances and/products which compete with, or constitute substitutes for, any of the substances or products referred to in paragraphs c.i and/or c.ii, in South Africa, Zimbabwe, Mozambique or Botswana, or in any other African country or territory which is fully or partially south of the Sahara Desert,

or be directly or indirectly interested in any Person which directly or indirectly carries on, or is directly or indirectly involved in, any business referred to in paragraph 3.6(ii)a above in KwaZulu-Natal, or any business referred to in paragraphs 3.6(ii)b or 3.6(ii)c above within South Africa, Zimbabwe, Mozambique or Botswana or within any other African country or territory which is fully or partially south of the Sahara Desert.

(iii) **New levels at which an offer must be made by Magister to acquire the Shares of Shareholders**

Given that the Mandatory Offer Waiver Resolution is being proposed to Shareholders, THL believes it is important to afford Shareholders the ability to exit their investment in THL should the total percentage shareholding of Magister, other Members of the Magister Group and Magister Concert Parties increase by certain increments at future points in time after Implementation. In this regard, Magister has agreed that, subject *mutatis mutandis* to the provisions of regulation 86(4) of the Takeover Regulations, it will, and it will procure that the other relevant Members of the Magister Group and Magister Concert Parties will, on a *mutatis mutandis* basis with the Mandatory Offer provisions of sections 123(3) and (4) of the Companies Act, offer to acquire, on terms determined *mutatis mutandis* in accordance with the Companies Act and the Takeover Regulations, all Shares other than those already beneficially owned by Magister, other Members of the Magister Group and Magister Concert Parties should:

- a. Magister, other Members of the Magister Group and Magister Concert Parties (i) beneficially own, in total, less than 50% (fifty percent) of the Total Shares immediately after Implementation, and (ii) at some time thereafter subscribe for, purchase or acquire additional Shares pursuant to which they beneficially own, in total, at least 55% (fifty five percent) of the Total Shares; or
- b. Magister, other Members of the Magister Group and Magister Concert Parties (i) beneficially own, in total, at least 50% (fifty percent) of the Total Shares immediately after Implementation, and (ii) at some time thereafter subscribe for, purchase or acquire additional Shares pursuant to which they beneficially own, in total, a percentage of the Total Shares at least 10% (ten percent) higher than their total percentage beneficial ownership level immediately after Implementation.

4. **CHANGES TO SHARE CAPITAL, AND AMENDMENTS TO THE MOI, REQUIRED TO FACILITATE THE RIGHTS OFFER AND MAGISTER TRANSACTION**

- 4.1 Given the proposed size of the Rights Offer and the Magister Transaction, the Company proposes increasing its authorised shares from 150 000 000 (one hundred and fifty million) Shares (of which 135 112 506 (one hundred and thirty five million one hundred and twelve thousand, five hundred and six) Shares are currently in issue) to 5 000 000 000 (five billion) Shares, by the creation of a further 4 850 000 000 (four billion eight hundred and fifty million) new authorised shares. This should not be taken as an indication as to the number of Shares to be issued by THL pursuant to the Rights Offer and the Magister Transaction. The Company will only issue such number of Shares as is required to raise the Rights Offer Amount. Shareholders should note that only 6 755 625 (six million seven hundred and fifty five thousand six hundred and twenty five) Shares were placed under the control of the Board at the annual general meeting held on 10 September 2021, and that this number will remain unchanged even if not all of the newly created Shares are issued under the Rights Offer and the Magister Transaction.
- 4.2 In order to increase the Company's authorised shares, THL first needs to convert the existing Shares from par value shares of ZAR 1.00 each to no par value shares.
- 4.3 In summary, in order to prepare for and facilitate Implementation, Shareholder approval is required for the following corporate actions:
- (i) the conversion of the authorised shares of the Company (whether or not in issue) from par value shares of ZAR 1.00 each to no par value shares, discussed in further detail in paragraph 5 below;
 - (ii) an increase of the authorised shares of the Company through the creation of 4 850 000 000 (four billion eight hundred and fifty million) new authorised shares, such that the number of authorised shares is increased to 5 000 000 000 (five billion) Shares, discussed in further detail in paragraph 6 below;
 - (iii) consequential amendments to the MOI, discussed in further detail in paragraph 7 below;
 - (iv) the issue of Shares with voting power exceeding 30% (thirty percent) of the voting power of the Shares currently in issue, discussed in further detail in paragraph 8 below; and
 - (v) the Mandatory Offer Waiver, discussed in further detail in paragraph 9 below.

5. **CONVERSION OF AUTHORISED SHARES (WHETHER OR NOT ISSUED) FROM PAR VALUE TO NO PAR VALUE SHARES**

5.1 **The rationale**

- (i) In order to implement the Rights Offer and the Magister Transaction, the Company proposes to increase its authorised shares, discussed in more detail in paragraph 6 below.
- (ii) In terms of regulations 31(2) and 31(5)(a) of the Companies Regulations, a company is not permitted to create new par value shares, the effect being that the new Shares referred to in paragraph 6 below will have to be created as no par value shares.
- (iii) Cognisant of this, the Board proposes to convert all of the Company's existing authorised shares (whether issued or unissued) from par value shares of ZAR 1.00 each to no par value shares, such that all authorised and issued shares in the Company will be no par value shares.

5.2 **Shareholder approval**

Special resolution number 1 set out in the Notice of General Meeting is the resolution proposing the conversion of the Shares from par value shares of ZAR 1.00 each to no par value shares. In order for special resolution number 1 to be adopted, it must be supported by at least 75% (seventy five percent) of the voting rights exercised on it. Magister has undertaken not to vote on special resolution number 1, and to procure that no other Member of the Magister Group votes on special resolution number 1.

5.3 **Board report requirement**

- (i) Regulations 31(7) and 31(8) of the Companies Regulations require, in addition, that, when a company proposes a resolution to convert its shares into no par value shares, the board of directors of that company prepare a report in respect of the proposed conversion, which, amongst other things, evaluates whether the conversion will have any material adverse effects.
- (ii) This report of the Board is attached hereto as Annexure 2 to this Circular and confirms that the proposed conversion has (and will have) no adverse effects on the Shareholders as they will remain in the same position and enjoy the same rights before and after the proposed conversion.

6. **INCREASE OF AUTHORISED SHARES**

6.1 **The rationale**

- (i) As stated in paragraph 2.2 above, the Company wishes to raise proceeds equal to the Rights Offer Amount pursuant to the Rights Offer and the Magister Transaction, as part of the Company's debt reduction initiatives. The number of Shares to be issued, pursuant to the Rights Offer and the Magister Transaction, and the Rights Offer Price, will be determined shortly before the Rights Offer Circular is distributed to Shareholders, depending on, *inter alia*, market conditions prevailing at that time.
- (ii) Given that, at the Last Practicable Date, there are only 14 887 494 (fourteen million eight hundred and eighty seven thousand four hundred and ninety four) authorised but unissued Shares available for issuance, there are insufficient authorised Shares to issue the requisite number of Shares pursuant to the Rights Offer and the Magister Transaction.
- (iii) Consequently, in order to ensure that the Company has sufficient authorised but unissued Shares available for the Rights Offer and the Magister Transaction, the Board believes it is necessary to increase the authorised shares from 150 000 000 (one hundred and fifty million) Shares to 5 000 000 000 (five billion) Shares, by the creation of a further 4 850 000 000 (four billion eight hundred and fifty million) new authorised Shares.

6.2 Shareholder approval

Special resolution number 2 set out in the Notice of General Meeting is the relevant resolution for approving an increase of the Company's authorised shares. In order for special resolution number 2 to be adopted, it must be supported by at least 75% (seventy five percent) of the voting rights exercised on it. Magister has undertaken not to vote on special resolution number 2, and to procure that no other Member of the Magister Group votes on special resolution number 2.

7. MOI AMENDMENTS

- 7.1 As discussed in paragraph 5 above, the Companies Act and the Companies Regulations do not permit the creation of new par value shares and accordingly an amendment to the MOI is required to convert the Shares to no par value shares.
- 7.2 In addition, the Company requires an amendment to the MOI to increase its authorised but unissued Shares to create sufficient authorised Shares for Implementation.
- 7.3 Accordingly, the Board proposes the MOI Amendments.
- 7.4 Details of the MOI Amendments are set out in Annexure 3 to this Circular and in the Notice of General Meeting, and a copy of each of the MOI and the MOI Amendments will be made available for inspection by Shareholders on a virtual platform to which Shareholders will be granted access as referred to in paragraph 19 below.
- 7.5 The JSE has approved the MOI Amendments.
- 7.6 Special resolution number 3 set out in the Notice of General Meeting is the resolution proposing the MOI Amendments. In order for special resolution number 3 to be adopted, it must be supported by at least 75% (seventy five percent) of the voting rights exercised on it. Magister has undertaken not to vote on special resolution number 3, and to procure that no other Member of the Magister Group votes on special resolution number 3.

8. AUTHORITY TO ISSUE SHARES IN TERMS OF THE RIGHTS OFFER AND THE MAGISTER TRANSACTION

- 8.1 In the expectation that the voting power of the Shares to be issued upon Implementation will exceed 30% (thirty percent) of the voting power of all the Shares in issue immediately before Implementation, the issue of those Shares will, in terms of section 41 of the Companies Act, require the approval of at least 75% (seventy five percent) of the votes exercised by Shareholder's voting (personally, by proxy or by representative) at the General Meeting.
- 8.2 Special resolution number 4 set out in the Notice of General Meeting is the resolution proposing the issue of Shares under the Rights Offer and the Magister Transaction. In order for special resolution number 4 to be adopted, it must be supported by at least 75% (seventy five percent) of the voting rights exercised on it. Magister has undertaken not to vote on special resolution number 4, and to procure that no other Member of the Magister Group votes on special resolution number 4.

9. THE MANDATORY OFFER WAIVER

9.1 The rationale

- (i) Section 123(3) of the Companies Act provides that if, pursuant to the acquisition of a beneficial interest in voting rights attached to any securities of a regulated company, a Person (together with its Related and Inter-related parties and concert parties) is able to exercise at least 35% (thirty five percent) of all of the voting rights attached to the securities of that regulated company, the Person is required to make a Mandatory Offer to the holders of the remaining securities of that company to acquire those securities on terms determined in accordance with the Companies Act and the Takeover Regulations.
- (ii) Regulation 86(4) of the Takeover Regulations provides for an exemption from the obligation to make a Mandatory Offer if an acquisition contemplated in paragraph 9.1(i) is made pursuant to a rights offer, provided that independent holders of more than 50% (fifty percent) of the general voting rights of all issued securities of the company concerned have agreed, by adoption of an ordinary resolution, to waive the benefit of such a Mandatory Offer.

