

# ANNUAL GENERAL MEETING

## **MONTAUK HOLDINGS LIMITED**

Incorporated in the Republic of South Africa  
Registration number: 2010/017811/06  
Share code: MNK  
ISIN: ZAE000197455  
("Montauk" or "the Company" or "the Group")

## **NOTICE TO SHAREHOLDERS FOR THE YEAR ENDED 31 MARCH 2017**

NOTICE IS HEREBY GIVEN that the annual general meeting of Montauk Holdings Limited ("the Company") will be held on Wednesday, 1 November 2017 at 14:00 at the registered offices of the Company, 5th Floor, 4 Stirling Street, Zonnebloem, Cape Town, 7925.

This document is available in English only. The proceedings at the meeting will be conducted in English.

## **GENERAL INSTRUCTIONS AND INFORMATION**

Participants at the annual general meeting will be required to provide proof of identification to the reasonable satisfaction of the chairman of the annual general meeting and must accordingly provide a copy of their identity document, passport or driver's licence at the annual general meeting for verification.

The board of directors of the Company determined, in accordance with section 59 of the Companies Act, 71 of 2008, as amended ("the Act"), that the record date for the purpose of determining which shareholders of the Company were entitled to receive notice of the annual general meeting was Friday, 15 September 2017 and the record date for purposes of determining which shareholders of the Company are entitled to participate in and vote at the annual general meeting is Friday, 20 October 2017. Accordingly, only shareholders who are registered in the register of shareholders of the Company on Friday, 20 October 2017 will be entitled to participate in and vote at the annual general meeting.

All shareholders of ordinary shares in the Company ("shares") are entitled to attend, speak and vote at the annual general meeting. If you hold certificated shares (i.e. have not dematerialised your shares in the Company) or are registered as an "own name" dematerialised shareholder (i.e. have specifically instructed your Central Securities Depository Participant ("CSDP") to hold your shares in your own name on the Company's sub-register), then:

- you may attend and vote at the annual general meeting; alternatively
- you may appoint one or more proxies (who need not be shareholders of the Company) to represent you

at the annual general meeting by completing the attached form of proxy and returning it to the office of the transfer secretaries, to be received by no later than 24 (twenty-four) hours prior to the time appointed for the holding of the meeting for administrative purposes.

Please note that the Company intends to make provision for shareholders of the Company, or their proxies, to participate in the annual general meeting by way of video conference in Johannesburg. Should you wish to participate in the annual general meeting by way of video conference as aforesaid, you are required to give notice of such proposed participation to the Company at its registered office or at the office of the transfer secretaries by no later than 12:00 on Friday, 27 October 2017. In order for the notice to be valid, it must be accompanied by the following:

- if the shareholder is an individual, a certified copy of his identity document and/or passport;
- if the shareholder is not an individual, a certified copy of the resolution adopted by the relevant entity authorising the representative to represent the shareholder at the annual general meeting and a certified copy of the authorised representative's identity document and/or passport; and
- a valid e-mail address and/or facsimile number for the purpose of receiving details of the video-conference facility that will be made available. Upon receipt of the aforesaid notice and documents, the Company shall notify you of the relevant details of the video-conference facilities available in Johannesburg at which you can participate in the annual general meeting by way of electronic communication.

Please note that if you own dematerialised shares (i.e. have replaced the paper share certificates representing the shares with electronic records of ownership under the JSE Limited's ("JSE") electronic settlement system held through a CSDP or broker (or their nominee) and are not registered as an "own name" dematerialised shareholder you are not a registered shareholder of the Company. Accordingly, in these circumstances, subject to the mandate between yourself and your CSDP or broker, as the case may be:

- if you wish to attend the annual general meeting, you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from it; alternatively

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- if you are unable to attend the annual general meeting but wish to be represented at the meeting, you must contact your CSDP or broker, as the case may be, and furnish it with your voting instructions in respect of the annual general meeting and/or request it to appoint a proxy. You must not complete the attached form of proxy.

The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be, within the time period required by your CSDP or broker, as the case may be. CSDPs, brokers or their nominees, as the case may be, recorded in the Company's sub-register as holders of dematerialised shares held on behalf of an investor/beneficial owner should, when authorised in terms of their mandate or instructed to do so by the person on behalf of whom they hold dematerialised shares, vote by either appointing a duly authorised representative to attend and vote at the annual general meeting or by completing the attached form of proxy in accordance with the instructions thereon and returning it to the office of the Company's transfer secretaries to be received by not less than 24 (twenty-four) hours prior to the time appointed for the holding of the meeting (excluding Saturdays, Sundays and public holidays).

