



**Pioneer Food Group Limited**

Incorporated in the Republic of South Africa

Registration number 1996/017676/06

**NOTICE OF A SHAREHOLDERS MEETING TO BE HELD AT LEMOENKLOOF GUEST HOUSE, MAIN STREET, PAARL AT 10:00 ON 9 APRIL 2008**

Directors

W A Agenbach, A W Bester, H E Blanckenberg, TA Carstens, L R Cronjé, G D Eksteen, J N Hamman, W A Hanekom, J A Louw, N S Mjoli-Mncube [Mrs], A H Sangcu, A C Singleton [Mrs], Dr F A Sonn, Dr M I Survé, M T Swanepoel, J H van Niekerk

**NOTICE OF SHAREHOLDERS MEETING**

NOTICE IS HEREBY GIVEN to all the shareholders of Pioneer Food Group Limited, Registration number 1996/017676/06 ("the company") that a General Meeting of Shareholders will be held at Lemoenkloof Guest House, Main street, Paarl on the 9 April 2008 at 10:00 to consider the following Special Resolutions and Ordinary Resolutions and to approve them with or without amendment:

**1. SPECIAL RESOLUTION NUMBER 1**

That the name of the company be changed to Pioneer Food Group Limited and that the name of the company in any other official language of the Republic be changed to Pioneer Voedsel Groep Beperk.

**Reasons**

The reason for the change of name is that by reason of the requirements of the JSE Limited to translate the Memorandum of Association and the Articles of Association of the company into English it has become necessary to also change the names as set out in the special resolution.

**Effect**

The effect of the special resolution would be that the names will be changed as set out therein.

**2. SPECIAL RESOLUTION NUMBER 2**

That pages 1 to 3 (paragraphs 1 to 8) of the Memorandum of Association of the company be replaced with pages 1 to 3 (paragraphs 1 to 8) annexed hereto as Annexure A.

**Reasons**

The reason for the special resolution is the requirement of Schedule 10 of the Listing Requirements of the JSE Limited which requires that the Memorandum must be in English. The annexed Annexure A is the translated version of the existing pages 1 to 3 (paragraphs 1 to 8) of the Afrikaans Memorandum. The only additions are the references to "beverages" that were included in clauses 2 and 3 of the Memorandum by reason of the fact that the company also partakes in the manufacture and sale of beverages.

## **Effect**

Annexure A will replace the existing pages 1 to 3 (paragraphs 1 to 8) of the Afrikaans Memorandum of the company. The effect of the inclusion of the term "beverages" in clauses 2 and 3 of the Memorandum is that the purpose and main object of the company will be expanded to also include the sale and manufacture of beverages.

### **3. SPECIAL RESOLUTION NUMBER 3**

That the Articles of Association of the company in total be replaced with the Articles of Association annexed hereto as Annexure B.

## **Reasons**

The reason for the special resolution is the requirement of Schedule 10 ("Schedule 10") of the Listing Requirements of the JSE Limited which requires that the Articles of Association of the company must be in English. The annexed Articles of Association is the translated version of the existing Afrikaans Articles of Association of the company.

The Articles of Association annexed hereto has also in respect of the Articles described hereunder been amended other than translated. The various Articles are referred to hereunder with the reasons for the amendments thereof:

## **Articles amended or added to comply with Schedule 10**

1. Articles 4.1 and 4.2 must be amended and Article 4.3 added to accurately reflect the requirements of Item 10.2 of Schedule 10.
2. Articles 17.3 and 21.2 must be amended to accurately reflect the requirements of Item 10.10 of Schedule 10.
3. Article 33.10 must be added to comply with Item 10.15c of Schedule 10.
4. Article 33.11 must be added to comply with Item 10.15i of Schedule 10.
5. Article 41.5 must be deleted as it will overlap with the amended Article 129.3.
6. Article 56.3 must be added as the JSE Limited has requested it as an additional listing requirement.
7. Articles 68.1 and 68.2 are not applicable anymore and thus must be replaced with articles prescribed by Items 10.23 and 10.25 of Schedule 10.
8. An additional Article must be added to Article 81.1 as Article 81.1.A to comply with Item 10.2.9 of Schedule 10.
9. Article 84.1 must be amended to accurately reflect part of the requirements of Item 10.28 of Schedule 10.
10. Article 103.1.2 must be amended to comply with Item 10.31 of Schedule 10.
11. Article 115 must be amended so that it fully complies with Item 10.34 of Schedule 10.
12. Article 125.1 must be amended so that it accurately reflects the requirements of Item 10.36 of Schedule 10.
13. The new second last sentence was added to Article 129.3 so that it will comply with Item 10.38 of Schedule 10. A new last sentence was added to Article 129.3 so that it will comply with Items 10.19 and 10.41 of Schedule 10.

## Articles amended or added for other reasons

1. Article 1
  - a. Definition of "directors" amended to simplify definition.
  - b. Definition of "group" deleted as it is not used.
  - c. "holder" added to definition of "member" and "shareholder" as meaning the registered holder of a share as it is used in the Articles and requires definition to remove uncertainty about the meaning thereof.
  - d. The definition of "transfer secretary" amended so that it reflects the reality.
  - e. The reference to "branch register" in the definition of register removed as the company has no such branch register.
  - f. The old Articles 1.4 to 1.6 removed as it is not relevant.
2. Article 5.1 is amended to expressly provide for the power to issue preference shares and options over shares.
3. Article 5.2 is amended to clarify that the general meeting may exercise the powers described therein.
4. The words removed from Article 9.1 have to be removed as it is not relevant or required.
5. Article 11.1 has to be amended to bring it in line with the practise of the company to issue only one share certificate for all the shares of one class held by a member.
6. The old Article 11.3.2 is deleted as the company does not have stock.
7. Article 12.1.1 has to be amended to allow the company to charge an amount that the board of directors may determine from time to time payable in respect of new share certificates.
8. Articles 16.2 and 16.3 have to be deleted and Article 25.2 amended as the company does not have a need for local committees to deal with share transfers anymore.
9. The limitation on the transfer fees in Article 19.3 must be removed as it does not reflect the cost thereof anymore.
10. The limitation on the fees in Article 21.1 must be removed as it does not reflect the cost thereof anymore.
11. The wording of Article 32.1 needs to be amplified to remove any possible doubt that reference is made therein to authorised capital and to expressly provide that new share capital may comprise of new classes of shares.
12. The addition to Article 33.1 is required to clarify the reference to par value shares and to state that a subdivision will result in smaller par value shares.
13. The reference in Article 35.1.1.2 to "resolution" must be clarified in that it must expressly refer to a special resolution.
14. Article 41.2 must be deleted as the company does not have any branch registers.
15. Article 44.1 must be amended so that for purposes of determining whether a quorum is present the holders of Class A Ordinary Shares are also taken into account.
16. Article 44.2 must be amended to provide that a trust who holds shares represented by a representative at a meeting will also qualify as a member present for purposes of determining whether a quorum is present.

17. The reference in Article 46.3 to Articles 46.1 and 36.2 is wrong and must be amended to Article 46.
18. Article 52.1 must be amended to enable voting on the chairman or an adjournment matter to be decided by a poll.
19. Article 56.2 must be amended to make it clear that on a show of hands a person only has one vote notwithstanding the number of members he represents at the meeting.
20. Articles 64.2, 65, 129.2, 129.3 and 130.3 refer to branch registers. The company has no branch registers and accordingly the part of the Articles 64.2, 129.2 and 129.3 that refer thereto and the whole of Articles 65 and 130.3 must be deleted.
21. The reference in Article 80 to Article 68.2 is wrong and must be amended to be a reference to Article 68.3.
22. Article 82.2 must be amended to expressly state what number of votes are required to be voted a director.
23. Article 84.1 needs to be amended to simply reflect the number of directors that must resign annually.
24. Article 85.1 needs to be amended to expressly provide for delegation of powers.
25. The company may only sell the whole of its business or the major part of its assets if the shareholders have approved such sale and if the Articles provide that power to the board. That power needs to be inserted as Article 86.3.
26. The words "unclaimed or unpaid capital" must be deleted from Article 90.1.2 in that the directors do not need the power to encumber such capital.
27. Article 99 is a repetition of Article 68.2 and must therefore be deleted. To ensure that no major renumbering is caused by that deletion Articles 100, 100.1 and 100.2 were consolidated and renumbered as Article 99 while Article 100.3 was renumbered as Article 100. The erroneous reference to Article 68.2 was removed from the old Article 100 (new Article 99).
28. The addition to Article 101.1 is required to clarify how resolutions are adopted by the board and how many votes each director has.
29. The reference to "profits" must be deleted from Articles 111.1 and 112.1 and Article 141.2 must be deleted as payments to shareholders are not restricted to payments out of profits anymore.
30. The Companies Act does not prescribe approval by shareholders for the distribution of a capital gain and accordingly such a requirement must be deleted. There is also no need for Article 121.2 as section 90 of the Companies Act already prescribes similar restrictions.
31. The reference in Article 130.2.3 to Transvaal is wrong and must be amended to Gauteng.
32. Article 134.2 contains an incorrect reference that must be rectified.
33. Article 137 prescribes that all special resolutions including those taken by the subsidiaries of the company be disclosed in the board report. This is not required by the company anymore and accordingly Article 137 must be deleted.
34. Articles 142.1 and 142.2 needs to be amended to make it clear that a special resolution is required. Article 142.1.2 has to be removed from under Article 142.1 to Article 142.4 in that while forming part of Article 142.1 the power to make payments can only be exercised with the approval of shareholders. Article 142.4 needs also to be expanded to expressly state which accounts of a capital nature may be debited in making payments of a capital nature to shareholders.
35. Article 143.2.1 needs to be amended to make it clear that payment will only take place against the delivery of the relevant share certificates.

36. The board, in so far as may be necessary, wish to provide in the Articles for the powers to issue or hold shares in an uncertificated format. The new Article 145 grants that powers expressly.

### **Effect**

The annexed Articles of Association will replace the existing Articles of Association of the company as Articles of Association of the company. The effect of the additional amendments to the Articles of Association is set out hereunder:

### **Articles amended or added to comply with the Schedule**

1. Articles 4.1, 4.2 and 4.3 will accurately reflect the requirements of Item 10.2 of Schedule 10.
2. Articles 17.3 and 21.2 will accurately reflect part of the requirements of Item 10.10 of Schedule 10.
3. Article 33.10 will comply with Item 10.15c of Schedule 10.
4. Article 33.11 will comply with Item 10.15i of Schedule 10.
5. The deletion of Article 41.5 will remove the overlap with the amended Article 129.3.
6. Article 56.3 added as the JSE Limited has requested it as an additional listing requirement. This Article will have the effect that the maximum percentage of votes that the holders of preference shares will in aggregate be able to exercise in respect of a resolution required in terms of the Listing Requirements of the JSE Limited is limited to 25% less one vote of all the votes held by shareholders in the company.
7. Articles 68.1 and 68.2 will accurately reflect the requirements of Items 10.23 and 10.25 of Schedule 10.
8. The new Article 81.1.A will comply with Item 10.2.9 of Schedule 10.
9. Article 84.1 will accurately reflect part of the requirements of Item 10.28 of Schedule 10.
10. The amended Article 103.1.2 will comply with Item 10.31 of Schedule 10.
11. The effect of the addition of the last sentence added to Article 115 will be that Article 115 fully complies with Item 10.34 of Schedule 10.
12. Article 125.1 will accurately reflect the requirements of Item 10.36 of Schedule 10.
13. The second last sentence added to Article 129.3 will have the effect that Article 129.3 complies with Item 10.38 of Schedule 10. The last sentence added to Article 129.3 will have the effect that Article 129.3 complies with Item 10.19 and 10.41 of Schedule 10.