- (iii) It is contemplated that the subscription by Magister for Shares pursuant to the Rights Offer and the Underwrite may result in Magister (together with any Magister Related Parties, Magister Inter-related Parties, other Members of the Magister Group and Magister Concert Parties) being able to exercise at least 35% (thirty five percent) of all of the voting rights attached to the Total Shares.
- (iv) A vital consideration in Magister's decision whether or not to enter into the Magister Transaction is whether Implementation might result in an obligation to make a Mandatory Offer. Magister sees value investing in a publicly traded entity with the associated governance framework. Magister has high regard for the independence and expertise that the Directors bring to the business to ensure considered decisions are made, that due regard is given to risk factors and that appropriate control mechanisms are in place. Magister accordingly advised that it would not proceed with the Magister Transaction unless the Mandatory Offer Waiver Resolution is adopted, and it is exempted by the TRP from the obligation to make a Mandatory Offer.
- (v) Without the Underwriting, there is a real risk that, from a commercial perspective, the Company will not be in a position to proceed successfully with the Rights Offer. Magister not proceeding with the Underwriting will accordingly negatively impact the Company's ability to reduce its indebtedness to the South African Lenders, and, in the Board's view, be prejudicial to the Company's best interests, and as a consequence the best interests of Shareholders and other stakeholders.
- (vi) This being the case, the Company is seeking the Mandatory Offer Waiver in terms of ordinary resolution number 1 set out in the Notice of General Meeting. This will provide Magister with comfort that, by agreeing to the Magister Transaction, Magister will not expose itself, or any Magister Related Parties, Magister Inter-related Parties, other Members of the Magister Group and Magister Concert Parties to the risk of having to make a Mandatory Offer.
- (vii) In order for ordinary resolution number 1 to be adopted, it must be supported by more than 50% (fifty percent) of the voting rights exercised on it by independent holders of Shares. Magister has undertaken not to vote on ordinary resolution number 1, and to procure that no other Member of the Magister Group votes on ordinary resolution number 1.
- (viii) Given that the Mandatory Offer Waiver Resolution is being proposed to Shareholders, THL believes it is important to afford Shareholders the ability to exit their investment in THL should the total percentage shareholdings of Magister, other Members of the Magister Group and Magister Concert Parties increase by certain increments at future points in time after Implementation.
- (ix) Magister has accordingly agreed that, subject *mutatis mutandis* to the provisions of regulation 86(4) of the Takeover Regulations, it will, and that it will procure that the other relevant Members of the Magister Group and Magister Concert Parties will, on a *mutatis mutandis* basis with the Mandatory Offer provisions of sections 123(3) and (4) of the Companies Act, offer to acquire, on terms determined *mutatis mutandis* in accordance with the Companies Act and the Takeover Regulations, all Shares other than those already beneficially owned by Magister, other relevant Members of the Magister Group and Magister Concert Parties if at some time in the future, after Implementation, Magister, other Members of the Magister Group and/or Magister Concert Parties subscribe for, purchase or acquire additional Shares in either of the circumstances referred to in paragraph 3.6(iii) above.
- (x) As outlined above, Implementation might result in Magister and Magister Related Parties, Magister Inter-related Parties, other Members of the Magister Group and Magister Concert Parties being able to exercise, in total, 35% (thirty five percent) or more of the voting rights attaching to the issued Shares. If so, then in terms of section 123 of the Companies Act, Magister, and relevant Magister Related Parties, relevant Magister Inter-related Parties, other Members of the Magister Group and Magister Concert Parties would be obliged to make a Mandatory Offer to the Shareholders at the Rights Offer Price, unless the obligation to make a Mandatory Offer is waived in accordance with regulation 86(4) of the Takeover Regulations and Magister, Magister Related Parties, Magister Inter-related Parties, other Members of the Magister Group and Magister Concert Parties are exempted by the TRP from the obligation to make a Mandatory Offer.
- (xi) The TRP has advised that it is willing to consider an application to grant an exemption from the obligation to make a Mandatory Offer if the Mandatory Offer Waiver Resolution is adopted.

- (xii) Any Shareholder who wishes to make representations relating to the exemption will be entitled to make such representations to the TRP before a ruling is made by the TRP. Representations should be made in writing and delivered by hand, posted or emailed to the addresses set out below; provided that the representations must reach the TRP by no later than **17:00 on Friday, 14 January 2022** in order to be considered.

If delivered by hand or couriered: If posted:

The Executive Director
Takeover Regulation Panel
1 Floor Block 2
Freestone Park
135 Patricia Road
Atholl
2196,
South Africa

The Executive Director
Takeover Regulation Panel
PO Box 91833
Auckland Park
2006,
South Africa

If emailed:

The Executive Director
Takeover Regulation Panel
andilen@trpanel.co.za

- (xiii) If any representations are made to the TRP within the permitted timeframe, the TRP will consider the merits thereof before making a ruling.

9.2 Additional information required by the TRP on the Rights Offer

- (i) As mentioned in paragraph 9.1 above, the Magister Transaction is conditional on the Mandatory Offer Waiver Resolution being approved by the requisite majority of votes exercised by independent Shareholders. Magister has advised that it will not proceed with the Magister Transaction unless the Mandatory Offer Waiver Resolution is approved by the requisite majority of votes exercised by independent Shareholders and it, and Magister Related Parties, Magister Inter-related Parties, other Members of the Magister Group and Magister Concert Parties are exempted by the TRP from the obligation to make a Mandatory Offer.
- (ii) The terms and conditions of the Rights Offer will be set out in detail in the Rights Offer Circular. Shareholders will accordingly have access to the full terms and conditions of the Rights Offer prior to the dates on which they are required to make a decision on whether to participate in (and financially commit to) the Rights Offer.
- (iii) The proceeds sought to be raised pursuant to the Rights Offer will be the Rights Offer Amount. The Rights Offer Amount is the maximum amount that will be raised from the Rights Offer. The proceeds will be used for the purposes referred to in paragraph 2.3 above.
- (iv) Other key terms and conditions of the Rights Offer will include the following:

<i>Pro rata offering</i>	Shares offered under the Rights Offer will be offered to Shareholders <i>pro rata</i> to their existing shareholdings as at a Rights Offer record date to be determined by the Board.
--------------------------	---

By subscribing for the Shares offered to it under the Rights Offer, a Shareholder will avoid a dilution in its percentage shareholding resulting from the Rights Offer and the Magister Transaction.

Class of shares to be offered under the Rights Offer	Ordinary shares, each to rank <i>pari passu</i> with each Share already in issue.
--	---

Price per Share at which the Rights Offer will be made	The Rights Offer will be made to each Shareholder at: <ul style="list-style-type: none"> • a price per Share determined, and announced on SENS, prior to the opening of the Rights Offer; and • the same price per Share as it is made to each other Shareholder. The Rights Offer Price will also be stated in the Rights Offer Circular.
--	--

Total number of Shares to be offered under the Rights Offer	As at the Last Practicable Date, the Company has not determined the total number of Shares to be offered under the Rights Offer. The total number of Shares will be determined shortly before the Rights Offer Circular is distributed to Shareholders, based, <i>inter alia</i> , on the Rights Offer Price and the Rights Offer Amount.
---	---

The maximum number of Shares that can be issued under the Rights Offer is 4 864 887 494 (four billion eight hundred and sixty four million eight hundred and eighty seven thousand four hundred and ninety four) Shares, but this should not be taken as an indication that such number of Shares will or is expected to be issued. The Company will only issue such number of Shares as is required to raise the Rights Offer Amount.

Shareholders should note that only 6 755 625 (six million seven hundred and fifty five thousand six hundred and twenty five) Shares were placed under the control of the Board at the annual general meeting held on 10 September 2021, and that this number will remain unchanged even if not all of the newly created Shares are issued under the Rights Offer and the Magister Transaction.

- (v) By reason of regulation 86(7) of the Takeover Regulations, it is not necessary for a fair and reasonable opinion to be included in this Circular as the Rights Offer will be implemented at a discount to the prevailing market price.
- (vi) The Company has obtained irrevocable undertakings and letters of support in favour of the Mandatory Offer Waiver from certain Shareholders, as set out in paragraph 12 of this Circular.
- (vii) The published financial results of the Company for the financial years ended 31 March 2021, 31 March 2020 and 31 March 2019 and the interim financial information for the six months to 30 September 2021 are available for inspection by Shareholders on a virtual platform to which Shareholders will be granted access as referred to in paragraph 19 below and can be viewed on the Company's website at: <https://www.tongaat.com>.
- (viii) The service contracts of each executive Director contain terms and conditions that are standard for agreements of that nature and are terminable on written notice, during which notice period the director would be remunerated in full. Copies of the executive Directors' service contracts are available for inspection by Shareholders on a virtual platform to which Shareholders will be granted access as referred to in paragraph 19 below. No service contract has been entered into with a Director or amended during the six months preceding the date of issue of this Circular.

10. SHARE CAPITAL

10.1 At the Last Practicable Date, the authorised and issued shares in the Company are as follows:

Class of Shares	Number of Shares	ZAR
Authorised Shares with par value of ZAR 1.00 each	150 000 000	150 000 000
Issued Shares with par value of ZAR 1.00 each	135 112 506	135 112 506
Total share premium of ZAR 1 543 691 977 (one billion five hundred and forty three million six hundred and ninety one thousand nine hundred and seventy seven Rand).		

After the adoption of the Required Shareholder Resolutions but before Implementation, the authorised and issued shares of the Company will be as follows:

Class of Shares	Number of Shares
Authorised Shares with no par value	5 000 000 000
Issued Shares with no par value	135 112 506
Total stated capital of ZAR 1 678 804 483 (one billion six hundred and seventy eight million eight hundred and four thousand four hundred and eighty three Rand).	

- 10.2 The number of Shares in issue once Implementation has occurred will depend on the number of Shares issued under the Rights Offer and the Magister Transaction, which is not known as at the Last Practicable Date.
- 10.3 At the Last Practicable Date, 273 370 (two hundred and seventy three thousand three hundred and seventy) Shares are held by Subsidiaries of THL in treasury for the purposes of fulfilling share awards outstanding in terms of the Company's employee share ownership plan. The Subsidiaries may follow their Rights in terms of the Rights Offer.
- 10.4 There has been no issue of Shares in the 3 (three) years preceding the Last Practicable Date.
- 10.5 At the Last Practicable Date, all the authorised and issued shares in THL are of the same class and rank *pari passu* in every respect and accordingly, no shares have any special or preferent right to dividends, capital or profits or any other special or preferent right, including special or preferent redemption rights and special or preferent rights on liquidation or distribution of capital assets.

11. DIRECTORS

11.1 Directors' remuneration

The remuneration of the Directors will not be varied in consequence of the Rights Offer and the Magister Transaction.

11.2 Directors' interests in Shares

The direct and indirect beneficial interests of Directors (and their associates), including, to the best of the Board's knowledge, any director of THL who resigned during the 18 (eighteen) months preceding the Last Practicable Date, in the issued Shares as at the Last Practicable Date were as follows:

Name	Number of Shares beneficially owned	Percentage of Total Shares
JG Hudson	161 379	0.12
RD Aitken	57 580	0.04
Total	218 959	0.16

There have been no changes in these beneficial interests between 31 March 2021 and the Last Practicable Date. The Directors beneficially owning Shares may follow their Rights in terms of the Rights Offer.

12. IRREVOCABLE UNDERTAKINGS AND LETTERS OF SUPPORT

The following Shareholders have either irrevocably committed to vote in favour of all of the Required Shareholder Resolutions in respect of the Shares they hold at the date of the General Meeting or have provided indicative letters of support in relation to such resolutions:

Shareholder	Type of undertaking	Number of Shares held on the date on which the undertaking/letter of support was provided	Percentage of Total Shares (on the date on which the undertaking/letter of support was provided)
Metal Industries Benefits Funds Administrators	Irrevocable undertaking	3 995 640	2.96%
Mianzo Asset Management Proprietary Limited	Irrevocable undertaking	4 342 377	3.22%
Sanlam Investment Management Proprietary Limited	Irrevocable undertaking	4 826 001	3.57%
PSG Asset Management Proprietary Limited	Non-binding letter of support	20 328 455	15.05%
The Public Investment Corporation SOC Limited	Non-binding letter of support	18 623 254	13.78%
Total		52 115 727	38.58%

13. RESOLUTIONS TO BE PROPOSED TO SHAREHOLDERS

13.1 The Board proposes the Shareholder Resolutions for consideration, and if deemed fit, adoption, by Shareholders. Further details in relation to each of these resolutions are provided in paragraphs 3.6 and 4 to 9 above. The Shareholder Resolutions are set out in the Notice of General Meeting.