## NOTICE TO MEMBERS

On a poll the holders of ordinary no par value shares are entitled to 1 (one) vote per ordinary share.

Unless otherwise specifically provided below, for any of the ordinary resolutions to be adopted, more than 50% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof. For any special resolutions to be adopted, more than 75% of the voting rights exercised on each special resolution must be exercised in favour thereof.

The integrated annual report to which this notice of annual general meeting is attached provides details of:

- the directors and management of the Company, including brief CVs of the directors nominated for re-election, on page 6;
- the major shareholders of the Company on page 4; and
- the share capital of the Company in note 10 and an analysis of shareholders on page 3.

There are no material changes to the Group's financial or trading position (other than as disclosed in the accompanying integrated annual report), nor are there any legal or arbitration proceedings that may materially affect the financial position of the Group between 31 March 2017 and the reporting date, other than as provided in the directors' report on page 26.

The directors accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made, and that the integrated annual report and this notice provide all information required by law and the Listings Requirements of the JSE ("JSE Listings Requirements").

## PURPOSE

1. Transacting the following business:
  - 1.1 to present the audited annual financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 March 2017, the associated directors' report, external auditor's report, the audit and risk committee report, and the social and ethics committee report;
  - 1.2 to elect directors in the place of those retiring in accordance with the Company's memorandum of incorporation ("MOI"); and
  - 1.3 such other business as may be transacted at an annual general meeting.
2. Considering, and if deemed fit, passing, with or without modification, the below-mentioned ordinary and special resolutions.

The purpose of the annual general meeting is for the following business to be transacted and the following resolutions to be proposed, all of them as ordinary resolutions unless the contrary appears:

## AGENDA:

1. The Act requires the Company to present the audit committee report and the directors' report at the annual general meeting of the Company. The directors' report is set out on pages 26 and 27 and the audit committee report is set out on pages 14 and 15 of the integrated annual report to which this notice of annual general meeting is attached.

### 2. **To receive and adopt the audited financial statements – ordinary resolution number 1**

"Resolved that the audited financial statements and Group audited financial statements for the year ended 31 March 2017 as tabled at the meeting are hereby adopted."

The purpose of this ordinary resolution is to adopt the annual financial statements of the Company and its subsidiaries, as set out on pages 22 to 62 of the integrated

annual report to which this notice of annual general meeting is attached.

**3. Appointment of directors – ordinary resolution numbers 2.1, 2.2 and 2.3**

Mr MA Jacobson, Ms NB Jappie and Mr SF McClain retire as directors in accordance with the Company's MOI but, being eligible, each offer themselves for re-election as a director of the Company. For CV details, see page 6.

The reason for ordinary resolution number 2.1 is to re-elect Mr MA Jacobson, who retires as a director in accordance with the Company's MOI. The reason for ordinary resolution number 2.2 is to re-elect Ms NB Jappie, who retires as a director in accordance with the Company's MOI. The reason for ordinary resolution number 2.3 is to re-elect Mr SF McClain, who retires as a director in accordance with the Company's MOI. Accordingly, shareholders are requested to consider and, if deemed fit, to re-elect Mr MA Jacobson, Ms NB Jappie and Mr SF McClain by way of passing the ordinary resolutions set out below:

**3.1 Mr MA Jacobson – ordinary resolution number 2.1**

“Resolved that Mr MA Jacobson be and is hereby elected as a director of the Company.”

**3.2 Ms NB Jappie – ordinary resolution number 2.2**

“Resolved that Ms NB Jappie be and is hereby elected as a director of the Company.”

**3.3 Mr SF McClain – ordinary resolution number 2.3**

“Resolved that Mr SF McClain be and is hereby elected as a director of the Company.”

**4. Reappointment of auditor – ordinary resolution number 3**

The Company's audit committee has recommended that Grant Thornton Johannesburg Partnership be reappointed as the auditors of the Company for the ensuing year and to note that the individual registered auditor who will undertake the audit during the financial year ending 31 March 2018 is Mr T Schoeman. Accordingly, the directors propose that the following resolution be adopted:

“Resolved that Grant Thornton Johannesburg Partnership is hereby appointed as the auditor to the Company for the ensuing year.”

The reason for ordinary resolution number 3 is that the Company, being a public listed Company, must have its financial results audited and such auditor must be

appointed or reappointed each year at the annual general meeting of the Company as required by the Act.