### **Articles amended or added for other reasons**

1. Article 1
  - a. The effect of the amendment to the definition of "directors" is that it is simplified.
  - b. The effect of the deletion of the definition of "group" is that there is no such definition left in the Articles.
  - c. The addition of "holder" to the definition of "member" and "shareholder" means that it has the same meaning as those terms.
  - d. The effect of the amendment to the definition of "transfer secretary" is that the definition now reflects the meaning as used by the company.
  - e. The effect of the deletion of the reference to "branch register" rectifies the Articles and aligns it with the fact that the company has no "branch registers".
  - f. The effect of the deletion of the old Articles 1.4 to 1.6 means that "shares", "debenture" and dividends now have their ordinary meaning when used in the Articles.

2. The effect of the amendment to Article 5.1 is that it will expressly provide for the power to issue preference shares and options over shares.
3. The effect of the amendment to Article 5.2 is that the general meeting may exercise the powers described therein.
4. The effect of the amendment to Article 9.1 is that irrelevant words are removed from Article 9.1.
5. The effect of the amendment to Article 11.1 is that the company will only issue one share certificate in respect of all the shares of one class held by a member.
6. The effect of the deletion of Article 11.3.2 will be that the old irrelevant Article 11.3.2 dealing with stock will be deleted from the Articles.
7. The effect of the amendment to Article 12.1.1 is that the company will be allowed to charge an amount that the board may determine from time to time in respect of new share certificates.
8. The effect of the deletion of Articles 16.2, 16.3 and amendment of Article 25.2 is that the company may no longer appoint local committees of the kind referred to in those Articles.
9. The effect of the amendment to Article 19.3 will be the removal of the limitation on the transfer fees.
10. The effect of the amendment to Article 21.1 will be the removal of the limitation on the fees described therein.
11. The effect of the amendment to Article 32.1 will be that the wording of Article 32.1 will be amplified to remove any possible doubt that reference is made therein to authorised capital and to expressly provide that new share capital may comprise of new classes of shares.
12. The effect of the amendment to Article 33.1 will be that the Article will expressly refer to par value shares and to state that a subdivision will result in smaller par value shares.
13. The effect of the amendment to Article 35.1.1.2 will be that the Article will expressly refer to a special resolution.
14. The effect of the deletion of Article 41.2 will be that the Articles no longer deal with branch registers anymore.
15. The effect of the amendment to Article 44.1 is that for purposes of determining whether a quorum is present the holders of Class A Ordinary Shares are also taken into account.
16. The effect of the amendment to Article 44.2 is that a trust who holds shares represented by a representative at a meeting will also qualify as a member present for purposes of determining whether a quorum is present.
17. The effect of the amendment to Article 46.3 is that it now refers only to the correct Article.
18. The effect of the amendment of Article 52.1 will be that an election of the chairman or an adjournment could be decided by a poll.
19. The effect of the amendment of Article 56.2 makes it clear that on a show of hands a person only has one vote notwithstanding the number of members he represents at the meeting.
20. The effect of amending Articles 64.2, 129.2 and 129.3 and deleting Articles 65 and 130.3 is to remove the unnecessary reference to branch registers.
21. The effect of the amendment of Article 80 is that the defective reference will have been rectified to Article 68.3.
22. The effect of amending Article 82.2 will be that the votes required to be voted as a director will be clarified.

23. The effect of amending Article 84.1 will be that the number of directors that must resign annually is prescribed.
24. The effect of the amendment of Article 85.1 is that it will expressly provide for delegation of powers by the board.
25. The effect of the additional Article 86.3 will be that company will have the power, after the shareholders have approved such sale, to sell the whole of its business or the major part of its assets.
26. The effect of the deletion of the reference to "unclaimed or unpaid capital" from Article 90.1.2 is that the directors lose the power to encumber such capital.
27. The effect of the deletion of Article 99 is that a repetition of Article 68.2 has been removed. The effect of the new Article 99 is the consolidation of the old Article 100, 100.1 and 100.2 into Article 99 and that the erroneous reference to Article 68.2 is removed from the new Article 99.
28. The effect of the addition to Article 101.1 clarifies how resolutions are adopted by the board and how many votes each director has.
29. The effect of the deletion of the reference to "profits" from Articles 111.1 and 112.1 and the deletion of Article 141.2 means that payments to shareholders will not be restricted to payments out of profits anymore.
30. The effect of the amendments to Article 121.1 and deletion of Article 121.2 is that the unnecessary parts thereof are deleted so that the board may, subject to compliance with the Companies Act, make payments to shareholders.
31. The effect of the amendment of Article 130.2.3 is that the defective reference will be rectified.
32. The effect of the amendment to Article 134.2 is that the defective reference will be rectified.
33. The effect of deleting Article 137 will be that the company will no longer have to comply with the requirements of the deleted Article 137.
34. The effect of amending Articles 142.1 and 142.2 is to make it clear that a special resolution is required. The effect of the removal of the old Articles 142.1.2 to Article 142.4 is that the requirement that shareholders approve a payment will be removed from the Articles while Article 142.4 will expressly state that accounts of a capital nature may be debited in making payments of a capital nature to shareholders.
35. The effect of the amendment of Article 143.2.1 is that it is made clear that payment will only take place against the delivery of the relevant share certificates
36. The effect of the new Article 145 is that in so far as may be necessary the Articles provide for the issue or holding of shares in uncertificated form.

## **ORDINARY RESOLUTION 1**

That an additional 21 428 571 ordinary shares with a par value of R0,10 (10 cent) each are placed under the control of the board of directors of the company, that the board of directors of the company are hereby authorised and granted a general authority as provided for in section 221 of the Companies Act, Act No 61 of 1973, as amended, to allot and issue such shares in their discretion to persons or other entities that the board of directors of the company may deem fit at subscription considerations and on such other terms and conditions that the board of directors of the company in their discretion may deem fit and that any issue of such shares by the company in terms of this resolution are hereby approved. For the avoidance of doubt it is resolved that the general authority granted in terms of this resolution is granted in addition to the general authority granted on 22 February 2008 that placed 20 million ordinary shares under the control of the board of directors and that this resolution does not replace or revoke that authority in any manner.

### **Reasons and Effect**

The reason for this resolution is to place a sufficient number of ordinary shares under the control of the board of directors that will enable the board of directors to implement an offer by the company to all its shareholders to subscribe for a number of those ordinary shares that the board of directors may determine in proportion to their holdings of shares (ie both ordinary shares and Class A Ordinary Shares) on the terms and conditions that the board of directors determines to be in the best interest of the company. After the adoption of the resolution the company will be able to make and implement such an offer.

## **ORDINARY RESOLUTION 2**

That the Equity Settled Phantom Share Plan ("Plan") described on Annexure C hereto is approved and that the board is authorised to immediately implement the Plan.

### **Reasons and Effect**

The board of directors requires approval by the shareholders of the Equity Settled Phantom Share Plan before it will implement it.

## **VOTING AND PROXIES**

Copies of the existing Memorandum, Articles of Association and the Equity Settled Phantom Share Plan are available for inspection at 32 Market Street, Paarl.

If you are unable to attend the general meeting, you may appoint one or more proxies to represent you at the general meeting by completing the attached form of proxy for the general meeting in accordance with the instructions it contains and returning it to the Company Secretary at the registered office of Pioneer Foods, 32 Market Street, Paarl, to be received by no later than 10:00 on Tuesday, 8 April 2008.

By order of the board

*Company Secretary*

## **ANNEXURES**

- Annexure A    Paragraphs 1 to 8 of the Memorandum of Association
- Annexure B    Articles of Association
- Annexure C    Equity Settled Phantom Share Plan

# ANNEXURE A

## Form CM 2

REPUBLIC OF SOUTH AFRICA  
COMPANIES ACT, 1973

### MEMORANDUM OF ASSOCIATION OF A COMPANY HAVING A SHARE CAPITAL

(Article 54(1); Regulation 17(1) and 17(2))

#### PIONEER FOOD GROUP LIMITED

Registration number of company

**1996/017676/06**

#### 1. Name

- a) The name of the Company is **PIONEER FOOD GROUP LIMITED.**
- b) The name of the Company in any other official language of the Republic is:  
**PIONEER VOEDSEL GROEP BEPERK.**
- c) The shortened form of the name of the Company is: **NA.**

## Form CM 2A

### 2. Purpose describing the main business

The main business which the Company is entitled to carry on is to directly or indirectly manufacture, procure the manufacture, to sell and to procure the sale of food, food ingredients, beverages and ancillary products.

### 3. Main object

The main object of the company is to directly or indirectly act as a manufacturer and seller of food, food ingredients, beverages and ancillary products.

### 4. Ancillary objects excluded

The specific ancillary objects, if any, referred to in section 33(1) of the Act, which are excluded from the unlimited ancillary objects of the Company: NONE

### 5. Powers

- (i) The specific powers or part of any powers of the Company, if any, which are excluded from the plenary powers or the powers set out in Schedule 2 to the Act: NONE
- (ii) The specific powers or part of any specific powers of the Company set out in Schedule 2 to the Act, if any, which are qualified under section 34 of the Act: NONE

### 6. Conditions

Any special conditions which apply to the company and the requirements, if any, additional to those prescribed in the Act for their alteration: NONE

### 7. Pre-incorporation contracts (if any)

None

## Form CM 2B

### 8. Capital

- (a) *Par value:* The share capital of the company is R41 813 000.00 (forty one million eight hundred and thirteen thousand Rand) divided into:
- (i) 400 000 000 (four hundred million) ordinary par value shares of R0,10 (10 cent) each;
  - (ii) 18 130 000 (18 million one hundred one hundred and thirty thousand) Class A ordinary par value shares of R0,10 (10 cent) each;
  - (iii) preference par value shares; ZERO
  - (iii) redeemable preference par value shares ZERO
- (b) *No par value:*
- (i) The number of no par value ordinary shares is ZERO;
  - (ii) The number of no par value preference shares is ZERO; and
  - (iii) The number of redeemable no par value preference shares is ZERO.

REPUBLIC OF SOUTH AFRICA  
COMPANIES ACT, 1973

ARTICLES OF ASSOCIATION OF A COMPANY HAVING A SHARE CAPITAL NOT  
ADOPTING SCHEDULE 1

REGISTRATION NUMBER OF COMPANY  
1996/017676/06

NAME OF COMPANY

**PIONEER FOOD GROUP LIMITED**

- A The articles of Table A or Table B, contained in Schedule 1 to the Companies Act, 1973, shall not apply to the company.
- B The Articles of Association of the Company are as follows:

## INTERPRETATION

1 The headings contained in these Articles of Association are solely for reference purposes and shall not influence the interpretation or construction thereof. In the interpretation of these Articles of Association the words in the first column of the table hereunder shall bear the meaning as contained in the opposite second column, unless the contents or context indicates that the relevant word shall bear another meaning.

<b>Word</b>	<b>Meaning</b>
"general meeting"	the annual general meeting or a general meeting of the company;
"official seal"	the official seal (if any) of the company;
"business day"	any calendar day, except Saturdays, Sundays and public holidays;
"board of directors" or "directors"	the present directors and the alternative directors of the company;
"subsidiary"	a subsidiary as described in the Act;
"year"	a calendar year, i.e. from 1 January to and including 31 December;
"office"	the registered office of the company;
"member" "holder" or "shareholder"	the registered holder of a share in the company;
"month"	a calendar month, i.e. January, February, etc;
"transfer office"	a transfer office designated for the receipt and registration of transfers of shares, debentures and other securities issued by the company and where the register is drawn up;
"transfer secretary"	any representative appointed by the board of directors to act as the transfer secretary of the company;
"register"	the register of members of the company held by the company in terms of the Articles of Association;
"legal incapacity"	the demise, sequestration or liquidation or placing under judicial management, minority or placing under guardianship due to insanity or reckless spending of a member, or any other reason which deprives a member of his/her legal capacity in the opinion of the board of directors;
"secretary"	the present secretary of the company or any person duly authorised by the board of directors to act on behalf of such present secretary or any person appointed by the board of directors to fulfil any of the duties of the secretary or any person duly authorised to represent a juristic person, who is the secretary of the company;
"in writing/written"	written (or partially written) or reproduced (or partially reproduced) in any substitute for writing, including printing, typing, lithography or any other mechanical process, or partially one and partially the other;
"Government Gazette"	the Government Gazette of South Africa;
"Articles"	these Articles of Association as drafted herein or as may be amended by a special resolution from time to time;
"South Africa"	the Republic of South Africa or the area it comprises of from time to time;
"the Act"	the Companies Act, 1973, including any amendment, consolidation or re-enactment thereof.