13.2 Magister has undertaken not to vote on the Shareholder Resolutions, and to procure that no other Member of the Magister Group votes on the Shareholder Resolutions.

14. RECOMMENDATIONS

14.1 Each of the Board and the Independent Board is of the view that the Rights Offer and the Magister Transaction are consistent with the Company's strategic objectives and turnaround strategy, and in the best interests of the Company. It follows that each of the Board and the Independent Board unanimously recommends that Shareholders vote in favour of the Shareholder Resolutions.

14.2 Each Director who beneficially owns Shares will vote those Shares in favour of all the Shareholder Resolutions.

15. CONSENTS

Each advisor whose name appears on the inside front cover of this Circular has consented in writing to act in the capacity stated and to its name appearing in this Circular and has not withdrawn its consent prior to the Last Practicable Date.

16. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors whose names are stated on page 14 (including those who are members of the Independent Board) collectively and individually accept full responsibility for the accuracy of the information contained in this Circular in relation to the Group, and certify that, to the best of their knowledge and belief, there are no facts which have been omitted which would make any statement in this Circular in relation to the Group false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law and the JSE Listings Requirements.

17. **MAGISTER DIRECTORS' RESPONSIBILITY STATEMENT**

The directors of Magister whose names are stated on page 17 collectively and individually accept full responsibility for the accuracy of the information contained in this Circular in relation to the Magister Group, and certify that, to the best of their knowledge and belief, there are no facts which have been omitted which would make any statement in this Circular in relation to the Magister Group false or misleading, and that all reasonable enquiries to ascertain such facts have been made.

18. **NOTICE OF GENERAL MEETING**

The General Meeting will be held at **10:00 on Tuesday, 18 January 2022** in order for Shareholders to consider and, if deemed fit, adopt, with or without modification, the Shareholder Resolutions.

The General Meeting will be conducted entirely by electronic communication as contemplated in the MOI and section 63(2)(a) of the Companies Act, and Shareholders will accordingly only be able to access the General Meeting electronically via an electronic facility. More information in this regard is provided in the Notice of General Meeting.

19. **DOCUMENTS AVAILABLE FOR INSPECTION**

The documents listed below will be available for inspection by Shareholders from Wednesday, 15 December 2021, being the issue date of this Circular, up to and including the date of the General Meeting, on a virtual platform to which Shareholders will be granted access on a "read only" basis upon a request being sent to the Company Secretary (johann.vanrooyen@tongaat.com):

- 19.1 the Magister Transaction Agreement;
- 19.2 the bank guarantee referred to in paragraph 3.2(iii) above;
- 19.3 a signed copy of each of the consent letters referred to in paragraph 15 above;
- 19.4 a signed copy of this Circular;
- 19.5 the audited consolidated annual financial statements of the Company for the 3 (three) financial years ended 31 March 2019, 31 March 2020 and 31 March 2021;
- 19.6 the unaudited interim financial results of THL for the 6 (six) months ended 30 September 2021;
- 19.7 a copy of Directors' service contracts;
- 19.8 a copy of each of the letters of support and irrevocable undertakings referred to in paragraph 12 above; and
- 19.9 a copy of the MOI and the MOI Amendments.

By order of the Board

TONGAAT HULETT LIMITED

JJ van Rooyen

Company Secretary

REGISTERED OFFICE OF TONGAAT HULETT:

Amanzimnyama Hill Road
Tongaat, KwaZulu-Natal
South Africa

HISTORICAL FINANCIAL INFORMATION

The following summary financial information is derived, without adjustment, from the consolidated annual financial statements of Tongaat Hulett Limited (“THL”) for the financial years ended 31 March 2019, 2020 and 2021, and the condensed consolidated interim financial statements for the six months ended 30 September 2020 and 2021. The information set out in this extract is not a full set of financial statements in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. Reading the information in this extract is therefore no substitute for reading the consolidated annual financial statements of THL for the financial years ended 31 March 2019, 2020 and 2021, and the condensed consolidated interim financial statements for the six months ended 30 September 2020 and 2021 which can be obtained from THL’s website (<https://www.tongaat.com/>).

The Directors of THL are responsible for the preparation and fair presentation of the consolidated annual financial statements and condensed consolidated interim financial statements of THL in accordance with IFRS from which the Historical Financial Information (“HFI”) of THL has been prepared.

As disclosed in the condensed consolidated interim financial statements for the six months ended 30 September 2021, THL has restated comparative information for errors identified as part of the activities to transition to new auditors. Therefore, the consolidated financial statements of THL for the financial year ended 31 March 2021 and the condensed consolidated interim financial statements for the six months ended 30 September 2020 have been restated.

As the restatement does not affect the ‘statement of financial position’ at the 31 March 2020 reporting date, the correction of the errors has been applied retrospectively from 1 April 2020, being the earliest period that will be presented in the consolidated annual financial statements for the financial year ending 31 March 2022. Consequently, the consolidated annual financial statements of THL for the financial years ended 31 March 2020 and 2019 have not been restated.

Notwithstanding the above, to improve comparability of the HFI, management has illustrated the impact of the restatements in the statement of profit or loss and other comprehensive income in respect of the years ended 31 March 2020 and 2019.

The restatements described in the condensed consolidated financial statements for the six months ended 30 September 2021 comprised of:

Restatement Description	Impact on 30 September 2020	Impact on 31 March 2021
a) Sugar industry equalisation mechanism	Yes	Yes
<p>The South African Sugar Association (“SASA”) was constituted to oversee the functioning of the South African sugar industry in terms of the Sugar Industry Agreement, 2000. In terms of this agreement each sugar miller is allocated a share of both the local market and export market based on its saleable production relative to the total industry’s production.</p> <p>The local market redistribution processes require sugar millers whose sales into the local market exceed their share of the local market to pay SASA an amount (based on local market pricing) for redistribution to sugar millers who sold less than their share.</p> <p>In respect of export sales, sugar millers are obliged to deliver all sugar produced and not sold into the local market to SASA for export. With some exceptions, SASA is responsible for exporting sugar on behalf of the sugar industry, recovering the proceeds for export cargos from customers and allocating these proceeds to the sugar millers. Every sugar miller receives its share of the export proceeds, irrespective of whether the sugar miller supplied physical sugar to SASA for export or not.</p> <p>THL treated both the export proceeds and the local market redistribution amounts as being in the scope of IFRS 15 <i>Revenue from Contracts with Customers</i> (“IFRS 15”) and recorded these amounts as revenue. Management applied judgment when it determined the accounting treatment for the local market redistributions to be similar to variable consideration and within the scope of IFRS 15, and considered a number of options in deciding the appropriate accounting treatment, including those where the local market redistributions fell outside the scope of IFRS 15.</p> <p>Management has reviewed its judgement and, on the basis that SASA is not THL’s customer, determined that neither the export proceeds allocations nor the local market redistribution fall within the scope of IFRS 15. As the export proceeds and local market redistributions are no longer considered revenue, these have been disclosed within gross profit as an additional ‘sugar industry equalisation’ line on the face of the ‘statement of profit or loss and other comprehensive income’. Revenue on the face of the ‘statement of profit or loss and other comprehensive income’ will be restated for this change. Management has determined that this disclosure will best achieve fair presentation as required by IAS 1 <i>Presentation of Financial Statements</i>.</p> <p>There is no impact on gross profit, operating profit, (loss)/profit before taxation, (loss)/profit from continuing operations, profit for the period or total comprehensive income/(loss) for the period. In addition, basic and diluted earnings per share and basic and diluted headline earnings per share are not impacted. Furthermore, there is no impact of the restatement on the ‘statement of financial position’, ‘statement of changes in equity’ and ‘statement of cash flows’.</p>		
b) Sugar export proceeds received in advance	Yes	No
<p>At 30 September 2020, the sugar volume upon which export proceeds had been allocated to the Group exceeded the sugar volume upon which the local market redistribution had been determined by 47 000 tons. As the export proceeds had been recognised as revenue in the comparative period, management derecognised 47 000 tons of sugar inventory and recorded this as cost of sales. This is similar to how SASA adjusts physical stocks for timing differences at the end of season. On review, management concluded that as the Group retains control over the stock, the inventory should not have been derecognised and the export proceeds should have been recognised as income received in advance (and not under IFRS 15).</p> <p>The associated tax adjustment has been offset by an additional recognition of the unprovided deferred tax on the Group’s tax loss, resulting in no net change in the deferred taxation expense or deferred tax balance.</p> <p>As these timing differences have been resolved at the end of the season, there is no restatement in respect of THL’s consolidated annual financial statements for the year ended 31 March 2021.</p>		

Restatement Description	Impact on 30 September 2020	Impact on 31 March 2021
c) Sugar inventory – work in progress	Yes	No
<p>At 30 September 2020, there was product at various production stages within the sugar mill (i.e. work-in-progress) that was not assigned any value by the enterprise resource planning system. The manual adjustment for work-in-progress was overlooked by management.</p> <p>The interim condensed consolidated financial statements have been restated for the error which resulted in an overstatement of 'cost of sales' and an understatement of inventories of the same amount. The associated tax adjustment has been offset by an additional recognition of the unprovided deferred tax on the Company's tax loss, resulting in no net change in the deferred taxation expense or deferred tax balance.</p> <p>There is no restatement in respect of the THL's consolidated annual financial statements for the year ended 31 March 2021 as the sugar milling season is complete and there is only an immaterial amount of product in process in the sugar mill at the year end.</p>		
d) Hyperinflation adjustments to cost of sales	Yes	Yes
<p>Since IAS 29 <i>Financial Reporting in Hyperinflationary Economies</i> ("IAS 29") became applicable to entities in Zimbabwe, THL has consistently used the direct method to adjust 'cost of sales' for hyperinflation. In terms of the direct method, monthly inflation indices are used to adjust the historical 'cost of sales' expense from the date the sale occurred. Management believed this method to be compliant with IAS 29 and had applied it in its previously audited annual financial statements.</p> <p>In the current year, management has reviewed the use of the direct method in respect of 'cost of sales'. After due consideration, THL has revised its approach and retrospectively applied the indirect method to hyperinflate 'cost of sales', to align with what others in manufacturing industries are doing. In terms of the indirect method, each component used to determine the 'cost of sales' expense (opening stock, production costs and closing stock) is adjusted for hyperinflation separately rather than adjusting the 'cost of sales' expense as a whole. In effect, this method applies hyperinflation to the 'cost of sales' expense from the date the sugar was produced rather than the date it was sold.</p> <p>This revision has resulted in a restatement of amounts in the 'statement of profit or loss and other comprehensive income' between 'cost of sales', 'taxation' and 'net monetary loss'. While operating profit has decreased there has been no impact on profit before taxation, earnings and headline earnings per share (basic and diluted) or the 'statement of financial position'. While there is no impact on the 'statement of cash flows', line items within the 'cash generated from operations' note have been restated with no impact on the total 'cash generated from operations'.</p>		