**5. Appointment of audit committee – ordinary resolution numbers 4.1, 4.2 and 4.3**

**5.1 Appointment of audit committee – ordinary resolution number 4.1**

“Resolved that Mr MH Ahmed (see CV details on page 6) be appointed to the audit committee of the Company for the ensuing year.”

**5.2 Appointment of audit committee – ordinary resolution number 4.2**

“Resolved that Ms NB Jappie (see CV details on page 6) be appointed to the audit committee of the Company for the ensuing year.”

**5.3 Appointment of audit committee – ordinary resolution number 4.3**

“Resolved that Mr BS Raynor (see CV details on page 6) be appointed to the audit committee of the Company for the ensuing year.”

The reason for ordinary resolution numbers 4.1 to 4.3 is that the Company, being a public listed company, must appoint an audit committee and the Act requires that the members of such audit committee be appointed at each annual general meeting of a company.

**6. General authority over unissued shares – ordinary resolution number 5**

“Resolved that all the unissued authorised shares in the Company be and are hereby placed under the control of the directors, subject to the provisions of the Act, the MOI and the JSE Listings Requirements, until the next annual general meeting.”

No issue of these shares is contemplated at the present time other than in accordance with the terms of the Montauk Holdings Restricted Stock for U.S. Affiliates Plan and/or the Montauk Holdings Share Appreciation Rights Scheme for U.S. Affiliates.

**7. Advisory endorsement of remuneration report for the year ended 31 March 2017 – non-binding resolution number 6**

“To endorse, on an advisory basis, the Company's remuneration policy on page 16 of the integrated annual report, (excluding the remuneration of the non-executive directors for their services as directors and members of board committees).”

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## **Motivation for advisory endorsement**

In terms of the King Code of Governance Principles for South Africa 2009, an advisory vote should be obtained from shareholders on the Company's annual remuneration policy. The vote allows shareholders to express their views on the remuneration policies adopted and their implementation, but will not be binding on the Company.

## **8. General authority to issue shares and options for cash – special resolution number 1**

“Resolved that the directors of the Company be and are hereby authorised by way of a general authority to issue (which shall for the purposes of the JSE Listings Requirements include the sale of treasury shares) for cash (as contemplated in the JSE Listings Requirements) all or any of the authorised but unissued shares in the capital of the Company, including options, as and when they in their discretion deem fit, subject to the Act, the MOI of the Company and the JSE Listings Requirements as presently constituted and which may be amended from time to time, and provided that such issues for cash may not, in the aggregate, in any 1 (one) financial year, exceed 15% (fifteen per cent) of the number of shares of the relevant class of shares issued prior to such issue.”

Additional requirements imposed by the JSE Listings Requirements:

It is recorded that the Company may only make an issue of shares for cash under the above general authority if the following JSE Listings Requirements are met:

- the shares, which are the subject of the issue for cash, must be of a class already in issue, or where this is not the case, must be limited to such equity securities or rights that are convertible into a class already in issue;
- the general authority shall only be valid until the Company's next annual general meeting or for 15 (fifteen) months from the date of passing of this ordinary resolution, whichever period is shorter;
- a SENS announcement will be published giving full details, including the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 (thirty) days prior to the date that the price of the issue was agreed in writing between the Company and party/ies subscribing for such shares and the expected effect on the net asset value per share, net tangible asset value per share, earnings per share and headline earnings per share at the time of any issue representing, on a cumulative

basis within 1 (one) financial year, 5% (five per cent) of the number of shares in issue prior to that issue;

- that issues in the aggregate in any 1 (one) financial year may not exceed 20 681 885 ordinary shares, representing 15% (fifteen per cent) of the ordinary shares of the Company, excluding treasury shares, taking into account the dilutionary effect of convertible equity securities and options in accordance with the JSE Listings Requirements;
- in determining the price at which an issue of shares may be made in terms of this general authority, the maximum discount permitted will be 10% (ten per cent) of the weighted average traded price on the JSE of those shares measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed to between the Company and the party/ies subscribing for the shares; and
- any issue will only be made to “public shareholders” as defined by the JSE Listings Requirements and not to related parties.

In terms of the Company's MOI, for so long as the Company is listed on the JSE, if any of the JSE Listings Requirements require an ordinary resolution to be passed with a 75% majority, the resolution shall instead be required to be passed by way of a special resolution of shareholders. Accordingly, this resolution is a special resolution and is required to be passed with the approval of more than 75% of the voting rights exercised on this resolution.