Unless the context indicates otherwise:

- 1.1 words importing the singular shall also include the plural and *vice versa*;
- 1.2 words importing the masculine gender shall also include the feminine gender;
- 1.3 words importing natural persons shall also include partnerships and juristic persons;
- 1.4 the word "meeting" includes a postponed meeting;
- 1.5 the words "sign", "signed" or "signature" also include lithography, printing and names with a rubber, or other stamp or made in any mechanical way;
- 1.6 a reference to any provision of the Act also includes that provision as it may be amended or re-enacted from time to time.
- 2.1 Subject to the preceding Article any words or expression described in the Act shall bear the same meaning in the Articles of Association, unless the context indicates otherwise.
- 2.2 Any word or term described in a subsection bears the meaning awarded to it in the section whereof the subsection forms a part.

## **BUSINESS**

- 3.1 The directors may in their discretion commence or discontinue any business or branch of any business (which the company is authorised to undertake expressly or by implication or legally) either entirely or partially, either temporarily or permanently.
- 3.2 The company may amend the provisions of its Memorandum of Association regarding its objects and powers by means of a special resolution.

## **SHARES**

- 4.1 Subject to the provisions of the Act and of the Memorandum of Association and these Articles of Association, without prejudice to any right previously conferred on the holder, unissued shares shall be offered to existing shareholders *pro rata* to their existing shareholding, except where such shares are issued as compensation for the acquisition of assets.
- 4.2.1 The company in general meeting may approve the allotment and issue of shares otherwise than as contemplated in Article 4.1 above and to subscribers that the general meeting may determine whereupon the company may allot and issue such shares to such subscribers for the subscription consideration and on the other terms that the general meeting or the board of directors have determined. Without derogating from the aforesaid, the company in general meeting may approve the allotment and issue of shares to some of its shareholders only or to a combination of some of its shareholders and subscribers who do not hold any shares in the company.
- 4.2.2 The board of directors may also, otherwise than as contemplated in Article 4.1 above, if it has been granted a general authority by a general meeting in terms of section 221 of the Act to allot and issue shares, allot and issue such shares to such subscribers as the board of directors may in their discretion determine for the subscription consideration and on the other terms that the board of directors have determined. Without derogating from the aforesaid, the board of directors may also if it has been granted a general authority by a general meeting in terms of section 221 of the Act to allot and issue shares, in the discretion of the board allot and issue such shares to some of its shareholders only or to a combination of some of its shareholders and subscribers who do not hold any shares in the company.

- 4.3 After the listing of the shares of the company by JSE Limited, any issue of shares as contemplated in this Article 4 will only be done in accordance with the Listings Requirements of the JSE Limited.
- 5.1 A general meeting, or the directors with the prior approval of a general meeting may, by resolution:
- 5.1.1 issue any shares (whether with or without any preferred, deferred or other special right or restriction in regard to dividends, voting, return of capital or otherwise);
- 5.1.2 issue preference shares, which are to be redeemed, or are redeemable at the instance of the company; and
- 5.1.3 grant options over any such shares;
- to such persons and on such terms and conditions as may be determined by that resolution or that may be determined by the board of directors and may by similar resolution, but subject to the provisions of these Articles, amend or add to such terms and conditions.
- 5.2 A general meeting may determine that shares may be issued by the directors subject to the provisions and conditions and with the rights, privileges or restrictions as the board of directors may determine.
- 5.3 No further shares, ranking in priority to or *pari passu* with the preference shares, may be created without:
- 5.3.1 written consent of the holders of 75% (seventy five percent) of those preference shares; or
- 5.3.2 authorisation by the holders of those preference shares granted by means of a special resolution passed by those holders at a separate general meeting.

#### **REDEEMABLE/CONVERTIBLE PREFERENCE SHARES**

- 6 The company may from time to time issue preference shares which shall be redeemed and/or converted or which are redeemable and/or convertible at the option of the company and/or the board of directors, or may by special resolution convert any of its preference shares to such redeemable/convertible preference shares.

#### **PAYMENT OF COMMISSION**

- 7.1 The company may pay a commission at a rate of not more than 10% (ten percent), or such higher percentage as the Act may allow, on the issue price of a share, to any person as consideration for his subscription or agreement to subscribe (whether unconditional or conditional) for any shares of the company or for his procurement of subscriptions or agreement to procure subscriptions (whether unconditional or conditional) for any shares of the company.
- 7.2 Such a commission may be paid in cash or by the allotment of shares of the company, or partially in cash and partially by the allotment of shares, but payment by way of the allotment of shares may only take place with the approval or authorisation of the company in general meeting.
- 7.3 The company may pay the legally approved brokerage upon any issue of shares.

#### **INTEREST**

- 8 The company may, subject to the provisions of the Act, pay interest on its share capital from time to time.

## **CERTIFICATES**

- 9 The title certificates in respect of shares, debentures or other securities of the company:
- 9.1 shall be issued on authority of the board of directors in the manner and the form which the board of directors may instruct from time to time; and
- 9.2 shall bear the signature of 2 (two) directors of the company, or of 1 (one) director and 1 (one) officer duly authorised thereto by the board of directors.
- 10.1 If any shares are numbered, all such shares shall be numbered in increasing numerical sequence (beginning with number one) and each share shall be differentiated by means of its applicable number.
- 10.2 If any shares are not numbered, all share certificates in respect of such shares shall be numbered in increasing numerical sequence, and each share certificate shall be differentiated by means of its applicable number and by the endorsement which may be required by the Act.
- 11.1 Each person whose name appears as member in the register, is only entitled to receive one certificate for all his shares of a particular class without payment.
- 11.2 A member transferring some of his shares is entitled to receive a certificate for his remaining shares.
- 11.3 Notwithstanding any provisions to the contrary hereof:
- 11.3.1 where shares are registered in the names of 2 (two) or more persons, those persons shall be treated as 1 (one) person for purposes of this Article.
- 11.3.2 (deleted)
- 12.1 If a certificate is defaced, lost or destroyed, it may be replaced subject to 12.2 against:
- 12.1.1 payment of money (if any) of an amount approved by the board of directors from time to time and any stamp duty payable in respect of the new share certificate; and
- 12.1.2 in the case of defacement, delivery of the defaced certificate,  
to the company.
- 12.2 The board of directors may in its discretion impose such conditions (if any) regarding proof, indemnity and the payment of the actual expenditures of the company for the investigation of evidence presented and, in the case of loss or destruction, for the advertisement thereof.
- 13.1 The share certificate in respect of shares registered in the names of two or more persons is delivered to the person whose name appears first in the register in respect of those shares or his authorised representative, and such delivery is sufficient delivery to all the joint holders of those shares.
- 13.2 In the case of the legal incapacity of any one or more of the joint holders of any shares, the remaining holder who is then mentioned first in the register in respect of those shares, is the only person who is recognised by the company as entitled to that certificate or any new certificate that may be issued in place thereof.
- 13.3 The preceding provisions regarding certificates for shares apply to certificates for debentures *mutatis mutandis*.

## **REGISTER OF MEMBERS**

- 14.1 The company keeps a register of members in the place(s) and in the manner prescribed by the Act.
- 14.2 The company may also keep a branch register(s) abroad.
- 14.3 The board of directors may make regulations regarding the keeping of such branch register(s) and amend it in their discretion.
- 14.4 The company keeps (where applicable) a list of names of the members in the manner described by the Act.

## **TRANSFER OF SHARES**

- 15.1 The books of transfer and register of members (or any part(s) thereof which relate to the holder(s) of shares of any class) may in the discretion of the board of directors:
  - 15.1.1 after notice thereof has been given by means of an advertisement in the Government Gazette and in a newspaper circulating in the district in which the office is situated; and
  - 15.1.2 in the case of a branch register, after notice has been given in the manner prescribed by the Act, be closed during the times (in total no longer than 60 (sixty) days during any year) approved by the board of directors.
- 15.2 The company in general meeting may impose reasonable restrictions regarding access to the register, however, provided that the register (unless it is closed pursuant to 15.1) shall lie available for inspection at least 2 (two) hours per day.
- 16.1 Transfer offices are maintained in the place(s) in South Africa or elsewhere as the board of directors may instruct from time to time.
- 16.2 (deleted)
- 16.3 (deleted)
- 17.1 Subject to any legal provision regarding stamp duty or estate duty or any statutory restrictions in respect of transfers and subject to the provisions of the Articles, any member may transfer all or some of his shares.
- 17.2 Each transfer shall be effected in writing in the ordinary and usual form or in such other form as approved by the board of directors.
- 17.3 Every instrument of transfer shall be left at the transfer office of the company at which it is presented for registration, accompanied by the certificate of the securities to be transferred, and or such other evidence as the company may require to prove the title of the transferor or his rights to transfer the securities.
- 18.1 Subject to the provisions of the Act and any legal provision regarding stamp duty, a deed of transfer of shares, if it is a security in terms of the Act, shall be signed by or on behalf of the transferor, and, if it is not such a security, it shall be signed by the transferor and the transferee.
- 18.2 The transferor is deemed to remain the holder of the share until the transferee's name in respect of that share is entered in the register.
- 18.3 All deeds of transfer shall, as soon as they are registered, either be kept by the company or be disposed of in the manner determined by the board of directors from time to time.
- 18.4 Any deed of transfer which the board of directors may refuse to register, is on demand returned to the person who sent it (unless the board of directors determines otherwise).
- 19 The board of directors may refuse to register any transfer if:

- 19.1 the deed of transfer is not duly stamped and lodged at the company; or
- 19.2 any legal provision regarding the transfer has not been complied with; or
- 19.3 transfer fees as determined by the board of directors from time to time, has not been paid to the company; or
- 19.4 the deed of transfer does not refer to one class of shares only.
- 20 If the board of directors refuses to register a transfer, notice of the refusal shall be sent to the transferee and transferor within 30 (thirty) days after the date of lodging of the deed of transfer.
- 21.1 The company is entitled to charge compensation in the amounts as the board of directors may determine from time to time for the registration of any letters of executorship or administratorship, death- or marriage certificate, power of attorney, antenuptial contract, court order or any other instrument regarding or affecting the legal title to any share.
- 21.2 All authorities to sign transfer deeds granted by members for the purpose of transferring securities that may be lodged, produced or exhibited with or to the company at any of its proper offices shall as between the company and the grantor of such authorities, be taken and deemed to continue and remain in full force and effect, and the company may allow the same to be acted upon until such time as express notice in writing of the revocation of the same shall have been given and lodged at the company's transfer offices at which the authority was lodged, produced or exhibited.
- 21.3 Even after such notice has been thus given and has been lodged, the company is still entitled to execute any deed which has been signed by virtue of such a power of attorney or other authorisation and has been certified by an officer of the company to the effect that it was valid before the notice was given and thus lodged.
- 21.4 The company shall not be obliged to allow any representative to act on behalf of a member or prospective transferor of shares, unless the original or certified copy of such a representative's authorisation has been handed to the company.
- 21.5 Nothing contained in the Articles, prevents the company from recognising a waiver of an allotment of shares by the person to whom the share(s) have been allotted in favour of another person.