STATEMENT OF FINANCIAL POSITION INFORMATION

R' million	As at 31 March			As at 30 September	
	2021	2020	2019	2021	2020 Restated
ASSETS					
Non-current assets					
Property, plant and equipment	4 883	6 013	5 709	5 425	5 013
Right-of-use assets	307	340	–	305	362
Goodwill	48	53	48	47	51
Intangible assets	266	337	388	233	289
Investments in associates and joint ventures	51	35	6	78	36
Deferred tax assets	165	593	123	193	685
Other non-current assets	163	348	860	142	198
Total non-current assets	5 883	7 719	7 134	6 423	6 634
Current assets					
Inventories	3 255	3 281	3 673	5 602	4 903
Biological assets	1 645	2 572	1 552	2 003	1 500
Trade and other receivables	1 833	1 071	1 528	1 891	1 530
Derivative financial instruments	7	–	12	–	8
Current tax assets	24	124	72	17	114
Cash and cash equivalents	629	1 242	962	599	828
	7 393	8 290	7 799	10 112	8 883
Assets classified as held for sale	–	2 139	100	–	2 864
Total current assets	7 393	10 429	7 899	10 112	11 747
TOTAL ASSETS	13 276	18 148	15 033	16 535	18 381
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital and premium	1 679	1 679	1 679	1 679	1 679
Accumulated losses	(1 340)	(3 563)	(3 548)	(1 620)	(3 256)
Other reserves	(1 440)	(863)	(1 704)	(849)	(1 596)
Total equity attributable to owners of Tongaat Hulett Limited	(1 101)	(2 747)	(3 573)	(790)	(3 173)
Non-controlling interests	1 047	1 152	601	1 495	1 065
Total equity	(54)	(1 595)	(2 972)	705	(2 108)
Non-current liabilities					
Deferred tax liabilities	620	1 123	660	863	783
Borrowings	78	157	–	132	101
Lease liabilities	348	227	–	321	366
Post-retirement benefit obligations	495	504	585	631	400
Deferred income	167	115	173	179	224
Provisions	1 124	690	1 041	1 176	961
Total non-current liabilities	2 832	2 816	2 459	3 302	2 835
Current liabilities					
Borrowings	7 121	12 439	11 438	6 799	11 625
Lease liabilities	44	78	–	53	46
Trade and other payables	2 557	2 493	3 553	4 373	3 719
Post-retirement benefit obligations	44	51	58	49	56
Deferred income	122	167	129	123	43
Provisions	483	688	302	498	377
Current tax liabilities	127	76	46	633	294
	10 498	15 992	15 526	12 528	16 160
Liabilities directly associated with assets classified as held for sale	–	935	20	–	1 494
Total current liabilities	10 498	16 927	15 546	12 528	17 654
TOTAL LIABILITIES	13 330	19 743	18 005	15 830	20 489
TOTAL EQUITY AND LIABILITIES	13 276	18 148	15 033	16 535	18 381

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME INFORMATION

R' million	Year ended 31 March			Six months ended 30 September	
	2021 Restated	2020 Note 1	2019 Note 1	2021	2020 Restated
Continuing Operations					
Revenue	15 454	15 382	13 061	8 502	8 121
Sugar industry equalisation	(536)	–	–	(84)	(125)
Cost of sales	(11 360)	(8 591)	(9 394)	(5 615)	(5 114)
Gross profit	3 558	6 791	3 667	2 803	2 882
Marketing and selling expenses	(958)	(1 023)	(919)	(576)	(488)
Administrative and other expenses	(2 021)	(2 773)	(2 271)	(1 164)	(1 053)
Net impairment (loss)/reversal on non-financial assets	(139)	(4)	65	–	(36)
Net impairment loss on financial assets	(65)	(63)	–	(56)	(13)
Non-trading items – gain/(loss)	380	(8)	–	27	183
Other operating income	352	337	9	260	195
Operating profit	1 107	3 257	551	1 294	1 670
Net finance costs	(1 583)	(1 620)	(1 331)	(525)	(1 053)
<i>Finance costs</i>	(1 420)	(1 547)	(1 478)	(628)	(822)
<i>Finance income</i>	82	96	147	36	36
<i>Net foreign exchange loss revaluation of borrowings and lease liabilities</i>	(245)	(169)	–	67	(267)
Net monetary loss arising from hyperinflation in Zimbabwe	(91)	(1 296)	–	(110)	(71)
Share of net profit of associates	22	24	2	18	5
(Loss)/profit before taxation	(545)	365	(778)	677	551
Taxation	(83)	(228)	(459)	(654)	(166)
(Loss)/profit from continuing operations	(628)	137	(1 237)	23	385
Profit from discontinued operation	3 348	393	445	–	171
Profit/(loss) for the year	2 720	530	(792)	23	556
Other comprehensive income/(loss)					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Foreign exchange differences on translation of foreign operations	(906)	1 064	(2 729)	851	(925)
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Remeasurement of post-retirement benefit obligations	(151)	(285)	(37)	(95)	13
Tax effect of remeasurement of post-retirement benefit obligations	38	71	8	24	(3)
Remeasurement of a retirement fund surplus	36	42	–	–	15
Tax effect of remeasurement of retirement fund employer surplus	(10)	(12)	–	–	(4)
Other comprehensive (loss)/income for the year, net of tax	(993)	880	(2 758)	780	(904)
Total comprehensive income/(loss) for the year	1 727	1 410	(3 550)	803	(348)
Profit/(loss) for the year is attributable to:					
Owners of Tongaat Hulett Limited	2 419	120	(1 063)	(234)	289
Non-controlling interests	301	410	271	257	267
	2 720	530	(792)	23	556
Total comprehensive income/(loss) for the year is attributable to:					
Owners of Tongaat Hulett Limited	1 648	810	(3 320)	313	(419)
Non-controlling interests	79	600	(230)	490	71
	1 727	1 410	(3 550)	803	(348)

Note 1 – Restatement of prior period financial information

The impact of the restatements (a) and (d) on the 'statement of profit or loss and other comprehensive income' is as follows:

The financial impact of the restatement has been presented for each of the headings and sub-totals, as well as the specific line items affected by the restatement. The line items that have not changed and remain the same as what was presented in the prior period financial information have not been disclosed. Consequently, the sub-totals presented will not be able to be recomputed.

R' million	Year ended 31 March 2020			Year ended 31 March 2019		
	As presented	Combined restatements	Restated	As presented	Combined restatements	Restated
Continuing Operations						
Revenue	15 382	(696)	14 686	13 061	(768)	12 293
Sugar industry equalisation	–	696	696	–	768	768
Cost of sales	(8 591)	(1 511)	(10 102)	(9 394)	–	(9 394)
Gross profit	6 791	(1 511)	5 280	3 667	–	3 667
Operating profit/(loss)	3 257	(1 511)	1 746	551	–	551
Net monetary loss arising from hyperinflation in Zimbabwe	(1 296)	1 137	(159)	–	–	–
Profit/(loss) before taxation	365	(374)	(9)	(778)	–	(778)
Taxation	(228)	374	146	(459)	–	(459)
Profit/(loss) from continuing operations	137	–	137	(1 237)	–	(1 237)
Profit/(loss) for the year	530	–	530	(792)	–	(792)

STATEMENT OF CHANGES IN EQUITY INFORMATION

	Share capital and premium	Accumulated losses	Other reserves	Foreign currency translation reserve	Total equity attributable to owners of Tongaat Hulett Limited	Non-controlling interests	Total equity
R'million	1 679	(2 435)	(359)	255	(860)	921	61
Balance at 1 April 2018							
Total comprehensive income for the year ended 31 March 2019	-	(1 083)	-	(2 236)	(3 319)	(230)	(3 549)
<i>Profit for the year</i>	-	(1 063)	-	-	(1 063)	271	792
<i>Other comprehensive loss for the year</i>	-	(20)	-	(2 236)	(2 256)	(501)	(2 757)
Share-based payment charge	-	-	38	-	38	-	38
BEE share-based payment charge	-	-	2	-	2	-	2
Purchase of shares for delivery to employees	-	-	(27)	-	(27)	-	(27)
Deconsolidation of B-BBEE held shares	-	36	623	-	659	(18)	641
Dividends	-	(66)	-	-	(66)	-	(66)
Dividends – non-controlling shareholders	-	-	-	-	-	(72)	(72)
Balance at 31 March 2019	1 679	(3 548)	277	(1 981)	(3 573)	601	(2 972)
Total comprehensive income for the year ended 31 March 2020	-	(15)	-	825	810	600	1 410
<i>Profit for the year</i>	-	120	-	-	120	410	530
<i>Other comprehensive income for the year</i>	-	(135)	-	825	690	190	880
Share-based payment charge	-	-	16	-	16	-	16
Dividends – non-controlling shareholders	-	-	-	-	-	(49)	(49)
Balance at 31 March 2020	1 679	(3 563)	293	(1 156)	(2 747)	1 152	(1 595)
Total comprehensive income for the year ended 31 March 2021	-	2 357	-	(709)	1 648	79	1 727
<i>Profit for the year</i>	-	2 419	-	-	2 419	301	2 720
<i>Other comprehensive loss for the year</i>	-	(62)	-	(709)	(771)	(222)	(993)
Share-based payment charge	-	-	(1)	-	(1)	(2)	(3)
Net transfer from non-distributable reserves to distributable reserves	-	(134)	134	-	-	-	-
Purchase of shares for delivery to employees	-	-	(1)	-	(1)	-	(1)
Dividends – non-controlling shareholders	-	-	-	-	-	(182)	(182)
Balance at 31 March 2021	1 679	(1 340)	425	(1 865)	(1 101)	1 047	(54)

STATEMENT OF CHANGES IN EQUITY INFORMATION

R' million	Share capital and premium	Accumulated losses	Share-based payment reserves and other	Foreign currency translation reserve	Total equity attributable to owners of Tongaat Hulett Limited	Non-controlling interests	Total equity
Balance at 1 April 2020	1 679	(3 563)	293	(1 156)	(2 747)	1 152	(1 595)
Total comprehensive income for the period ended 30 September 2020	-	307	-	(726)	(419)	71	(348)
<i>Profit for the period</i>	-	289	-	-	289	267	556
<i>Other comprehensive income for the period</i>	-	18	-	(726)	(708)	(196)	(904)
Share-based payment charge	-	-	(7)	-	(7)	-	(7)
Dividends – non-controlling shareholders	-	-	-	-	-	(158)	(158)
Balance at 30 September 2020 - Restated	1 679	(3 256)	286	(1 882)	(3 173)	1 065	(2 108)
Balance at 1 April 2021	1 679	(1 340)	425	(1 865)	(1 101)	1 047	(54)
Total comprehensive income for the period ended 30 September 2021	-	(280)	-	593	313	490	803
<i>Profit for the year</i>	-	(234)	-	-	(234)	257	23
<i>Other comprehensive loss for the year</i>	-	(46)	-	593	547	233	780
Share-based payment charge	-	-	(2)	-	(2)	-	(2)
Dividends – non-controlling shareholders	-	-	-	-	-	(42)	(42)
Balance at 30 September 2021	1 679	(1 620)	423	(1 272)	(790)	1 495	705