## **9. Approval of annual fees to be paid to non-executive directors – special resolution number 2**

“To approve for the period 1 November 2017 until the date of the next annual general meeting of the Company, the remuneration payable to non-executive directors of the Company for their services as directors as follows:

Non-executive director	Fee (R)
JA Copelyn	152 622
MH Ahmed	152 622
NB Jappie	152 622
MA Jacobson	109 016
A van der Veen	109 016
BS Raynor	152 622”

## **Reason for and effect of special resolution number 2**

This resolution is proposed in order to comply with the requirements of the Act. In terms of section 65(11)(h)

of the Act, read with section 66(8) and 66(9) of the Act, remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by the holders within the previous 2 (two) years and only if this is not prohibited in terms of the Company's MOI.

The payment of remuneration to directors for their services as directors is not prohibited by the Company's MOI. This special resolution applies only to non-executive directors, as executive directors are required to attend meetings as part of their terms of employment and do not receive remuneration for their services as directors in addition to salaries they receive by virtue of their employment by the Company.

The proposed directors' remuneration payable to non-executive directors is based on best practice and aimed at ensuring fair and competitive remuneration practices. It is important for the Company to attract new directors and retain directors with the relevant capabilities, skills and experience required to effectively conduct the business of the board and lead the Company according to its strategic priorities.

**10. General authority to repurchase Company shares – special resolution number 3**

"Resolved that the Company hereby approves, as a general approval contemplated in JSE Listing Requirement 5.72 and sections 46 and 48 of the Act (including but limited to section 48(8)(a) of the Act), the acquisition by the Company or any of its subsidiaries from time to time of the issued shares of the Company, upon such terms and conditions and in such amounts as the directors of the Company may from time to time determine, but subject to the MOI, the provisions of the Act and the JSE Listings Requirements as presently constituted and which may be amended from time to time, and provided that:

- acquisitions by the Company and its subsidiaries of shares in the capital of the Company may not, in the aggregate, exceed in any 1 (one) financial year 20% (twenty per cent) (or 10% (ten per cent) where such acquisitions relate to the acquisition by a subsidiary) of the Company's issued share capital of the class of the repurchased shares from the date of the grant of this general authority;
- any such acquisition of shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding

- or arrangement between the Company and the counterparty (reported trades are prohibited);
- the Company (or any subsidiary) is authorised to do so in terms of its MOI;
- this general authority shall only be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;
- in determining the price at which the Company's shares are acquired by the Company or its subsidiaries in terms of this general authority, the maximum premium at which such shares may be acquired may not be greater than 10% (ten per cent) above the weighted average of the market price at which such shares are traded on the JSE for the 5 (five) business days immediately preceding the date the repurchase transaction is effected;
- at any point in time, the Company may only appoint 1 (one) agent to effect any repurchase(s) on the Company's behalf;
- the Company or its subsidiaries may not repurchase shares during a prohibited period as defined in paragraph 3.67 of the Listings Requirements of the JSE unless there is a repurchase programme in place and the dates and quantities of shares to be repurchased during the prohibited period are fixed and full details thereof have been submitted to the JSE in writing prior to commencement of the prohibited period;
- a SENS announcement will be published as soon as the Company and/or its subsidiaries has/have acquired shares constituting, on a cumulative basis 3% (three per cent) of the number of shares of the class of shares repurchased in issue at the time of granting of this general authority, and each time the Company acquires a further 3% (three per cent) of such shares thereafter, which announcement shall contain full details of such acquisitions; and
- the repurchase shall only be effected if the board of directors has, at the time of the repurchase, passed a resolution authorising the repurchase, in terms of sections 48 and 46 of the Companies Act and it reasonably appears that the Company and its subsidiaries have satisfied the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Company and its subsidiaries."

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## **Statement by the board of directors of the Company**

Pursuant to and in terms of the JSE Listings Requirements, the board of directors of the Company hereby states that:

- a) it is their intention to utilise the general authority to acquire shares in the Company if at some future date the cash resources of the Company are in excess of its requirements or there are good grounds for doing so. In this regard the directors will take account of, inter alia, an appropriate capitalisation structure for the Company, the long-term cash needs of the Company, and the interests of the Company;
- b) in determining the method by which the Company intends to acquire its shares, the maximum number of shares to be acquired and the date on which such acquisition will take place, the directors of the Company will only make the acquisition if at the time of the acquisition they are of the opinion that:
  - the Company and its subsidiaries would, after the repurchase, be able to pay their debts as they become due in the ordinary course of business for the next 12 (twelve) months after the date of this notice of the annual general meeting;
  - the consolidated assets of the Company and its subsidiaries, fairly valued in accordance with International Financial Reporting Standards and recognised and measured in accordance with the accounting policies used in the latest audited financial statements, would, after the repurchase, be in excess of the consolidated liabilities of the Company and its subsidiaries for the next 12 (twelve) months after the date of this notice of the annual general meeting;
  - the issued share capital and reserves of the Company and its subsidiaries would, after the repurchase, be adequate for the ordinary business purposes of the Company or any acquiring subsidiary for the next 12 (twelve) months after the date of approval of this notice of the annual general meeting;
  - the working capital available to the Company and its subsidiaries would, after the repurchase, be adequate for the ordinary business purposes for the next 12 (twelve) months after the date