## **TRANSMISSION OF SHARES**

- 22.1 Subject to any legal provision regarding stamp duty or estate duty, the executor or administrator of the estate of a deceased shareholder (who is not one of various joint holders) shall be the only person recognised by the company as being entitled to a share registered in the name of such deceased shareholder.
- 22.2 In the case of death of one or more of the joint holders of a share, the surviving holder(s), or the executor or administrator of the estate of the surviving holder, shall be the only person(s) recognised by the company as being the rightful owner(s) of or interested party/ies in respect of such a share.
- 23.1 Any person who becomes entitled to a share as a result of the legal incapacity of a member or by any other legally valid manner (except transfer by virtue of the Articles):
- 23.1.1 may, upon presentation of proof of his right which is sufficient for the board of directors and with the consent of the board of directors (which consent the board of directors is not obliged to furnish) himself be registered as a member in respect of such share or procure that another person, whom he nominates, shall be registered as transferee thereof;

- 23.1.2 shall be entitled to the same dividends and other benefits to which he would have been entitled if he had been the registered holder of the share, except that before he is registered as member in respect of that share, he shall not be entitled to exercise any right in respect of that share, granted by membership regarding meetings of the company.
- 23.2 If the person thus becoming entitled to a share prefers to:
- 23.2.1 be registered as a shareholder himself, he shall notify the company in writing to this effect;
- 23.2.2 have his nominee registered, he shall express his choice by completing a transfer form in respect of such share in favour of his nominee.
- 23.3 All the restrictions and provisions of these Articles regarding the right to transfer and register shares apply to any such notice or registration of transfer in terms of this Article as if the legal incapacity or other manner of acquisition had never occurred and the notice or transfer had been given by the relevant member himself.
- 24.1 A person furnishing evidence of his appointment as the executor, administrator, trustee, curator or guardian in respect of a member or the estate of a member of the company who died, was sequestrated or who is otherwise legally incapacitated, or of his appointment as liquidator of any juristic person who is a member of the company shall be registered nominee *officii* in the register of members of the company and shall thereafter be deemed to be a member of the company for all purposes.
- 24.2 The preceding provisions regarding the transition of shares shall apply to the transition of debentures *mutatis mutandis*.

#### **SHARE WARRANTS**

- 25.1 The company may, subject to the provisions of the Act and any other provisions of these Articles and the Memorandum of Association of the company, issue share warrants.
- 25.2 For the purpose mentioned in 25.1 the board of directors may:
- 25.2.1 issue warrants in respect of paid-up shares, declaring that the holder thereof shall be entitled to the shares specified therein;
- 25.2.2 by the issue of coupons or otherwise provide for the payment of future dividends on the shares to which such warrants refer.
- 26 The board of directors may from time to time determine and amend:
- 26.1 the form and language in which and the conditions on which warrants shall be issued;
- 26.2 the conditions under which:
- 26.2.1 the bearer of a warrant shall be entitled to attend general meetings and to vote;
- 26.2.2 a share warrant may be waived;
- 26.2.3 the name of the holder in respect of the shares or stock specified in the warrant may be entered in the register.
- 27.1 The bearer of a warrant shall, subject to the provisions of the Articles, be a full member of the company.
- 27.2 The bearer of a warrant shall be bound by the provisions applicable thereto from time to time, whether such provisions have become effective before or after issue of that warrant.
- 27.3 Subject to the conditions and provisions approved by them, the directors may grant authorisation for the issue of a new warrant or coupon in place of one that has been proved to their satisfaction as destroyed, but not otherwise.

## **CONVERSION OF SHARES INTO STOCK**

- 28 The company may from time to time by means of special resolution:
- 28.1 convert shares into stock;
- 28.2 reconvert any stock into shares of any denomination,  
but no such conversion shall affect or prejudice any right or privilege attached to such share or stock.
- 29.1 The holders of stock may transfer all or any part of their various rights therein in the manner which the board of directors or the company in general meeting may instruct, but in the absence of any such instruction, the transfer shall occur in the same manner in which and subject to the same provisions in terms whereof paid-up shares are transferred.
- 29.2 The board of directors may determine the minimum amount of transferable stock in its discretion from time to time, which minimum shall not exceed the nominal amount of the shares which were converted into that stock, and the board of directors may determine that fractions of such minimum may not be traded with, but with the authorisation, notwithstanding, to waive such instruction in a special case.
- 30 The holders of stock shall have (according to the amount of the stock held by them) the same rights, privileges and benefits in respect of participation in the profit, voting at general meetings of the company and other matters as if they held the shares from which the stock originated, but no such privilege or benefit (except participation in the dividends and profit of the company) shall be granted by any such aliquot portion of the stock which would not have, if it had existed in the form of shares, granted such privilege or benefit.
- 31 All the provisions of the statute applicable to the shares (except the provisions in respect of share warrants) shall apply to stock.

## **INCREASE OF CAPITAL**

- 32.1 The company may from time to time by special resolution increase its authorised share capital by such amount divided into shares of an existing class or of a new class of such value, or may (where applicable) increase the number of its shares without par value to such number, as shall be determined in the special resolution.
- 32.2 The company may increase its share capital comprising shares without par value by transferring reserves or profits to the declared capital, with or without the issue of shares.
- 32.3 Subject to any provisions of the creation or issue thereof, or of the Articles, new shares shall be subject to the same provisions regarding transfer, transition and otherwise as the shares of the same class in the original capital.

## **CONSOLIDATION, SUBDIVISION REDUCTION OF CAPITAL**

- 33 The company may from time to time by special resolution:
- 33.1 consolidate or divide all or any of its share capital into shares of a larger or smaller par value than its existing shares or reduce or consolidate the number of its issued shares without par value;
- 33.2 increase the number of its issued shares without par value without increasing its declared capital;

- 33.3       subdivide its existing shares or some thereof into shares of a smaller amount as determined by its Memorandum, provided that subject to the provisions of the Act, the resolution whereby any share may be subdivided, may determine that between the holders of the shares coming into being as a result of such subdivision, one or more of the shares may have any such preference or other special rights, or may have such qualified or deferred rights, or may be subject to such provisions as the company may place on unissued or new shares;
- 33.4       convert all its ordinary or preference share capital consisting of shares with a par value, into declared capital consisting of shares without par value;
- 33.5       convert its declared capital consisting of either ordinary or preference shares without par value, into share capital consisting of shares with a par value;
- 33.6       cancel shares not taken up by anyone on the date of passing the resolution or not undertaken to be taken up;
- 33.7       subject to compliance with any other statutory or other legal requirements decrease its share capital, declared capital, capital redemption reserve or a share premium account in any manner;
- 33.8       convert any of its shares, whether issued or not, into shares of another class;
- 33.9       amend any rights in respect of any shares, whether issued or not, subject, (in the case of shares already issued), to the consent required from the holders of that class of shares;
- 33.10      convert all or any of its paid-up shares into stock and reconvert such stock into paid-up shares; and;
- 33.11     convert ordinary shares into redeemable preference shares.
- 34.1       Any action in terms of the preceding Article shall be executed subject to:
- 34.1.1     the provisions of the Act; and/or
- 34.1.2     the provisions of the special resolution whereby it is authorised, or
- 34.1.3     as far as 34.1.1 or 34.1.2 is not applicable, in the manner prescribed by the board of directors.
- 34.2       If a fraction of a share comes into being as a result of any consolidation, the board of directors may:
- 34.2.1     arrange that that share or fraction shall be consolidated with any other share or fraction, or make arrangements for the allocation or sale thereof;
- 34.2.2     appoint a person to sell and transfer it;
- 34.2.3     pay the proceeds of such sale to the holders of the consolidated share or deal with it in the manner otherwise agreed.
- 34.3       If a fraction is sold in the manner mentioned in 34.2, the person mentioned in 34.2.2 shall for all purposes be deemed to be authorised to enter into such a contract of sale.

#### **VARIATION OF RIGHTS**

- 35.1       If the share capital is divided into various classes of shares at any time, all or some of the special rights or privileges attached to any class of shares may:
- 35.1.1     only be amended or revoked by means of a special resolution and with:
- 35.1.1.1   the prior written consent of three quarters of the holders of the issued shares of that class; or
- 35.1.1.2   the prior authorisation granted by means of a resolution passed in the same manner, *mutatis mutandis*, as a special resolution at a separate general meeting of the holders of the shares of that class;

- 35.1.2 be amended or revoked as determined in 35.1.1, whether the company is liquidated or a liquidation thereof is intended, or not.
- 35.2 Any shares which are not equal to other shares in all respects (both regarding the dividend price and any other terms of issues) shall be deemed for the purposes of this Article to be a separate class of shares.
- 35.3 The provisions of the Articles regarding general meetings of the company shall apply to any such a separate general meeting *mutatis mutandis*, except that:
- 35.3.1 the required quorum (unless all the shares of that class are held by 1 (one) person) shall be 2 (two) persons present, holding at least one third of the issued shares of the class or such 2 (two) persons representing at least one third of the issued shares of the class by proxy, however provided that if at any postponed meeting of such holders no quorum as described above, is present, the members who are present personally or by proxy, shall constitute a quorum;
- 35.3.2 any holder of shares of the class who is present personally or by proxy, may demand voting by ballot and at such voting by ballot shall have 1 (one) vote for each share of the class of which he is a holder.
- 36 The special rights attached to the shares of any class, shall (unless the terms of issue of such shares expressly determine otherwise) not be deemed to have been varied by the creation or issue of further shares which:
- 36.1 have the same rights; or
- 36.2 have less rights,
- and which do not in any aspect enjoy preference over the first-mentioned shares in any respect.

#### **GENERAL MEETINGS**

- 37 The company shall hold an annual general meeting from time to time as provided by the Act.
- 38 Subject to the provisions of the Act, a member may not convene a general meeting of the company, unless all the directors have become incapacitated or have ceased being directors, in which case 2 (two) or more members may convene a general meeting (after prior notice has been given to all the members entitled to such notice) and may recover the costs related thereto from the company.
- 39 The board of directors:
- 39.1 may convene a general meeting of the company when it deems it to be necessary;
- 39.2 shall convene a general meeting if requested in terms of the Act.
- 40 Subject to the provisions of the Act:
- 40.1 all general meetings, whether annual general meetings or not;
- 40.2 all postponed general meetings;
- 40.3 all separate meetings of the holders of any class of shares,
- shall be held at the time and place determined by the board of directors.

#### **NOTICE OF GENERAL MEETINGS**

- 41.1 Notice of not less than 21 (twenty one) intermediate days for an annual general meeting or a meeting convened to pass a special resolution, and notice of not less than 14 (fourteen) intermediate days for any other general meeting, shall be given:
- 41.1.1 in the manner determined hereafter;

- 41.1.2 to the persons entitled in terms of the Articles to receive notices of all meetings of the company.
- 41.2 (deleted)
- 41.3 The period of notice shall not include the day on which:
  - 41.3.1 the notice is served or is deemed to have been served; or
  - 41.3.2 the meeting shall be held.
- 41.4 The notice shall:
  - 41.4.1 indicate the place, day and time of the meeting and, in the case of special matters, the nature of such matters;
  - 41.4.2 declare that a member entitled to attend a meeting and to vote, is entitled to appoint one or more proxies to attend the meeting on his behalf and to talk there and to vote, and that a proxy does not also have to be a member of the company.
- 42 If notice of a meeting is inadvertently not given, or if (where applicable) a proxy form is not sent together therewith, or if a person entitled thereto has not received such a notice of meeting or proxy form or receives it too late, the proceedings of the relevant meeting shall not be invalid as a result thereof.