STATEMENT OF CASH FLOWS INFORMATION

R'million	Year ended 31 March			Six months ended 30 September	
	2021	2020	2019	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	1 820	2 337	1 720	1 167	1 341
Taxation paid	(368)	(239)	(408)	(129)	(153)
Net cash inflow generated from operating activities	1 452	2 098	1 312	1 038	1 188
CASH FLOWS FROM INVESTING ACTIVITIES					
Finance income received	46	23	90	25	10
Dividends received (including from associates)	–	–	–	2	–
Additions to property, plant and equipment	(490)	(538)	(1 090)	(208)	(232)
Additions to intangible assets	(15)	(10)	(37)	(4)	(2)
Proceeds on disposal of property, plant and equipment and intangibles	29	45	9	37	14
Proceeds on disposal of investments	–	8	2	–	–
Proceeds on disposal of business	495	–	–	–	220
Proceeds on disposal of discontinued operations	4 744	–	–	–	–
Proceeds on liquidation of legacy pension fund	151	538	–	–	–
Loans repaid by/(advanced to) growers and key/strategic business partners	11	3	(5)	2	10
Net cash inflow/(outflow) from investing activities	4 971	69	(1 031)	(146)	20
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid:	(182)	(52)	(120)	(42)	(147)
<i>To shareholders of Tongaat Hulett Limited</i>	–	–	(66)	–	–
<i>To non-controlling shareholders</i>	(182)	(52)	(54)	(42)	(147)
Finance costs paid	(1 229)	(1 310)	(1 107)	(448)	(666)
Borrowings:	(4 865)	1 312	542	(361)	(180)
<i>Raised</i>	5 955	13 217	8 940	5 105	1 973
<i>Repaid</i>	(10 820)	(11 905)	(8 398)	(5 466)	(2 153)
Lease liabilities	(39)	(88)	–	(21)	(20)
Net movement on non-recourse equity-settled BEE borrowings	–	–	(12)	–	–
Purchase of shares for delivery to employees	(1)	–	(27)	–	–
Net cash outflow from financing activities	(6 316)	(138)	(724)	(872)	(1 013)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS					
	107	2 029	(443)	20	195
Cash and cash equivalents at the beginning of the year	1 242	962	2 723	629	1 242
Foreign currency translation effect on cash and cash equivalents	(1)	164	(1 309)	98	(14)
Hyperinflation effect on cash and cash equivalents	(719)	(1 919)	–	(148)	(508)
Transfer from/(to) assets held for sale	–	6	(9)	–	(87)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	629	1 242	962	599	828

EARNINGS AND HEADLINE EARNINGS PER SHARE INFORMATION

Cents	30 September 2021		30 September 2020		Total Restated
	Total	Continuing Restated	Discontinued	Discontinued	
Earnings/(loss) per share					
Basic	(174)	80	134	134	214
Diluted	(174)	80	134	134	214
Headline earnings/(loss) per share					
Basic	(188)	44	134	134	178
Diluted	(188)	44	134	134	178

Cents	31 March 2021		31 March 2020		31 March 2019		Total
	Continuing	Discontinued	Total	Continuing	Discontinued	Total	
Earnings/(loss) per share							
Basic	(689)	2 483	1 794	(212)	301	(1 352)	404
Diluted	(689)	2 483	1 794	(212)	301	(1 352)	404
Headline earnings/(loss) per share							
Basic	(822)	191	(631)	(211)	301	(1 226)	404
Diluted	(822)	191	(631)	(211)	301	(1 226)	404

THE BOARD REPORT IN TERMS OF REGULATIONS 31(7) AND 31(8) OF THE COMPANIES REGULATIONS



Est. 1892

TongaatHulett®**Tongaat Hulett Limited**

(Incorporated in South Africa)

(Registration Number: 1892/000610/06)

ISIN: ZAE000096541 JSE share code: TON

("THL" or the "Company")

BOARD REPORT PREPARED BY THE BOARD OF DIRECTORS IN TERMS OF REGULATIONS 31 (7) OF THE COMPANIES REGULATIONS, 2011, IN RELATION TO THE CONVERSION OF THE COMPANY'S PAR VALUE SHARES TO NO PAR VALUE SHARES

1. Introduction

- 1.1 Capitalised terms used but not defined in this paragraph 1 shall have the meaning ascribed thereto in paragraph 2 below.
- 1.2 As at the Last Practicable Date, the Company has authorised shares of 150 000 000 Shares with a par value of ZAR 1.00 each, of which 135 112 506 Shares (with a par value of ZAR 1.00 each) are currently in issue.
- 1.3 As described in more detail in the Circular, the Company has entered into a transaction with Magister Investments Limited relating to, *inter alia*, a partially underwritten renounceable rights offer. In terms of the Companies Act and Companies Regulations, as discussed in the Circular, the Company must convert its authorised and issued shares from par value to no par value shares before it can effect an increase of its authorised shares to create sufficient authorised shares for the Company to issue Shares pursuant to that transaction.
- 1.4 In terms of regulation 31(2) of the Companies Regulations (read with section 35(2) of the Companies Act), a company is not permitted to create any new par value shares or shares with a nominal value.
- 1.5 Since regulation 31(2) read with regulation 35(1)(a) of the Companies Regulations does not permit the creation of further authorised par value shares, new Shares can only be authorised and created as no par value shares.
- 1.6 Accordingly, the Board has resolved to propose to the Shareholders that the Company's authorised and issued Shares be converted from Shares with a par value of ZAR 1.00 each into Shares with no par value, in accordance with the relevant conversion of par value shares requirements set out in the Companies Act and the Companies Regulations ("**Proposed Conversion**").
- 1.7 In order to implement the Proposed Conversion, the following statutory requirements are relevant:
 - 1.7.1 regulation 31(6) of the Companies Regulations provides that the board of directors of a company may at any time propose an amendment of the company's memorandum of incorporation to effect a conversion of its authorised and issued shares of par value to shares of no par value, provided that such proposal will only have been adopted if it is approved by: (i) a special resolution adopted by the holders of shares of each class of existing shares; and (ii) a further special resolution adopted by a meeting of the company's

shareholders called for that purpose. At the date of the Circular, THL only has one class of shares in its issued share capital, namely, ordinary shares with a par value of ZAR 1.00 each, and as such only a meeting of the holders of ordinary shares is required, being the General Meeting;

- 1.7.2 regulation 31(7) of the Companies Regulations provides that the board of directors of a company is required to prepare a report in respect of a proposed resolution to convert any par value shares into no par value shares ("**Board Report**"). This document constitutes the Board Report in relation to the Proposed Conversion; and
 - 1.7.3 regulation 31(8) of the Companies Regulations provides that a company must publish the shareholder resolution referred to in paragraph 1.7.1 above, together with the Board Report referred to in paragraph 1.7.2 above, to the company's shareholders before the meeting at which the resolution will be considered by the shareholders. In this respect, the special resolutions required to effect the Proposed Conversion are published in the Notice of General Meeting attached to, and forming part of, the Circular.
- 1.8 This Board Report:
- 1.8.1 considers the requirements prescribed by regulation 31(7) of the Companies Regulations; and
 - 1.8.2 is delivered to Shareholders, in light of Shareholders being asked to approve the special resolutions required to be approved by Shareholders in order to implement the Proposed Conversion.

2. Definitions

For the purposes of this Board Report, unless the context requires otherwise:

- 2.1 "**Board**" means the board of directors of THL. The names of the directors as at the Last Practicable Date are listed in the Circular;
- 2.2 "**Board Report**" means this report prepared by the Board in terms of regulation 31(7) of the Companies Regulations;
- 2.3 "**Business Day**" means a day, other than a Saturday, a Sunday or a statutory public holiday in South Africa, on which banks are generally open for business in South Africa;
- 2.4 "**CIPC**" the Companies and Intellectual Property Commission, established in terms of section 185 of the Companies Act;
- 2.5 "**Circular**" means the circular to Shareholders, dated on or about Wednesday, 15 December 2021, containing this Board Report;
- 2.6 "**Companies Act**" means the Companies Act, No. 71 of 2008, as amended from time to time;
- 2.7 "**Companies Regulations**" means the Companies Regulations, 2011, promulgated in terms of section 223 of the Companies Act, as amended from time to time;
- 2.8 "**Company**" or "**THL**" means Tongaat Hulett Limited, a public company duly registered and incorporated in accordance with the laws of South Africa under Registration Number: 1892/000610/06, whose shares are listed on the Main Board of the JSE;
- 2.9 "**General Meeting**" means the meeting of Shareholders to be held at 10:00 on or about Tuesday, 18 January 2022 for the purposes of considering, and if deemed fit, adopting, the resolutions set out in the Notice of General Meeting, including a resumption of an adjourned meeting, and a recommencement of a postponed meeting;
- 2.10 "**Last Practicable Date**" means Wednesday, 8 December 2021, being the last practicable date prior to finalisation of the Circular;
- 2.11 "**MOI**" means the memorandum of incorporation of the Company, in force as at the date of the Circular;

- 2.12 “**Notice of General Meeting**” means the notice to Shareholders convening the General Meeting to conduct the business described therein and to consider and, if deemed fit, adopt with or without modification, the resolutions set out therein (including a resolution for the Proposed Conversion), and which notice is attached to, and forms part of, the Circular;
- 2.13 “**Proposed Conversion**” has the meaning ascribed to it in paragraph 1.6;
- 2.14 “**Securities**” means any shares, debentures or other instruments irrespective of their form or title, issued, or authorised to be issued, by the Company;
- 2.15 “**Share**” means an ordinary share in the Company; and
- 2.16 “**Shareholders**” means registered holders of issued Shares.

3. The Board Report

- 3.1 In terms of regulation 31(7) of the Companies Regulations, this Board Report is required to, at a minimum:
 - 3.1.1 state all information relevant to the value of the Securities affected by the Proposed Conversion;
 - 3.1.2 identify the class of holders of the Company’s Securities affected by the Proposed Conversion;
 - 3.1.3 describe the material effects that the Proposed Conversion will have on the rights of the holders of the Company’s Securities affected by the Proposed Conversion; and
 - 3.1.4 evaluate any material adverse effects of the Proposed Conversion against the compensation that any of those Persons will receive as part of the Proposed Conversion.
- 3.2 Consistent with the foregoing, the Board publishes this Board Report.

4. Resolutions

In order to comply with the provisions of regulation 31(6) of the Companies Regulations, the Board intends proposing the following special resolutions to implement the Proposed Conversion:

- 4.1 “**Special Resolution Number 1 – Conversion of the authorised ordinary shares (whether issued or unissued) from par value to no par value shares**

Resolved as a special resolution that, following the Shareholders’ consideration of the board report set out in Annexure 2 of the Circular and subject to the adoption of special resolution number 2 and special resolution number 3, and in terms of regulation 31(6) of the Companies Regulations, each of the Company’s ordinary shares with a par value of ZAR 1.00 (whether issued or unissued) be and is hereby converted, with effect from the date on which the notice of amendment to the MOI relating to that conversion is filed with CIPC, into an ordinary share with no par value, on the basis that each no par value ordinary share will have the same rights as each existing par value ordinary share.”