of approval of this notice of the annual general meeting; and

- the Company and its subsidiaries pass the solvency and liquidity test and that, from the time that the test is done, there are no material changes to the financial position of the Company or any acquiring subsidiary.

## **Reason for and effect of special resolution number 3**

The reason for special resolution number 3 is to grant the Company a general authority in terms of the JSE Listings Requirements for the acquisition by the Company or any of its subsidiaries of shares issued by the Company, which authority shall be valid until the next annual general meeting of the Company.

The passing and registration of this special resolution will have the effect of authorising the Company or any of its subsidiaries to acquire shares issued by the Company.

## **11. Special resolution number 4 – General approval of the provision of financial assistance in terms of sections 44 and 45 of the Companies Act**

“Resolved as a special resolution that, to the extent required by sections 44 and 45 of the Act, the board of directors of the Company may, subject to compliance with the requirements of the Company’s MOI and the Act, each as presently constituted and as amended from time to time, authorise the Company to provide direct or indirect financial assistance by way of a loan, guarantee, the provision of security or otherwise, to:

- the Company’s present or future subsidiaries and/or any other company or corporation that is or becomes related or interrelated to the Company, or any person wishing to subscribe for any option, or any securities issued or to be issued by the Company, the Company’s present or future subsidiaries and/or any other company or corporation that is or becomes related or interrelated to the Company, for the purpose of, or in connection with, the subscription of any option, or any securities issued or to be issued by the Company or a related or interrelated company, or for the purchase of any securities of the Company or a related or interrelated company; or
- a director or prescribed officer of the Company or of a related or interrelated company, or to a related or interrelated company or corporation, or to a member of a related or interrelated corporation, or to a person related to any such company, corporation, director, prescribed officer or member, and that any of such

financial assistance may be provided at any time during the period commencing on the date of the adoption of this resolution and ending 2 (two) years after such date.”

In terms of the Act and the Company’s MOI, this resolution will be adopted with the support of more than 75% of the voting rights exercised on this resolution.

**Reason for and effect of special resolution number 4**

As part of the normal conduct of the business of the Company and its subsidiaries from time to time, the Company, where necessary, provides financial assistance to its related and interrelated companies and entities (as contemplated in the Act) including the provisions of guarantees and other forms of security to third parties which provide funding to the Company’s local and foreign subsidiaries, whether by way of loans, subscribing for shares (including preference shares) or otherwise. In the circumstances and in order to ensure that, among other things, the Company and its subsidiaries and other related and interrelated companies and entities continue to have access to, and are able to appropriately structure their financing for purposes of funding their corporate and working capital requirements, it is necessary that the Company obtains the approval of shareholders in terms of this special resolution number 4. Sections 44(3)(ii) and 45(3)(a)(ii) of the Act provide that the financial assistance required can only be provided pursuant to a special resolution of the shareholders, adopted within the previous 2 (two) years, which resolution must have approved such financial assistance either for the specific recipient, or generally for a category of potential recipients (and the specific recipient falls within that category), and the directors must be satisfied that:

- immediately after providing the financial assistance, the Company will satisfy the solvency and liquidity test, as defined in section 4 of the Act; and
- the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

The passing of this special resolution number 4 will have the effect of authorising the Company to provide direct or indirect financial assistance in accordance with sections 44 and 45 of the Act, for a period of 2 (two) years after the adoption of this resolution.

**12. Authorisation of directors – ordinary resolution number 7**

“Resolved that each and every director of the Company be and is hereby authorised to do all such things and sign all such documents as may be necessary or incidental to the implementation of the resolutions passed at this annual general meeting.”

To consider and, if approved, to pass with or without modification, the resolutions set out below, in the manner required by the Act, as read with the JSE Listings Requirements.

**13. To transact such other business which may be transacted at an annual general meeting.**

By order of the board

Cape Town  
14 September 2017