#### **PROCEEDINGS AT GENERAL MEETINGS**

- 43 The annual general meeting shall deal with and dispose of all matters prescribed by the Act, including the approval or declaration of a dividend, the consideration of the annual financial statements, the election/appointment of directors and the appointment and remuneration of an auditor, and may deal with any other matters which are submitted to the meeting. All matters submitted to another general meeting, are deemed to be special matters.
- 44.1 No matters shall be dealt with at a general meeting unless a quorum is present. Subject to the provisions of the Act at least three members together holding (in the form of either ordinary shares or Class A Ordinary Shares) at least 10% (ten percent) of the aggregate of the issued ordinary shares and issued Class A Ordinary Shares (as defined in Article 144 hereunder) who are personally present, shall be a quorum.
- 44.2 A juristic person, who is a member of the company and is represented by a duly appointed representative, shall be deemed for purposes of this Article to be a member who is personally present. A trust, which is a member of the company and is represented by a duly appointed representative, shall be deemed for purposes of this Article to be a member who is personally present.
- 45 If within half an hour after the time stipulated for the meeting no quorum is present, the meeting shall be cancelled if it was convened at the request of members; in any other case the meeting shall be adjourned to a date not earlier than seven days and not later than twenty one days after the date and time of the meeting and if at such an adjourned meeting a quorum is not present within half an hour after the stipulated time for the meeting, the members who are present personally or by proxy shall be a quorum.
- 46.1 The chairman (if there is one) of the board of directors or, in his absence, the vice-chairman (if there is one) shall act as chairman at each general meeting of the company.
- 46.2 If:
  - 46.2.1 there is no such chairman or vice-chairman; or
  - 46.2.2 such chairman or vice-chairman is still not present within 10 (ten) minutes after the stipulated starting time of the meeting; or

- 46.2.3 such chairman or vice-chairman is unwilling to act as chairman,  
the directors present shall elect one of their ranks to act as chairman, but if only 1 (one) director is present, such director shall, if he is willing, act as chairman.
- 46.3 In the absence of a chairman in terms of Article 46, the members present shall elect one from their ranks as chairman.
- 47 The chairman may with the consent of a meeting at which a quorum is present (and must if the meeting resolves thus) adjourn the meeting from time to time and from place to place, but an adjourned meeting may only deal with matters which could legally be dealt with at the meeting on which the adjournment took place.
- 48 If a meeting is adjourned in terms of Articles 45 or 47, the company shall, at a date no later than 3 (three) days after the adjournment, publish a notice in a newspaper circulating in the province in which the office is situated, in which:
- 48.1 the date, time and place to which the meeting has been adjourned;
- 48.2 the matter before the meeting when it was adjourned; and
- 48.3 the reason for adjournment,  
shall be stated.
- 49.1 At a general meeting a resolution which is put to the vote of the meeting, shall be passed by show of hands, unless a vote by ballot before or immediately after the declaration of the result of the show of hands, is requested by:
- 49.1.1 the chairman of the meeting; or
- 49.1.2 by at least 5 (five) members entitled to vote at the meeting; or
- 49.1.3 by a member or members representing at least one tenth of the total voting power of all the members with the right to vote at the meeting; or
- 49.1.4 by a member or members who are entitled to vote at the meeting and who hold at least one tenth of the issued share capital of the company.
- 49.2 Unless voting by ballot is requested and that request is not withdrawn, a declaration by the chairman of the meeting that a resolution:
- 49.2.1 has been passed unanimously or by a definite majority by show of hands; or
- 49.2.2 has not been passed with a definite majority or has not been voted on,  
and a note to this effect in the minute-book shall be sufficient proof of that fact.
- 50 The result of voting by ballot shall be deemed to be the resolution of the meeting at which the voting by ballot was held.
- 51 In the case of the voting resulting in a tie, either by show of hands or by voting by ballot, the chairman of the meeting shall have a second or casting vote.
- 52.1 A voting by ballot may be requested for the election of the chairman of the meeting or on any adjournment matter.
- 52.2 Voting by ballot which is requested regarding any other matter, shall be held at the time and at the place and in the manner determined by the chairman of the meeting (but not later than 30 (thirty) days after voting by ballot was requested).
- 52.3 Until the voting by ballot is held, the meeting may continue with any matter (except the matters in respect of which voting by ballot was requested).

- 53 The chairman of a meeting may:
- 53.1 appoint any company or persons as polling-clerks to examine the proxy documents and to count the votes at the meeting;
- 53.2 on the grounds of a certificate given by any such polling-clerk, act without requesting any proxy form during a meeting and without counting the votes himself.
- 54.1 If any votes were counted that should not have been counted, or if any votes were not counted which should have been counted, the mistake shall not invalidate the resolution, unless it:
- 54.1.1 is brought to the attention of the chairman at the meeting; and
- 54.1.2 is essential enough in the opinion of the chairman of the meeting to invalidate the resolution.
- 54.2 Any objection regarding the admissibility of any vote (whether by show of hands or by voting by ballot) shall be raised at the meeting or adjourned meeting at which:
- 54.2.1 the vote (to which objection is made) was recorded; or
- 54.2.2 the result of the voting by ballot was announced,
- and each vote which is not disqualified then, shall be valid for all purposes. Any objection which is raised in time, shall be referred to the chairman of the meeting, whose decision shall be sufficient and final.
- 55 Even if he is not a member:
- 55.1 any director; or
- 55.2 the attorney of the company (or where the attorneys of a company are a firm, any partner thereof)
- may attend any general meeting and talk there, but he may not vote there, unless he is a member or the representative or proxy of a member.

### **VOTES OF MEMBERS**

- 56.1 Subject to provisions of the Articles and any special provisions in respect of the voting rights, which may be laid down upon issue of any share or which may attach to a share from time to time, each member shall:
- 56.1.1 if the share capital is divided into shares with a par value, be entitled to that proportion of the total votes in the company which the aggregate amount of the nominal value of the shares held by him bears to the aggregate amount of the nominal value of all the shares issued by the company;
- 56.1.2 if the share capital is divided into shares without par value, be entitled to 1 (one) vote in respect of each share held by him.
- 56.2 Notwithstanding the provisions of 56.1, a member who is present personally or by proxy or, if the member is a juristic person, is represented at a meeting of the company, shall only have 1 (one) vote on a show of hands, regardless of the number of shares he holds or represents or the number of members he represents.
- 56.3 A holder of any preference share shall, when that holder is entitled to vote in respect of a resolution for which a shareholder's resolution is required in terms of the JSE Listings Requirements, have (on the basis of the provisions set out in Section 195(4)(b) of the Companies Act):

- 56.3.1 the number of votes in respect of all preference shares of a class held by that holder, which is calculated (based on the number of votes attributable to the relevant shares using their par value) pro rata to all the issued preference shares, irrespective of class, of the company, which issued preference shares are entitled to be voted at the relevant meeting;
- 56.3.2 which number of votes shall be limited to that preference shareholder's said *pro rata* portion of the number of votes equal to 25% less one vote, of the number of votes to which all shareholders (including the holders of preference shares of whatever class) are entitled to cast (based on the number of votes attributable to the relevant shares using their par value) at the said meeting (with any cumulative fraction of a vote in respect of any shares held by a preference shareholder rounded down to the nearest whole number).
- 57.1 Any juristic person who holds shares granting voting rights, may (by means of a resolution of its board of directors or any other controlling body thereof) appoint a person to act as the representative of the juristic person at any general meeting of the company or at any meeting of the holders of any class of shares of the company.
- 57.2 Such a representative shall be entitled to exercise the same rights on behalf of the juristic person (which is represented by him) as that juristic person could have exercised if it had been a natural person and member of the company.
- 57.3 Although it shall not be obliged to do so, the board of directors may require proof to its satisfaction regarding the appointment and authorisation of such representative.
- 58 A person who is entitled to more than 1 (one) vote, does not have to exercise all his votes and does not have to exercise all of his votes in the same manner.
- 59.1 Where 2 (two) of more persons are registered as joint holders of a share, anyone of them, whether personally or by proxy, may vote as if he was the sole holder of that share.
- 59.2 If more than 1 (one) of such joint holders is present personally or by proxy at such a general meeting, only that present holder, whose name appears first in respect of that share in the register, may vote.
- 59.3 Where several persons are entitled to a share upon transfer, they shall be deemed to be joint holders of that share.
- 60.1 The parent or guardian of a minor and the curator *bonis* of an insane member as well as each person who is entitled to transfer shares in terms of the transfer Article, may vote in respect thereof at a general meeting in the same manner as if he had been the holder of those shares, provided that he shall, at least 48 (forty eight) hours before the time when the meeting is held at which he proposes to exercise his vote, furnish satisfactory proof to the secretary that he is such parent, guardian or curator or that he is entitled in terms of the transfer Article to transfer those shares, or that the directors have previously recognised his right to vote in respect of those shares.
- 60.2 Co-executors of a deceased member in whose name shares are listed in the register, shall be deemed for the purposes of this Article, to be joint holders of those shares.

## **PROXIES**

- 61.1 The appointment of a proxy shall be in writing and shall be signed by the appointing person or by his representative who shall be duly authorised in writing.
- 61.2 If the person appointing a proxy is a juristic person, the proxy shall be signed in a manner and by a person that is entitled to bind the juristic person.

- 61.3 The proxy of a person is entitled, if he is authorised thereto in the power of attorney, to represent such member at any meeting of the company and to vote there on behalf of that member.
- 62 A proxy does not have to be a member of the company.
- 63.1 The board of directors may in its discretion send out proxy forms for use at the meeting together with the notice of any meeting.
- 63.2 Any proxy, whether granted for a specific meeting or not, shall be in the form hereunder or have the same intent, or shall be in such other form which the board of directors may approve and always under the heading of or with reference to the company.

"I, We

\_\_\_\_\_ of \_\_\_\_\_ being a member/members\*  
 \_\_\_\_\_ of \_\_\_\_\_ Limited, hereby appoint.  
 \_\_\_\_\_ of \_\_\_\_\_ if he is not  
 \_\_\_\_\_ of \_\_\_\_\_ if he is not  
 \_\_\_\_\_ of \_\_\_\_\_ or

if he is not available, the chairman of the meeting, as my/our\* proxy to vote at the annual general meeting/general meeting\* of the company which is to be held on the \_\_\_\_ day of \_\_\_\_ and any adjournment thereof as follows in the name of and on behalf of me/us\*:

	<b>In favour of</b>	<b>Against</b>	<b>Abstention</b>
Resolution number _____			
Resolution number _____			
Resolution number _____			

(Indicate instruction to proxy by means of a cross in the applicable space provided above). Unless instructed otherwise, my/our\* proxy may vote in his discretion.

Signed at \_\_\_\_\_ on \_\_\_\_\_  
 Signature \_\_\_\_\_

(Note: A member who is entitled to be present and to vote is entitled to appoint one or more proxies to be present in his place, to talk there and to vote, and such a proxy does not have to be a member of the company).

\*Delete whatever is not applicable.

- 64.1 Each document by which a proxy is appointed as well as the power of attorney or other authorisation (if any) in terms of which it is signed, or a notarially certified copy of such a power of attorney or authorisation, shall be lodged at the office, or at such other place in South Africa which is indicated in the notice of meeting for that purpose, not less than 24 (twenty four) hours (Saturdays, Sundays and public holidays excluded) before the stipulated starting time of:
- 64.1.1 the meeting or adjourned meeting on which the person appointed in the proxy document proposes to record his vote; or
- 64.1.2 voting by ballot where such ballot voting shall be held after the meeting or adjourned meeting.
- 64.2 If the proxy document was not lodged in time, it shall not be treated as valid.