- 4.2 “**Special Resolution Number 3 – Approval of amendments to the MOI**

Resolved as a special resolution that, subject to the adoption of special resolution number 1 and special resolution number 2, and in terms of, inter alia, section 16(1)(c) read with section 16(5)(b) of the Companies Act:

- (i) *the MOI be amended, with effect from the date on which the notice of that amendment is filed with CIPC, by the additions to, and deletions from, the MOI set out in Annexure 3 of the Circular, entailing the substitution in Schedule 1 of the MOI of the:*
 - a. *number “5 000 000 000” for the number “150 000 000”; and*
 - b. *words “no par value” for the words “a par value of R1 each”; and*
- (ii) *the Company Secretary be and is hereby authorised, should he so elect, to file a consolidated revision of the MOI with CIPC.”*

5. **Information relevant to the value of the Securities affected by the Proposed Conversion**

- 5.1 The Securities affected by the Proposed Conversion are the authorised and issued Shares of the Company, currently comprising 150 000 000 authorised Shares with a par value of ZAR 1.00, of which 135 112 506 Shares with a par value of ZAR 1.00 each have been issued.
- 5.2 The issued Shares are listed on the Main Board of the JSE, trading under the share code TON.
- 5.3 Information in relation to the historic net asset value, earnings, headline earnings and distribution per Share is detailed in the financial statements of THL for the financial years ended 31 March 2019, 31 March 2020 and 31 March 2021, which are available in electronic form on the Company's website: <https://www.tongaat.com>.
- 5.4 The underlying rights of the holders of the Shares will not be affected by the Proposed Conversion.
- 5.5 Given that the number of Shares in issue and the rights attaching to those shares will be unaffected by the Proposed Conversion, the Proposed Conversion will have no impact on the historic net asset value, earnings, headline earnings and distributions per Share.
- 5.6 Shareholders holding share certificates in respect of Shares with a par value of ZAR 1.00:
 - 5.6.1 will not be asked to surrender their share certificates at this point in time; and
 - 5.6.2 who wish to trade their Shares on the JSE will be able to dematerialise the share certificates, notwithstanding the fact that they still refer to par value shares, in order to trade in their Shares. If required, such Shareholders may then request share certificates for their no par value shares and accordingly become Certificated Shareholders again.

6. **Holders of the Securities affected by the Proposed Conversion**

As at the Last Practicable Date, the Company only has one class of authorised and issued shares, being the Shares, and the Proposed Conversion will equally impact all registered holders of Shares. The only effect on each registered holder of Shares will be that such holder will now be the registered holder of Shares of no par value, albeit the same number of Shares as immediately before the Proposed Conversion.

7. **Material effects that the Proposed Conversion will have on the rights of Shareholders**

- 7.1 The Proposed Conversion will result in the conversion of each Share of ZAR 1.00 into a Share of no par value.
- 7.2 Accordingly, immediately after the Proposed Conversion, each registered holder of Shares will own the identical number of Shares as such registered holder held immediately before the Proposed Conversion, and the no par value Shares held by a registered holder immediately after the Proposed Conversion will represent the same proportion of the total issued Shares of the Company as the par value Shares which such registered holder held in the Company immediately before the Proposed Conversion.
- 7.3 The Proposed Conversion will have no impact on any rights attached to the Shares and the no par value Shares will confer on each registered holder all of the same rights as that holder enjoyed as the holder of par value Shares immediately before the Proposed Conversion, including, without limitation, the following rights:
 - 7.3.1 the voting rights, namely the right to attend, speak, participate in and vote at a meeting of the Shareholders;
 - 7.3.2 the right to be entered into the Securities Register;
 - 7.3.3 the economic rights, including the right to receive dividends, if and when declared and/or made by the Company;
 - 7.3.4 the rights on any liquidation or winding up; and
 - 7.3.5 any other distribution rights.

8. **Evaluation of material adverse effects of the Proposed Conversion against compensation offered**

8.1 As detailed in paragraph 7 above, the Proposed Conversion has (and will have) no adverse effects on the Shareholders as they will remain in the same position and enjoy the same rights immediately before and immediately after the Proposed Conversion.

8.2 In light of the foregoing, the Company has determined that no compensation is required or is contemplated, in the context of the Proposed Conversion.

9. **General**

In terms of regulation 31(8)(b) of the Companies Regulations, a copy of this Board Report will be filed at CIPC and at the South African Revenue Service at the same time as this Board Report is published.

By order of the Board

TONGAAT HULETT LIMITED

JJ van Rooyen

Company Secretary

REGISTERED OFFICE OF TONGAAT HULETT:

Amanzimnyama Hill Road

Tongaat, KwaZulu-Natal

South Africa

MOI AMENDMENTS

The Board proposes that Schedule 1 of the MOI is amended by the addition of the underlined wording, and the deletion of the wording struck out:

“SCHEDULE 1 AUTHORISED SHARES

A. Classified shares

~~150 000 000~~ 5 000 000 000 ordinary shares with ~~no par value~~ a par value of R1 each, each of which shall entitle the holder, subject to any preferences, rights or other terms of any class of shares in the Company ranking prior to the ordinary shares:

- (i) to vote on any matter to be decided by shareholders in accordance with the Act and this Memorandum;
- (ii) to receive any distribution in accordance with the holder’s voting power;
- (iii) on a liquidation of the Company, to receive the net assets of the Company in accordance with the holder’s voting power;
- (iv) to all of the preferences, rights or other terms set out in the Act or this Memorandum; and
- (v) to any other rights at common law insofar as such rights are not inconsistent with this Memorandum or the Act.

B. Unclassified shares

None”

NOTICE OF GENERAL MEETING



Est. 1892

TongaatHulett®

Tongaat Hulett Limited

(Incorporated in South Africa)

(Registration Number: 1892/000610/06)

ISIN: ZAE000096541 JSE share code: TON

("THL" or the "Company")

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN to the Shareholders that a general meeting of the Shareholders will be held at **10:00 (South African Standard Time) on Tuesday, 18 January 2022.**

The General Meeting will be conducted entirely by electronic communication as contemplated in the MOI and in section 63(2)(a) of the Companies Act, and Shareholders will accordingly only be able to access the General Meeting electronically via an electronic facility. More information in this regard is provided under the heading "Electronic Participation" near the end of this Notice of General Meeting.

Purpose:

The purpose of the General Meeting is to consider and, if deemed fit, adopt, with or without amendment, the resolutions set out hereunder in the manner required by the Companies Act and the JSE Listings Requirements.

Notes:

- The definitions and interpretations commencing on page 7 of the Circular to which this Notice of General Meeting is attached, and of which it forms part, ("**Circular**") apply throughout this Notice of General Meeting.
- **In terms of section 63(1) of the Companies Act, before any person may attend or participate in the General Meeting, that person must present reasonably satisfactory identification, and the person presiding at the General Meeting must be reasonably satisfied that the right of the person to speak and vote at, and participate in, the General Meeting, either as a Shareholder, or as a proxy or a representative for a Shareholder, has been reasonably verified. Acceptable forms of identification include a valid green barcoded or smart card identification document issued by the South African Department of Home Affairs, a South African driver's licence or a valid passport. A Shareholder or its representative or proxy must electronically provide the necessary proof of its identification before such person will be entitled to speak and vote at, and participate in, the General Meeting. Such identification must be delivered by a Shareholder or its representative or proxy either:**
 - on registration, if such Shareholder or its representative or proxy is registering to participate in the General Meeting using the Computershare Summit platform; or
 - by email to the Transfer Secretaries at proxy@computershare.co.za, together with the request to participate in the General Meeting, if such Shareholder or its representative or proxy is requesting to participate in the General Meeting via email.
- If the Shareholder is not an individual, the necessary proof of identification of the representative (such as the representative's valid green barcoded or smart card identification document issued by the South African Department of Home Affairs, South African driver's licence or valid passport) must be accompanied by a copy of a resolution of the Shareholder which sets out that the representative is authorised to represent the Shareholder at the General Meeting.

Record Dates:

In terms of section 59(1)(a) and (b) of the Companies Act (and to the extent relevant the JSE Listings Requirements), the Board has set the following record dates for the purposes of determining which Shareholders are entitled to:

- receive notice of the General Meeting (being the date on which a Shareholder must be registered in the Securities Register in order to receive this Notice of General Meeting), which date is **Friday, 10 December 2021**; and
- speak and vote at, and participate in, the General Meeting (being the date on which a Shareholder must be registered in the Securities Register in order to participate in, and speak and vote at, the General Meeting), which date is **Friday, 7 January 2022**.

Special Resolution Number 1 – Conversion of the authorised ordinary shares (whether issued or unissued) from par value to no par value shares

“Resolved as a special resolution that, following the Shareholders’ consideration of the board report set out in Annexure 2 of the Circular and subject to the adoption of special resolution number 2 and special resolution number 3, and in terms of regulation 31(6) of the Companies Regulations, each of the Company’s ordinary shares with a par value of ZAR 1.00 (whether issued or unissued) be and is hereby converted, with effect from the date on which the notice of amendment to the MOI relating to that conversion is filed with CIPC, into an ordinary share with no par value, on the basis that each no par value ordinary share will have the same rights as each existing par value ordinary share.”

In order for this special resolution number 1 to be adopted, it must be supported by at least 75% (seventy five percent) of the voting rights exercised on it.

Reason and effect:

The reason for special resolution number 1 is that the Companies Regulations restrict the ability of a company to restructure its par value shares. More specifically, the Companies Regulations do not cater for the creation of new par value shares and only provide for the creation of new no par value shares. Accordingly, given that all the unissued ordinary shares are par value shares and given the proposal in special resolution number 2 below to increase the Company’s existing authorised shares, the Board proposes this special resolution number 1 to convert the existing authorised ordinary shares (issued and unissued) from par value ordinary shares of ZAR 1.00 each to no par value ordinary shares, such that all authorised and issued ordinary shares of the Company will be no par value ordinary shares.

The effect of adopting special resolution number 1 is that subject to the adoption of special resolution number 2 and special resolution number 3, the Company’s authorised ordinary shares (issued and unissued) will be converted from authorised ordinary shares of ZAR 1.00 each into authorised ordinary shares of no par value.

Special Resolution Number 2 – Increase of authorised shares by the creation of additional shares

“Resolved as a special resolution that, subject to the adoption of special resolution number 1 and special resolution number 3, and in terms of, inter alia, section 36(2)(a) read with section 16(1)(c) of the Companies Act, the authorised shares of the Company be and are hereby increased from 150 000 000 ordinary shares to 5 000 000 000 ordinary shares, by the creation of an additional 4 850 000 000 ordinary shares, with effect from the date on which the notice of amendment to the MOI relating to that increase is filed with CIPC.”

In order for this special resolution number 2 to be adopted, it must be supported by at least 75% (seventy five percent) of the voting rights exercised on it.

Reason and effect:

The reason for special resolution number 2 is to ensure that the Company has sufficient authorised but unissued Shares to implement the Rights Offer and the Magister Transaction.

The effect of adopting special resolution number 2 is that subject to the adoption of special resolution number 1 and special resolution number 3, the Company’s authorised shares will be increased to 5 000 000 000 Shares of no par value, with 4 864 887 494 authorised but unissued Shares being available for Implementation.

Special Resolution Number 3 – Approval of amendments to the MOI

“Resolved as a special resolution that, subject to the adoption of special resolution number 1 and special resolution number 2, and in terms of, *inter alia*, section 16(1)(c) read with section 16(5)(b) of the Companies Act:

- (i) the MOI be amended, with effect from the date on which the notice of that amendment is filed with CIPC, by the additions to, and deletions from, the MOI set out in Annexure 3 of the Circular, entailing the substitution in Schedule 1 of the MOI of the:
 - a. number “5 000 000 000” for the number “150 000 000”; and
 - b. words “no par value” for the words “a par value of R1 each”; and
- (ii) the Company Secretary be and is hereby authorised, should he so elect, to file a consolidated revision of the MOI with CIPC.”

In order for this special resolution number 3 to be adopted, it must be supported by at least 75% (seventy five percent) of the voting rights exercised on it.