64.3 Unless expressly declared otherwise in the power of attorney itself, no document whereby a proxy is appointed, shall be valid after expiry of 6 (six) months after the date thereof, except at voting by ballot which was requested at a meeting which was originally held within 6 (six) months after the date of such proxy document, or at an adjourned meeting of a meeting held within such period.

65 (deleted)

66 A vote recorded in terms of a proxy document shall be valid notwithstanding the previous legal incapacity of the principal or the revocation of the proxy document or the transfer of the share in respect whereof the vote was recorded, unless written notice of such legal incapacity, revocation or transfer is received by the company at the office where such proxy document is registered, not less than 24 (twenty four) hours before commencement of the meeting at which or before the voting is held by ballot for which the proxy document will be used.

67 Subject to the conditions determined by the board of directors from time to time, each bearer of a share warrant shall be entitled to participate in general meetings and to vote there (whether personally or by proxy).

## **DIRECTORS**

68.1 Subject to the provisions of the Act the number of directors shall be not less than 4 (four) and not more than 18 (eighteen).

68.2 The continuing directors may act, notwithstanding any vacancy in their number, but if and for as long as their number is reduced below the minimum number of directors required, the continuing directors may act only to:

68.2.1 increase the number of directors to the required minimum; or

68.2.2 summon a general meeting for that purpose, provided that if there is no director able or willing to act, then any member may convene a general meeting for that purpose.

68.3 With effect from the Annual General Meeting of the Company in the year 2003, directors will be appointed as follows:

68.3.1 12 (twelve) persons nominated by the shareholders for appointment as directors in terms of the provisions of Articles 80 and 81; and

68.3.2 a maximum of 4 (four) executive directors nominated by the board of directors out of management of which 1(one) will be the Managing Director,

who will act as directors of the Company subject to the provisions of these Articles;

68.4 A director shall not be obliged to hold any qualifying shares.

68.5 Subject to the provisions of the Act a person shall not fill the office of director of the company if he has reached the age of 70 (seventy) years, provided that if a director reaches the age of 70 (seventy) years during his term of office, he shall retire at the annual general meeting of the company following thereafter and if it is not the end of his term of office, a director shall be appointed in terms of the provisions of Article 83.

69.1 The directors shall be entitled to such remuneration as the company may determine in general meeting from time to time, which remuneration shall be divided between the directors in the proportion to which they may agree, or, in the absence of such an agreement, equally, except that in such a case any director, who has not yet served a full official year, shall upon distribution only be taken into consideration in proportion to the period in which he served as a director.

- 69.2 Such remuneration shall accrue to the directors from day to day.
- 69.3 A director who:
- 69.3.1 serves on any executive or other committee; or
- 69.3.2 gives special attention to the matters of the company; or
- 69.3.2 pays a visit abroad for company purposes or lives outside South Africa; or
- 69.3.4 performs other tasks, or undertakes to perform them, which fall outside the scope of his ordinary duties as director in the opinion of the board of directors, may be paid such additional remuneration or allowance which an impartial quorum of directors may determine from time to time, in addition to or instead of the remuneration to which he is entitled as director.
- 69.4 A director shall also be remunerated for all travelling and other necessary expenses incurred by him with regard to:
- 69.4.1 the matters of the company; and
- 69.4.2 the attendance of meetings of the board of directors, committees of the board of directors or of the company.
- 70.1 Subject to any provisions in respect of the retirement of directors in accordance with the retirement roster or as determined otherwise hereafter, a director shall resign his office if:
- 70.1.1 his estate is sequestrated or if he surrenders his estate or enters a general settlement with his creditors;
- 70.1.2 it is established that he is not in possession of all his faculties or if he becomes mentally afflicted;
- 70.1.3 a majority of his co-directors sign a written notice in which he is requested to resign his office and lodge it at the office, (which shall come into effect upon lodging thereof at the office), but without prejudice to any claim for damages;
- 70.1.4 he is removed by means of a resolution of the company whereof proper notice has been given in terms of the Act (but without prejudice to any claim for damages);
- 70.1.5 he is prohibited from acting as director pursuant to the provisions of the Act or any order issued in terms thereof;
- 70.1.6 he retires as director by means of a written notice to the company;
- 70.1.7.1 he is absent from more than 4 (four) consecutive ordinary meetings of the board of directors without permission by the board of directors (and such leave is not granted for a period stretching over more than 6 (six) consecutive ordinary meetings, unless he is absent with regard to matters of the company); or
- 70.1.7.2 he is not represented by an alternative director at such meetings during those 6 (six) consecutive meetings; and
- 70.1.7.3 the board of directors resolves that his directorship shall be terminated due to his absence, provided that the board of directors is able to grant leave to any director to be absent for a determined or undetermined period;
- 70.2 (deleted)
- 70.3 Notwithstanding any contrary provisions of the Articles, a director shall resign his office after conclusion of the annual general meeting of the company relating to the financial year in which the director has reached the age of 70 (seventy) years.

- 71 A director may hold any other office or salaried appointment (except the office of auditor) in the company (or any subsidiary of the company) while he is director and indeed for the period and for the remuneration and on other conditions (over and above the remuneration to which he is entitled as director) that an impartial quorum of the board of directors may determine.
- 72 A director of the company may be a director or officer (or be appointed as such) of, or otherwise have an interest in any other company which has been established by the company or in which the company may have an interest as a shareholder or otherwise, and (except as far as the board of directors may resolve otherwise) does not have to give an account of any remuneration or other benefit which he receives as a director or officer of, or as a result of his interest in, such other company.
- 73 Any director may act for the company personally or through his firm in a professional capacity (except as auditor) and he or his firm shall be entitled to remuneration for professional services rendered as if he had not been a director of the company.
- 74 Any director who has an interest in any manner (whether directly or indirectly) in a contract or arrangement or a proposed contract or arrangement with the company, shall disclose the nature of his interest in terms of the Act.
- 75.1 No director or intending director shall be disqualified due to his director's office to enter into a contract with the company with regard to:
- 75.1.1 his holding of any other office or salaried appointment in the company or in any other company which has been established or in which the company has an interest;
- 75.1.2 professional service rendered or to be rendered by such director;
- 75.1.3 any sale or other transaction.
- 75.2 No such contract or arrangement entered into by or on behalf of the company in which any director has an interest in any manner, shall be voidable.
- 75.3 No director who has thus entered into a contract or has such an interest, shall be obliged, due to his directorship or the relationship of trust created thereby, to give an account to the company of any profit he obtained as a result of such appointment, contract or arrangement.
- 76 A director may not vote or be counted at the determination of a quorum (if he is, his vote shall not be counted) in respect of any resolution with regard to his own appointment in any other office or salaried post in the company or with regard to any contract or arrangement in which he has an interest, provided that this prohibition shall not apply to:
- 76.1 any arrangement for the securing or indemnification of any director in respect of money lent to the company by him or obligations entered into by him on behalf of the company; or
- 76.2 any arrangement for the furnishing of any security by the company to a third party in respect of a debt or obligation of the company which the director guaranteed or secured personally; or
- 76.3 any contract by a director to subscribe for shares or debentures of the company or to guarantee them; or
- 76.4 any contract or arrangement with a juristic person in which he has an interest only because he is a director, officer, creditor or member of such juristic person,
- and these prohibitory provisions may be cancelled or relaxed by the company in general meeting at any time, whether in general or with regard to any special contract or arrangement.
- 77.1 A contract conflicting with the provisions of Article 76 may be ratified by the company in general meeting.

- 77.2 The provisions of Article 76 forbid a director to vote as a member at a general meeting at which a resolution in which he has a personal interest, is tabled.
- 78.1 The board of directors may exercise the voting rights, granted by the shares which the company holds or owns in any other company, in such a manner and in its discretion in all respects, including the exercise thereof in favour of any resolution in terms whereof they or any of them are appointed as directors or officers of such other company, or the exercise thereof for the determination of any payment or remuneration to the directors or officers of such other company.
- 78.2 A director may vote in favour of a resolution mentioned in 78.1 (to exercise the vote in the manner described in 78.1), notwithstanding the fact that he is a director or other officer of such other company, or is on the verge of being appointed as such, and may have an interest for that or any other reason during the exercise of that voting right in the abovementioned manner.

### **ALTERNATIVE DIRECTORS**

- 79.1 A director may:
- 79.1.1 appoint another director, or any other person for that purpose approved by a resolution of the board of directors, to act as an alternative director in his place during his absence;
- 79.1.2 terminate the appointment of such alternative director.
- 79.2 A person thus appointed shall (except in respect of share qualification, the power to appoint an alternative director and remuneration) be subject to the conditions and provisions applying in respect of the other directors of the company in all respects.
- 79.3 Each alternative director shall, while acting as such, be entitled to:
- 79.3.1 receive notice of all meetings of the board of directors, or of any committee of the board of directors in which the person who appointed him is a member;
- 79.3.2 attend any such meetings which the person who appointed him are not attending personally and to vote at such meeting;
- 79.3.3 in general perform and execute all the work, powers and duties of the person appointing him during the absence of the latter as if he had been a director.
- 79.4 Any director acting as an alternative director, shall have, over and above his own vote, a vote for each director for whom he acts as an alternative director.
- 79.5 An alternative director shall cease ipso facto being an alternative director if the person who appointed him ceases being a director for any reason, provided that if any director retires according to rotation roster or otherwise, but is re-elected at the same meeting, any appointment made by him in terms of this Article which was in force immediately before his retirement, shall remain in force as if he had not retired.
- 79.6 If an alternative director is disqualified or resigns during the absence or inability of the director represented by him to act, the vacancies arising thus shall be filled by the chairman of the board of directors who shall nominate a person to fill it, subject to the approval of the board of directors.
- 79.7 Any appointment or dismissal of an alternative director shall be effected by means of a written notice signed by the person who appointed him and lodged at the office.
- 79.8 The remuneration of an alternative director shall only be paid from the remuneration payable to the director who appointed him, and he shall not have any claim for remuneration against the company.
- 79.9 An alternative director does not have to hold any qualifying shares.

## **NOMINATION AND ELECTION OF DIRECTORS**

- 80 Subject to the provisions of Articles 68.3, 70 and 83 a person as envisaged in Article 68, including a retiring director, shall only be eligible as a director if he is nominated in writing and his nomination is seconded.
- 81.1 No person other than a director retiring at the meeting, shall (unless he is recommended by the board of directors) be eligible as director at any general meeting, unless:
- 81.1.A the company has sent a notice requesting nominations for directors to fill the positions of directors who will retire at the next general meeting or the positions left vacant by reason of the positions having become vacant for other reasons, to members at least 90 days before the date of such general meeting setting out the process of nomination prescribed by these Articles; and
- 81.1.1 written notice is handed in at the office of the company at least 30 (thirty) full days before the stipulated day of the general meeting which notice shall have been signed by a member (who may also be the proposed director) who is entitled to be present and to vote at the meeting for which such notice was given; and
- 81.1.2 such notice sets out the member's intention to propose a specific nominee for election as director; and
- 81.1.3 a written notice signed by the nominee and in which he declares that he consents to accept the appointment as director if he is elected thus, is attached to the said notice (unless the proposer and the nominee are the same person).
- 81.2 If the number of candidates nominated does not exceed the number of vacancies in the board of directors that have to be filled, the nominated candidate or candidates shall be declared as elected at the annual general meeting.
- 81.3 If the number of nominated candidates exceeds the number of vacancies, a number of directors, equal to the vacancies, shall be elected from the nominated candidates by means of voting at the annual general meeting.
- 81.4 If no or insufficient candidates are nominated to fill the number of vacancies in the board of directors, the vacancies caused thus shall be regarded as interim vacancies which shall be filled in terms of Article 83.1.
- 82.1 Subject to the provisions of this Article and the Act, the procedure according to which directors are elected is determined by the chairman of the meeting.
- 82.2 At the election of directors a member is entitled to vote for as many candidates as there are vacancies in the board of directors which need to be filled. The candidates that receive the most votes will be elected.
- 83.1 The company in general meeting or the directors may appoint or co-opt any person as director, whether to fill a coincidental vacancy or as an additional director, provided that the total number of directors shall never exceed the maximum number determined by or in terms of these Articles.
- 83.2 A person appointed as director by the board of directors in terms of 83.1:
- 83.2.1 shall retire at the next annual general meeting;
- 83.2.2 shall not be considered when determining the directors who shall retire according to roster;
- 83.2.3 may be re-elected.

- 83.3 If the number of directors becomes less than the minimum permissible in terms of the Articles, the remaining directors may only act to:
- 83.3.1 fill the vacancies in the board of directors; or
- 83.3.2 convene general meetings.
- 83.4 If the company in general meeting reduces or increases the number of directors, it may also determine the roster according to which such reduced or increased number of directors shall retire.

#### **TERM OF OFFICE AND ROTATION OF DIRECTORS**

- 84.1 At every annual general meeting, one half of the directors nominated and appointed by members shall retire, or if the number of directors appointed by members cannot be divided by two, the number closest to (but not less than) half of the number of directors nominated and appointed by members, subject to the provisions of Article 95 shall retire.
- 84.1.2 Subject to the provisions of this Article 84:
- 84.1.2.1 the term of office of directors nominated and appointed by members shall be 2 (two) years.
- 84.2.1 The directors who have to retire each year shall be those who have held their office for the longest time since their last election at the annual general meeting of the company, but the decision between persons who became members of the board of directors on the same day shall be made by drawing lots (unless they mutually decide otherwise).
- 84.2.2 Notwithstanding the provisions hereof, the director who has already held his office for a period of two years since his last election or appointment by the date of any annual general meeting, shall retire at such meeting, whether as one of the directors retiring according to the roster as mentioned above, or over and above such directors.
- 84.3.1 The duration of a director's term of office shall be calculated as from his latest election, appointment or the date on which he is deemed to have been re-elected.
- 84.3.2 A director retiring at a meeting, shall hold his office until the election of directors at that meeting has been concluded.
- 84.4.1 A member of the board of directors who retires may be re-elected.
- 84.4.2 Notwithstanding the provisions of Article 81, the company may, at the meeting during which a director retires, fill the vacancy by electing a person as member of the board of directors and if it is not done, the retiring member of the board of directors shall be deemed to have been re-elected (if he consents to continue acting further as such) unless:
- 84.4.2.1 a resolution not to fill the vacancy is taken at such meeting; or
- 84.4.2.2 the re-election of such a director was tabled as a proposed resolution, but the resolution was not passed by the meeting.

## **POWERS OF DIRECTORS**

- 85.1 The management and control of the business of the company rests with the board of directors, which (over and above the authorities and powers expressly granted to them by the Articles) may exercise all authorities and powers and perform all acts which may be exercised and performed by the company and which have not been reserved expressly for the company in general meeting herein or in terms of the Act. The board of directors may in addition to and without limitation of the powers expressly conferred upon them by the Act or these Articles, delegate to any one or more persons all such powers, and may take such action, or delegate to any person or persons the doing of all such acts (including the right to sub delegate) as may be exercised or done by the Company and which are not in terms of the Act or by these articles expressly directed or required to be exercised or done by a general meeting.
- 85.2 Such management and control shall not be in conflict with the Articles or with the provisions of the Act.
- 85.3 The general powers granted by this Article shall not be limited or reduced by any special authorisation or power granted to the board of directors by any other Article.
- 86 The board of directors may in its discretion—
- 86.1 arrange that any branch or branchings of the business of the company, or any other business in which the company may have an interest, shall be operated by one or more subsidiary company/ies;
- 86.2 make arrangements on behalf of the company for:
- 86.2.1 taking profits or bearing the losses of any such branch or business; or
- 86.2.2 financing, supporting or subsidising any such subsidiary; or
- 86.2.3 furnishing of guarantees for the contracts, obligations or responsibilities of any such subsidiary; and
- 86.3 subject to compliance with the Act and provided the shareholders have approved such an alienation and transfer in terms of resolutions prescribed by the Act, sell or otherwise alienate and transfer the whole of the business of the company or the majority of the assets of the company and the board will have the power to effect such a sale or alienation.
- 87 The board of directors may:
- 87.1 introduce any contributing or non-contributing pension-, retirement-, provisional- medical or other fund for the benefit of; and
- 87.2 on behalf of the company pay a gratuity, pension or allowance upon retirement or any other benefit to,
- any director or former director or other officer or employee of the company or its holding- or subsidiary companies (if any), whether he held another salaried post with the company or not, or to the widow or dependants of such persons, and the board of directors may also contribute to any funds and pay premiums for the acquisition or provision of any such gratuity, pension, allowance, life insurance or other benefits in terms of the provisions of the Act.
- 88 The directors may:
- 88.1 take all steps necessary or that may be useful, and may enter into any obligation to:
- 88.1.1 make the shares, debentures or other stock of the company negotiable in South Africa and elsewhere; and

- 88.1.2 have the shares, debentures or other stock of the company listed on any stock exchange in South Africa or recognised elsewhere;
- 88.2 pay all taxes, levies, moneys, expenditures or other amounts that may be payable in respect of the matters described in Article 88.1
- 89 Except where the Articles expressly determine otherwise, all cheques, bills of exchange, promissory notes and other negotiable or transferable documents and all documents which have to be executed by the company, shall be signed, withdrawn, accepted, endorsed or executed (according to the case) in the manner determined by the board of directors from time to time.

### **BORROWING POWERS**

- 90.1 The board of directors may from time to time in its discretion:
- 90.1.1 borrow any amounts for the purposes of the company;
- 90.1.2 secure the payment or repayment of any such amounts or any other amounts, either by the creation and issue of debentures, a bond or encumbrance on all or some of its property or assets;
- 90.1.3 issue any regulations regarding the transfer of debentures, the issue of debenture certificates (subject to Article 9 of the Articles) and all other debenture matters.
- 90.2 No special privileges regarding –
- 90.2.1 the allotment of shares in the company; or
- 90.2.2 the attendance of and voting at general meetings; or
- 90.2.3 the appointment of directors,
- or otherwise shall, except with the authorisation of the company in general meeting, be given to the debenture holders of the company.

### **AGENTS AND COMMITTEES OF THE COUNCIL**

- 91.1 The board of directors may by means of power of attorney appoint any company, firm or person or any body of which the members change, whether appointed directly or indirectly by the board of directors, to act as the person holding power of attorney or representative of the company for such purposes and with such powers, authority and discretion (which shall not exceed the power, authorisation and discretion vesting in the board of directors in terms of the Articles and which can be exercised by the board of directors) and for such period and subject to such provisions and conditions as they may deem fit.
- 91.2 Any such power of attorney may contain conditions for the protection and convenience of the persons negotiating with any such representative, as the board of directors may deem fit.
- 91.3 The board of directors may also authorise any such representative to further delegate any of its powers, authorisations and discretions.
- 92.1 The board of directors may in its discretion delegate any of its powers to an executive or other committee (consisting of a member or members of the board of directors, or not).
- 92.2 Any committee formed thus, shall, during the exercise of the powers delegated to it, comply with any regulations authorising the appointment of sub-committees and which may be prescribed by the board of directors from time to time.

## **DIRECTORS' DUTY TO KEEP MINUTES**

- 93.1 The board of directors shall ensure that minutes shall be kept of:
- 93.1.1 all appointments of officers by the board of directors;
- 93.1.2 the names of the directors present at each meeting of the board of directors;
- 93.1.3 all resolutions and proceedings at each meeting of the company or of any class of shareholders of the company;
- 93.1.4 all resolutions passed by the board of directors in terms of Articles 101 and 103 and of all meetings of the board of directors,  
in a consecutively numbered and permanently bound book or books kept solely for that purpose.
- 93.2 Minutes of any resolutions or proceedings mentioned in Article 93.1 which appear in any of the minute-books of the company, if they were signed by:
- 93.2.1 any person who is said to be the chairman of the meeting to which the minutes refer; or
- 93.2.2 any person who was present at such a meeting and was appointed by the board of directors to sign in place of the chairman; or
- 93.2.3 a chairman of a subsequent meeting of the board of directors,  
shall contain proof of the facts in such minutes.
- 93.3 Any excerpt or copy of those minutes which are said to have been signed by:
- 93.3.1 the chairman of that meeting, or
- 93.3.2 any director; or
- 93.3.3 the secretary,  
shall be *prima facie*-proof of the facts set out therein.

## **EXECUTIVE DIRECTORS**

- 94 Subject to the provisions of Article 68, the board of directors may from time to time in their discretion appoint:
- 94.1 managing and other executive directors (with or without specific designation) of the company;
- 94.2 any director to any executive office of the company,  
and dismiss such persons and shall appoint another person/persons in his/their place.
- 95.1 Any director appointed in terms of Article 94:
- 95.1.1 shall not be (subject to the provisions of the contract in terms whereof he was appointed) obliged to resign according to the resignation roster described in Article 84 while he is holding that office or post; and
- 95.1.2 shall not be taken into consideration in respect of the determination of the resignation roster of the directors during the period of such appointment; and
- 95.1.3 shall be subject to the same provisions regarding resignation of office as the other directors of the company, and if he ceases to be a director, his appointment to such a post or executive office shall be terminated *ipso facto*, without prejudice to any claim for damages he may have as a result of such termination; and
- 95.1.4 shall be re-elegible after expiry of the period for which he was thus appointed.

- 95.2 Only a minority of directors may be appointed on the basis that they are not obliged to resign according to resignation roster.
- 96 The remuneration of a director appointed to any post or executive office in terms of Article 94:
- 96.1 shall be determined by an impartial quorum of the board of directors;
- 96.2 shall accrue to him over an above or in place of any ordinary remuneration which he receives as a director of the company, whatever the board of directors determines;
- 96.3 may consist of a salary or of a commission on the profits or dividends, or both, whatever the board of directors may determine.
- 97 The board of directors may:
- 97.1 from time to time grant any or all the powers which may be exercised by the board of directors in terms of the Articles, to a director appointed to a post or executive office in terms of Article 94;
- 97.2 grant such powers for such period to be exercised for such purposes and subject to such conditions and provisions and with such restrictions as the board of directors may deem to be advantageous;
- 97.3 grant such powers with retention or exclusion or in place of any powers of the board of directors;
- 97.4 from time to time recall, withdraw or amend such powers at will.