Reason and effect:

The reason for special resolution number 3 is to amend the MOI to:

- (i) give effect to and reflect the conversion of the Company's authorised shares (whether issued or unissued) to no par value shares as contemplated in special resolution number 1 above; and
- (ii) give effect to and reflect the increase in the authorised shares of the Company as contemplated in special resolution number 2 above.

The effect of adopting special resolution number 3 is that, subject to the adoption of special resolution number 1 and special resolution number 2, the MOI will have been amended to:

- (i) give effect to and reflect the conversion of the Company's authorised shares (whether issued or unissued) to no par value shares as contemplated in special resolution number 1 above; and
- (ii) give effect to and reflect the increase in the authorised shares of the Company as contemplated in special resolution number 2 above.

Special Resolution Number 4 – Authorisation to issue Shares pursuant to the Rights Offer and the Magister Transaction with voting power equalling or exceeding 30% (thirty percent) of the voting power of existing Shares

“Resolved as a special resolution that, subject to the adoption of special resolution number 1, special resolution number 2 and special resolution number 3, and in terms of section 41 of the Companies Act, the Board be and is hereby authorised to issue Shares (being a number of shares equal to the Rights Offer Shares) in terms of, or for purposes of implementing, the Rights Offer and the Magister Transaction, which authority shall accordingly, and for avoidance of doubt, include, without limitation, the authority to issue any such Shares to Magister in terms of, or for purposes of implementing, the Rights Offer and the Underwrite.”

In order for this special resolution number 4 to be adopted, it must be supported by at least 75% (seventy five percent) of the voting rights exercised on it.

Reason and effect:

The reason for special resolution number 4 is to enable the Company to issue Shares in terms of, or for the purposes of implementing, the Rights Offer and the Magister Transaction which have voting power equal to or in excess of 30% (thirty percent) of the voting power of all issued Shares immediately prior to the proposed issuance.

The effect of adopting special resolution number 4 is that subject to the adoption of special resolution number 1, special resolution number 2 and special resolution number 3, the Board will be authorised, on behalf of the Company, to issue Shares in terms of, or for the purposes of implementing, the Rights Offer and the Magister Transaction having voting power equal to or in excess of 30% (thirty percent) of the voting power of all Shares in issue immediately prior to the proposed issuance.

Ordinary Resolution Number 1 – Waiver of Mandatory Offer provisions of the Companies Act

“Resolved as an ordinary resolution that, if pursuant to the Rights Offer and the Underwrite, Magister, Magister Related Parties, Magister Inter-related Parties, other Members of the Magister Group and/or Magister Concert Parties is/are able to exercise at least 35% (thirty five percent) of all the voting rights attached to the Total Shares, the requirement for, and the benefit of receiving, a Mandatory Offer from Magister, Magister Related Parties, Magister Inter-related Parties, other Members of the Magister Group and Magister Concert Parties in terms of section 123 of the Companies Act to acquire the remaining securities of the Company, on the terms determined in accordance with the Companies Act and the Takeover Regulations, be and is hereby irrevocably and unconditionally waived as contemplated in regulation 86(4) of the Takeover Regulations; provided that if:

- a. Magister, other Members of the Magister Group and Magister Concert Parties (i) beneficially own, in total, less than 50% (fifty percent) of the Total Shares immediately after Implementation, and (ii) at some time thereafter subscribe for, purchase or acquire additional Shares pursuant to which they beneficially own, in total, at least 55% (fifty five percent) of the Total Shares; or*
- b. Magister, other Members of the Magister Group and Magister Concert Parties (i) beneficially own, in total, at least 50% (fifty percent) of the Total Shares immediately after Implementation, and (ii) at some time thereafter subscribe for, purchase or acquire additional Shares pursuant to which they beneficially own, in total, a percentage of the Total Shares at least 10% (ten percent) higher than their total percentage beneficial ownership level immediately after Implementation,*

then, subject mutatis mutandis to the provisions of regulation 86(4) of the Takeover Regulations, Magister shall, and shall procure that the other Members of the Magister Group and Magister Concert Parties shall, on a mutatis mutandis basis with the Mandatory Offer provisions of sections 123(3) and (4) of the Companies Act, offer to acquire, on terms determined mutatis mutandis in accordance with the Companies Act and the Takeover Regulations, all securities of the Company other than those already beneficially owned by Magister, other Members of the Magister Group and Magister Concert Parties.”

In order for this ordinary resolution number 1 to be adopted, it must be supported by more than 50% (fifty percent) of the voting rights exercised on it by independent holders of Shares.

Reason and effect:

The reason for ordinary resolution number 1 is that:

- (i) section 123(3) of the Companies Act provides that, in the event that pursuant to the acquisition of a beneficial interest in voting rights attached to securities of a company, a Person (e.g. an underwriter of a rights offer) and Related and Inter-related Persons and Persons Acting in Concert are able to exercise at least 35% (thirty five percent) of all of the voting rights attached to the securities of that company, the Person, Related and Inter-related Persons and Persons Acting in Concert are required to make a Mandatory Offer to acquire any remaining securities of that company on terms determined in accordance with the Companies Act and the Takeover Regulations;*
- (ii) a vital consideration in Magister’s decision whether or not to enter into the Magister Transaction is whether this might result in an obligation to make a Mandatory Offer;*
- (iii) Magister has advised that it will not proceed with the Magister Transaction unless the Mandatory Offer Waiver Resolution is adopted, and Magister, Magister Related Parties, Magister Inter-related Parties, other Members of the Magister Group and Magister Concert Parties are exempted from the obligation to make a Mandatory Offer; and*
- (iv) regulation 86(4) of the Takeover Regulations provides that a transaction is exempt from the obligation to make a Mandatory Offer, provided that independent holders of more than 50% (fifty percent) of the general voting rights of all issued securities of a company have agreed to waive the benefit of such a Mandatory Offer in accordance with such regulation.*

The effect of adopting ordinary resolution number 1 will be a waiver of the right of the Shareholders to receive a Mandatory Offer from Magister, Magister Related Parties, Magister Inter-related Parties, other Members of the Magister Group and Magister Concert Parties in the event that, pursuant to the Rights Offer and the Underwrite, Magister, Magister Related Parties, Magister Inter-related Parties, other Members of the Magister Group and/or Magister Concert Parties is/are able to exercise at least 35% (thirty five percent) of all of the voting rights attached to securities of the Company.

Ordinary Resolution Number 2 – Election of Hamish Rudland as a Director

“Resolved as an ordinary resolution that, subject to the adoption of special resolution number 1, special resolution number 2, special resolution number 3, special resolution number 4 and ordinary resolution number 1, subject to all the Conditions Precedent being fulfilled or waived, and subject to Members of the Magister Group (other than Braemar) beneficially owning at least 20% (twenty percent) of the Total Shares immediately after Implementation, Hamish Rudland be elected as a Director with effect from the Day immediately succeeding that on which Implementation is completed.”

In order for this ordinary resolution number 2 to be adopted, it must be supported by more than 50% (fifty percent) of the voting rights exercised on it.

Reason and effect:

The reason for ordinary resolution number 2 is that THL has undertaken in the Magister Transaction Agreement to use its reasonable commercial endeavours to procure that, for each full 20% (twenty percent) of the Total Shares beneficially owned, in total, by Members of the Magister Group from time to time (other than Braemar), 1 (one) nominee of Magister becomes a non-executive Director; provided that, at any point in time, no more than 3 (three) Directors will be nominees of Magister and the other Members of the Magister Group. Magister intends to nominate Hamish Rudland as a Director. The Nomination Committee has assessed Hamish Rudland, and the Nomination Committee and Board unanimously recommend him for election.

The effect of adopting ordinary resolution number 2 is that, subject to the adoption of special resolution number 1, special resolution number 2, special resolution number 3, special resolution number 4 and ordinary resolution number 1, subject to all the Conditions Precedent being fulfilled or waived, and subject to Members of the Magister Group (other than Braemar) beneficially owning at least 20% (twenty percent) of the Total Shares immediately after Implementation, Hamish Rudland will have been elected as a Director.

Ordinary Resolution Number 3 – Authorisation to implement

“Resolved that each Director and the Company Secretary (each being entitled to act individually) 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 reasonably necessary or desirable to give effect to, or incidental to, (i) the resolutions in the notice of general meeting containing this resolution, and/or (ii) the Rights Offer and the Magister Transaction, 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.”

In order for this ordinary resolution number 3 to be adopted, it must be supported by more than 50% (fifty percent) of the voting rights exercised on it.

Reason and effect:

The reason for ordinary resolution number 3 is to obtain authorisation for each Director and the Company Secretary 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, or incidental to, the resolutions in this Notice of General Meeting, and/or the Rights Offer and the Magister Transaction.

The effect of adopting ordinary resolution number 3 will be to grant such authorisation.

VOTING

The above resolutions will be voted on by way of a poll. On a poll every Shareholder, present personally or represented by proxy or by representative, shall be entitled to cast one vote per Share held.

CERTIFICATED SHAREHOLDERS AND OWN-NAME DEMATERIALISED SHAREHOLDERS

A Certificated Shareholder or Own-Name Dematerialised Shareholder or its representative may speak and vote at, and participate in, the General Meeting by registering to do so in the manner provided in the “Electronic Participation” section below.

Alternatively, a Certificated Shareholder or Own-Name Dematerialised Shareholder may appoint one or more proxies to represent it at the General Meeting by completing the attached Form of Proxy (blue) in accordance with the instructions contained therein. The Certificated Shareholder's or Own-Name Dematerialised Shareholder's proxy may then speak and vote at, and participate in, the General Meeting if the proxy registers to do so in the manner provided in the "Electronic Participation" section below. A proxy need not be a Shareholder.

For the purpose of effective administration, it is requested that the Form of Proxy (*blue*) be lodged with, emailed to or posted to the Transfer Secretaries, to the addresses provided below, so as to reach the Transfer Secretaries by no later than **10:00 on Friday, 14 January 2022**:

Hand deliveries to:

Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank
Johannesburg, 2196, South Africa

Postal deliveries to:

Computershare Investor Services Proprietary
Limited
Private Bag X9000, Saxonwold, Johannesburg,
2132, South Africa

Email deliveries to:

proxy@computershare.co.za

If a Certificated Shareholder or Own-Name Dematerialised Shareholder does not lodge, email or post the Form of Proxy (*blue*) to reach the Transfer Secretaries by **10:00 on Friday, 14 January 2022**, the Shareholder will nevertheless be entitled to email the Form of Proxy (*blue*) to the Transfer Secretaries at proxy@computershare.co.za so as to reach them prior to the time of commencement of the General Meeting.

DEMATERIALIZED SHAREHOLDERS OTHER THAN OWN-NAME DEMATERIALIZED SHAREHOLDERS

A beneficial owner of Shares which has Dematerialised its Shares, other than a Dematerialised Own-Name Shareholder should note the following:

- its CSDP or Broker should contact it to ascertain how it wishes to cast its vote (or to ascertain whether it wishes to abstain from casting its vote) at the General Meeting, and thereafter cast its vote (or abstain from casting its vote) in accordance with those instructions;
- if it has not been contacted by its CSDP or Broker, it is advisable that it contact its CSDP or Broker and furnish it with its voting instructions; and
- if its CSDP or Broker does not obtain voting instructions from it, the CSDP or Broker should vote in accordance with the instructions contained in the mandate agreement between the beneficial owner and the CSDP or Broker.

In accordance with the mandate agreement with its CSDP or Broker, a beneficial owner of Shares which has Dematerialised its Shares, other than a Dematerialised Own-Name Shareholder must advise its CSDP or Broker if it wishes to speak and vote at, and participate in, the General Meeting itself or through a representative. If it does so, its CSDP or Broker should issue the necessary letter of representation to it or its representative to speak and vote at, and participate in, the General Meeting. In order to speak and vote at, and participate in, the General Meeting, the beneficial owner or representative will additionally need to take the steps required in order to access the electronic facility, as provided in the "Electronic Participation" section below.

ELECTRONIC PARTICIPATION

In accordance with the provisions of the Companies Act and the MOI, the General Meeting will be conducted entirely through electronic communication. The electronic meeting facility will enable all participants to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the General Meeting.

Voting via the electronic facility will be the only method available to Shareholders to vote their Shares at the General Meeting. The electronic facility which has been selected by THL for purposes of the General Meeting is the **Computershare Summit platform**, an electronic facility which may be accessed by using a smartphone, tablet or computer. Votes can be exercised between the commencement of the General Meeting and the closure of voting as announced by the Chairman during the General Meeting.

A Shareholder or its representative or proxy which wishes to participate in the General Meeting will be required to either:

- register its personal details (including providing reasonably satisfactory identification, as contemplated earlier in this Notice of General Meeting), using the link <https://meetnow.global/ZA>, to enable it to participate in the General Meeting. For the purposes of effective administration, it is requested that such registration be completed by no later than **10:00 on Friday, 14 January 2022**. A Shareholder or its representative or proxy who does not complete registration by that time may still participate in the General Meeting via electronic communication by completing registration prior to the time of commencement of the General Meeting. If any Shareholder or its representative or proxy experiences any difficulty with such registration process, such Shareholder or its representative or proxy, as the case may be should request an agent of the Transfer Secretaries to assist such Shareholder or representative or proxy with such difficulty by sending an email to proxy@computershare.co.za; or
- send a notice by email to the Transfer Secretaries at proxy@computershare.co.za advising that it wishes to participate in the General Meeting and attaching reasonably satisfactory identification, as contemplated earlier in this Notice of General Meeting. For the purpose of effective administration, it is requested that the email be sent so as to reach the Transfer Secretaries by no later than **10:00 on Friday, 14 January 2022**. A Shareholder or its representative or proxy who does not send an email so as to reach the Transfer Secretaries by that time may still participate in the General Meeting via electronic communication by emailing the Transfer Secretaries at proxy@computershare.co.za so as to reach them prior to the time of commencement of the General Meeting and attaching reasonably satisfactory identification.

Following successful completion of that registration process, a Shareholder or its representative or proxy can connect to the General Meeting by using the link <https://meetnow.global/ZA> and following the prompts on that website. A Shareholder or its representative or proxy will need the latest versions of Chrome, Safari, Internet Explorer 11, Edge or Firefox. A Shareholder or its representative or proxy should ensure that its browser is compatible.

Once a Shareholder or its representative or proxy has successfully authenticated, the info screen will be displayed. The Shareholder or its representative or proxy can then view company information, ask questions and watch the webcast.

If the General Meeting is being viewed on a computer, the webcast will automatically appear at the side once the meeting has started.

Voting:

- the chairman will open voting on all resolutions at the start of the meeting. Once the voting has opened, a Shareholder or its representative or proxy can navigate to the voting icon. From there, the resolutions and voting choices will be displayed;
- to vote, a Shareholder or its representative or proxy selects the voting direction from the options shown on screen. A confirmation message will appear to show the vote has been received;
- if a Shareholder or its representative or proxy wishes to change its vote, it should click on the change vote link and select another voting direction; and
- once the chairman has opened voting on the resolutions, voting can occur at any time during the meeting until the chairman closes the voting.

If a Shareholder or its representative or proxy experiences any difficulty with logging into the General Meeting, that Shareholder or its representative or proxy, as the case may be should request an agent of the Transfer Secretaries to assist that Shareholder or representative or proxy with such difficulty by sending an email to proxy@computershare.co.za.

The cost of procuring the electronic facility will be for the account of the Company. The costs of accessing the electronic facility will be borne by the Shareholder.

It is recommended that Shareholders or their representatives or proxies log into the facility at least 15 (fifteen) minutes prior to the scheduled start time of the General Meeting.

The Company shall not be liable in the case of loss of network connectivity or other network failure, whether due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages or otherwise, which prevents any Shareholder or its representative or proxy from participating in and/or voting at the General Meeting.

By order of the Board

TONGAAT HULETT LIMITED

JJ van Rooyen

Company Secretary

Registered office of Tongaat Hulett:

Amanzimnyama Hill Road
Tongaat, KwaZulu-Natal
South Africa

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration Number: 2004/003647/07)
Rosebank Towers, 15 Biermann Avenue, Rosebank
Johannesburg, 2196, South Africa
Private Bag X9000, Saxonwold, Johannesburg 2132, South Africa
proxy@computershare.co.za



Est. 1892

TongaatHulett®

Tongaat Hulett Limited

(Incorporated in South Africa)

(Registration Number: 1892/000610/06)

ISIN: ZAE000096541 JSE share code: TON

("THL" or the "Company")

FORM OF PROXY

FOR USE BY CERTIFICATED SHAREHOLDERS AND OWN-NAME DEMATERIALIZED SHAREHOLDERS AT THE GENERAL MEETING OF THL TO BE HELD ELECTRONICALLY AT 10:00 (SOUTH AFRICAN STANDARD TIME) ON TUESDAY, 18 JANUARY 2022.

For completion by Certificated Shareholders and Own-Name Dematerialised Shareholders who are unable to attend and vote at the General Meeting of the Company to be held electronically **at 10:00 on Tuesday, 18 January 2022**, including a resumption of an adjourned meeting, and the recommencement at a postponed meeting ("**General Meeting**").

The definitions and interpretations commencing on page 7 of the Circular to which this Form of Proxy is attached apply throughout this Form of Proxy.

Each Certificated Shareholder and Own-Name Dematerialised Shareholder is entitled to appoint a proxy (who need not be a Shareholder) to speak and vote in place of that Shareholder at the General Meeting. Please read the notes to this Form of Proxy below.

I/We (please print names in full)

of (address)

Telephone/Cellphone number:

Email address:

being the holder/s of

Shares in the Company, do hereby appoint:

1. _____ or, failing him/her

2. _____ or, failing him/her

3. the chairman of the General Meeting,

as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the General Meeting, and to vote or to abstain from voting at the General Meeting as follows on the ordinary and special resolutions to be proposed at such meeting:

	For	Against	Abstain
Special Resolution Number 1: Conversion of the authorised ordinary shares (whether issued or unissued) from par value to no par value shares			
Special Resolution Number 2: Increase of authorised shares by the creation of additional shares			
Special Resolution Number 3: Approval of amendments to the MOI			
Special Resolution Number 4: Authorisation to issue Shares pursuant to the Rights Offer and the Magister Transaction with voting power equalling or exceeding 30% (thirty percent) of the voting power of existing Shares			
Ordinary Resolution Number 1: Waiver of Mandatory Offer provisions of the Companies Act			
Ordinary Resolution Number 2: Election of Hamish Rudland as a Director			
Ordinary Resolution Number 3: Authorisation to implement			

Signed at _____ this _____ day of _____ 2021 / 2022

Signature

Assisted by me, where applicable (name and signature)

Please read the notes and instructions below.

NOTES TO THE FORM OF PROXY

1. This Form of Proxy is only to be completed by Certificated Shareholders and Own-Name Dematerialised Shareholders.
2. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space provided. The Person whose name stands first on the Form of Proxy and who is present at the General Meeting will be entitled to act to the exclusion of those whose names follow.
3. The above resolutions will be voted on by way of a poll. On a poll, every Shareholder present personally or represented by proxy or by representative, shall be entitled to cast one vote per Share held.
4. A Shareholder's instructions to the proxy must be indicated by inserting the relevant numbers of votes exercisable by the proxy in the appropriate box or by inserting "X" should the Shareholder wish to vote all Shares held by it. Failure to comply will be deemed to authorise the proxy to vote or to abstain from voting, as the case may be, in respect of all the Shareholder's votes. A Shareholder or the proxy is not obliged to exercise all the votes exercisable by the Shareholder or by the proxy, but the total of votes cast and in respect of which abstention is recorded may not exceed the total of votes exercisable by the Shareholder or by the proxy.
5. Forms of Proxy must be dated and signed by the Shareholder appointing a proxy.
6. For purpose of effective administration, it is requested that the Form of Proxy be lodged with, emailed to or posted to the Transfer Secretaries, to the addresses provided below, so as to reach the Transfer Secretaries at or before **10:00 on Friday, 14 January 2022**:

Hand deliveries to:

Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank
Johannesburg, 2196, South Africa

Postal deliveries to:

Computershare Investor Services Proprietary Limited
Private Bag X9000, Saxonwold, Johannesburg, 2132, South Africa
Email deliveries to: proxy@computershare.co.za

If a Certificated Shareholder or Own-Name Dematerialised Shareholder does not lodge, email or post the Form of Proxy to reach the Transfer Secretaries by **10:00 on Friday, 14 January 2022**, the Shareholder will nevertheless be entitled to email the Form of Proxy to the Transfer Secretaries at proxy@computershare.co.za so as to reach them prior to the time of commencement of the General Meeting.

7. Completing and lodging, emailing or posting this Form of Proxy will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting personally to the exclusion of any proxy appointed in terms hereof.
8. Documentary evidence establishing the authority of a Person signing this Form of Proxy in a representative capacity or other legal capacity must be attached to this Form of Proxy, unless previously recorded by the Transfer Secretaries or waived by the chairperson of the General Meeting.
9. The completion of blank spaces need not be initialed. Any alteration or correction made to this Form of Proxy must be initialed by the signatory/ies.
10. If any Shares are jointly held, all joint Shareholders must sign this Form of Proxy. If more than one of those Shareholders is present at the General Meeting either personally or by proxy, the Person whose name appears first in the Securities Register will be entitled to vote to the exclusion of the others.
11. Despite the foregoing, the chairman of the General Meeting may waive any formalities that would otherwise be a prerequisite for a valid Form of Proxy.

TRANSFER SECRETARIES' OFFICES

South Africa

Computershare Investor Services Proprietary Limited
(Registration Number: 2004/003647/07)
Rosebank Towers, 15 Biermann Avenue, Rosebank
Johannesburg, 2196, South Africa (Private Bag X9000, Saxonwold, 2132, South Africa)
Tel: +27 11 370 5000
Email: proxy@computershare.co.za

Summary of terms of section 58(8)(b)(i) of the Companies Act

- Section 58(8)(b)(i) provides that the form of proxy supplied by a company for the purpose of appointing a proxy must bear a reasonably prominent summary of the rights established by section 58 of the Companies Act, 2008, as amended, which summary is set out below:
- a shareholder of a company may, at any time, appoint any individual, including an individual who is not a shareholder of that company, as a proxy to, among other things speak and vote at, and participate in, a shareholders meeting on behalf of the shareholder;
- a shareholder may appoint two or more persons concurrently as proxies;
- a shareholder may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder;
- a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person;
- a proxy appointment must be in writing, and dated and signed by the shareholder; and remains valid only until the meeting (including any resumption thereof pursuant to an adjournment or recommencement thereof pursuant to a postponement) ends, unless the proxy appointment is revoked, in which case the proxy appointment will be cancelled with effect from such revocation;
- a shareholder may revoke a proxy appointment in writing;
- a proxy appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder; and
- a proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent the form of proxy provides otherwise.