#### **PROCEEDINGS OF THE BOARD OF DIRECTORS AND COMMITTEES**

- 98.1 The directors may meet to finalise matters and may adjourn their meetings at will or may regulate them in any manner.
- 98.2 Until the board of directors resolves otherwise, the majority of all directors shall be a quorum.
- 98.3 The chairman may, and the secretary shall upon request of the majority of directors, convene a meeting of the board of directors at any time.
- 98.4 The board of directors shall determine for which period and in which form notice of meetings of the board of directors shall be given.
- 98.5 A director who is not in South Africa, shall not be entitled to notice of any meeting, but such notice shall be given to his alternative if the latter is in South Africa.
- 99 The board of directors shall elect a chairman and a vice-chairman (to act in the absence of the chairman) for their meetings. The board of directors may determine the period of such appointment which shall not be longer than 1 (one) year.
- 100 The board of directors may, if no chairman or vice-chairman is elected or if the chairman or vice-chairman is not present 5 (five) minutes after the stipulated starting time of any meeting, elect a chairman for that meeting from their ranks present.
- 101.1 All disputes during any meeting shall be resolved by means of a majority of votes. A resolution will be adopted by a majority of the directors voting in favour of the resolution. Each director will have one vote.
- 101.2 In the case of the voting resulting in a tie, the chairman shall have a second or casting vote.
- 102 A meeting of the board of directors, where a quorum is present, shall be entitled to exercise all powers, authorisations and discretion granted by or in terms of the Articles or which generally vest in and may be exercised by the board of directors.
- 103.1 A written resolution signed by:
- 103.1.1 all the directors; or

- 103.1.2 all the directors who are present during signing thereof and who are a quorum, shall be just as valid as a resolution passed at a meeting of the board of directors which was convened and constituted properly, provided that where a director is not present thus, but his alternative is indeed present thus, such resolution shall also be signed by his alternative.
- 103.2 Such resolutions:
- 103.2.1 may consist of one or more documents signed thus;
- 103.2.2 shall be passed in consideration of the provisions of section 236 of the Act;
- 103.2.3 shall be handed to the secretary without delay and shall be entered in the minutes of the company by the secretary.
- 103.3 Such resolutions shall be deemed to have been passed on the day on which they were signed by the last director or alternative director (who is entitled to sign it).
- 103.4 A resolution intended in 103.1 which has not been signed by all the directors or their alternatives, shall, if it is intended to authorise an action which the directors have already rejected at a meeting of the board of directors, be invalid until such resolution has been confirmed at a meeting of the board of directors.
- 104 The meetings and proceedings of any committee consisting of 2 (two) or more directors shall be subject to the provisions hereof with regard to meetings and proceedings of the directors as far as such provisions apply thereto and have not been replaced by any regulations of the board of directors.
- 105 All actions performed by the board of directors or a committee of the board of directors or by any person acting as a director or a member of a committee shall be valid (notwithstanding the fact that one or another shortcoming may be discovered in the appointment of the directors or of such other persons acting thus, or that anyone of them has been disqualified or has resigned) as if each such person had been properly appointed and had qualified and was still a director or member of such committee.

#### **SECRETARY**

- 106.1 A secretary shall be appointed by the board of directors:
- 106.1.1 for such a period; and
- 106.1.2 subject to such conditions,  
as the board of directors may deem fit and the board of directors may dismiss such secretary again.
- 106.2 Where the Act or the Articles provide that an action shall be performed by a director and the secretary, it shall not be performed validly if it is performed by a person temporarily acting as director as well as secretary.

#### **OFFICIAL SEAL**

- 107.1 The company may have an official seal reflecting its name in a legible manner.
- 107.2 The official seal of the company (if any) shall only be affixed on a document if:
- 107.2.1 it is authorised by a resolution of the board of directors or a committee of the board of directors;  
and
- 107.2.2 subject to Article 9, one director and the secretary (or any other person appointed for such purpose by the board of directors) signs the document on which the official seal of the company has been affixed.

## **AUTHENTICATION OF DOCUMENTS**

- 108.1 Any director or the secretary or any person appointed by the board of directors for that purpose, shall have the power to authenticate:
- 108.1.1 the Memorandum of Association and the Articles of Association;
- 108.1.2 any resolution taken by the company or the board of directors; and
- 108.1.3 any book, charter, certificate, document or account with regard to the matters of the company, and to certify copies thereof or excerpts thereof as true copies or excerpts.
- 108.2 Where any book, charter, certificate, document or account is in another place than the office, the local manager or other officer of the company or any other person in charge thereof shall be deemed to be a person who was duly appointed for the abovementioned purpose by the board of directors.
- 109 Subject to the provisions of the Act a member shall not be entitled to request that –
- 109.1 any book, charter, certificate or other document be shown to him;
- 109.2 any information regarding the matters of the company be made known to him,
- if the directors in their absolute sole discretion are of the opinion (which opinion may not be disputed) that it is not in the interest of the company that such book, charter, certificate or other document be shown to the member or such information be provided to him.

## **DIVIDENDS**

- 110 The company in general meeting or the board of directors may declare a dividend from time to time.
- 111.1 No dividend shall bear interest against the company, unless determined otherwise by the terms of issue of the share in respect whereof such dividend is payable.
- 111.2 Dividends may be declared without or subject to deduction of income tax or any other tax or fee in respect of which the company may be liable,
- 112.1 The board of directors may from time to time declare and pay an interim dividend.
- 112.2 The board of directors may also pay the declared dividend (which shall be payable on any share of the company bearing a declared dividend) semi-annually or on such other dates as the board of directors may deem fit.
- 113 Dividends shall be declared payable to members registered as such on a date at least 14 (fourteen) days after the date on which the dividend was declared.
- 114 The company in general meeting may declare a smaller, but not a greater dividend than recommended by the board of directors.
- 115 All unclaimed dividends may, until they are claimed, be invested by the board of directors or used otherwise to the benefit of the company, provided that dividends which have been unclaimed for a period of 3 (three) years from the date of declaration thereof, may be declared forfeited by the board of directors to the benefit of the company. All other monies held by the company due to shareholders, other than dividends, must be held by the company in trust for such shareholders.
- 116.1 Any dividend, interest or other amount payable in cash to the holder of a share, may be paid by means of a cheque or guarantee, sent by mail and addressed to:

- 116.1.1 the holder at his registered address; or
- 116.1.2 in the case of joint holders, the holder whose name appears first in the register in respect of the share at his registered address; or
- 116.1.3 such person at such address which the holder or the joint holders may indicate in writing.
- 116.2 Each such cheque or bill of exchange shall be:
  - 116.2.1 made payable to the order of the person to whom it is addressed;
  - 116.2.2 sent at the risk of the holder or the joint holders.
- 116.3 The company shall not be liable for the loss in postage of any money, asset, cheque, guarantee or any document (whether similar to the cheque or guarantee or not) sent by mail, as abovementioned.
- 116.4 A holder or any of two or more joint holders, or his or their authorised representative who shall be duly authorised in writing, may issue valid receipts for any dividends or other money paid in respect of a share held by such holder or joint holders.
- 116.5 If such cheque or guarantee is paid thus, the company shall be released from all further liability in respect of the relevant amount.
- 116.6 A dividend may also be paid in any other manner, as determined by the board of directors, and if the instructions of the board of directors are followed in this regard, the company shall not be liable for any loss or damage which the holder may suffer as a result thereof.
- 117.1 Any dividend may be paid entirely or partially:
  - 117.1.1 by the distribution of specific assets; or
  - 117.1.2 by the issue of paid-up shares, debentures or stock of the company or of any other company; or
  - 117.1.3 in cash, or
  - 117.1.4 in any other manner as the board of directors or the company in general meeting may at the time of the declaration of dividend, determine.
- 117.2 Where any dispute arises with regard to such payment or distribution, the board of directors may settle that dispute as it deems fit and the board of directors may especially determine the value to be placed on such specific assets upon distribution.
- 117.3 The board of directors may:
  - 117.3.1 determine that cash payments shall be made to any member on the basis that the value has been determined thus to effect an equal distribution;
  - 117.3.2 in its discretion transfer any such assets into trust on behalf of the persons entitled to the dividend.
- 118.1 The board of directors may in its discretion from time to time provide for the payment of dividends to members with registered addresses outside South Africa.
- 118.2 Provision can thus be made for the payment of such dividends in any foreign currency, the rate of exchange against which such payment is effected as well as any other similar matters.

## **RESERVES**

- 119.1 The board of directors may, before recommending any preference or other dividend, set aside such amounts from the profits of the company as reserves as it deems fit.

- 119.2 Such reserves may in the discretion of the board of directors be used for any admissible purpose and pending such use, the board of directors may in its discretion:
- 119.2.1 use them for the business of the company without them being separated from the other assets of the company; or
- 119.2.2 invest it.
- 119.3 The board of directors may in its discretion transfer any profits which should not be distributed in its opinion, without putting them to reserve.
- 119.4 The board of directors may:
- 119.4.1 distribute any such reserve in the funds as it deems fit;
- 119.4.2 consolidate such funds or any part thereof in one fund.

### **CAPITALISATION**

- 120 On the recommendation of the board of directors, the company may in general meeting:
- 120.1 resolve at any time that it is desirable to capitalise the entire amount or a part thereof which shall then be to the credit of:
- 120.1.1 any of the reserves of the company; or
- 120.1.2 any share premium account or capital redemption reserve fund,  
that would otherwise have been available for distribution and which is not necessary for the payment of determined dividends on any preference shares of the company;
- 120.2 resolve that such amount for distribution to the members or any class of members shall be allocated in the same proportion than they would have been entitled to if the distribution of that amount had been effected by means of dividend payment, on the basis that it shall not be paid in cash, but shall indeed be used for paying up unissued shares, debentures or stock which shall (credited as paid-up) then be allotted and issued to such members (which resolution the board of directors shall execute).

### **DISTRIBUTION OF CAPITAL GAINS**

- 121.1 The board of directors of the company may resolve at any time that any surplus money of the company representing capital gains (obtained from the realisation of any capital assets) and which is not necessary for the payment of a fixed preference dividend, shall be distributed to the ordinary shareholders on the basis that they would receive it as capital and in the same proportion as they would have received it if it had been paid out as a dividend.
- 121.2 (deleted)

### **POWER OF DIRECTORS AT THE CAPITALISATION OR DISTRIBUTION OF PROFITS**

- 122.1 If any problem arises with regard to any distribution in terms of the foregoing two Articles, the board of directors may solve it as it deems fit.
- 122.2 The board of directors may make all allocations and appropriations of the undivided profits or the capitalised amount as well as all allotments and issues of paid-up shares or debentures (if there are any), and is generally authorised to do everything necessary to effect same, either through:
- 122.2.1 the issue of certificates for fractions of shares; or
- 122.2.2 determining that fractions shall not be considered; or

- 122.2.3 payment in cash or otherwise (in the discretion of the board of directors) in the case where shares or debentures can be divided in fractions.
- 122.3 The board of directors may also appoint any person to enter any contract on behalf of all the members (who are entitled to the benefit of such assignments and use or are entitled to share in such distributions) which may be necessary to give effect thereto and such appointment and contract shall bind all such members.

### **ACCOUNTING RECORDS**

- 123 The board of directors shall procure that the accounting records prescribed by the Act are kept.
- 124 The accounting records shall be kept at the office or (subject to the provisions of the Act) at such other place as the board of directors may deem fit and shall lie for inspection by the directors at all times.
- 125.1 A copy of the annual financial statements which must be submitted to the company at its annual general meeting, together with copies of the reports by the board of directors and auditors, shall be delivered or sent by mail to each member or debenture holder at his registered address and to each other person entitled to notice of general meetings.
- 125.2 As many copies of the documents mentioned in 125.1 as may be required by the stock exchange regulations or – practice, shall simultaneously also be sent to the secretary or other authorised officer of any stock exchange on which the shares of the company may be listed.
- 125.3 The documents mentioned in 125.1 shall be dispatched at least 21 (twenty one) days before the annual general meeting.
- 125.4 The documents mentioned in 125.1 do not have to be sent to:
- 125.4.1 a person who is not entitled to receive notice of general meetings from the company or whose address is not known to the company; or
- 125.4.2 more than one of the joint holders of any shares or debentures.

### **AUDITORS**

- 126 Auditors shall be appointed, and their duties shall be regulated according to the provisions of the Act.
- 127 Subject to the provisions of the Act all actions of a person acting as auditor, notwithstanding any shortcoming with regard to his appointment, shall be valid against all persons negotiating with the company in good faith.
- 128 All accounts audited and passed at an annual general meeting, shall be deemed to be sufficiently correct and shall not be re-opened.

### **NOTICES**

- 129.1 The company may serve any notice or other document on any member by:
- 129.1.1 delivering it to him personally; or
- 129.1.2 sending it to him by mail in a stamped letter, cover or envelope to such member at his registered address.
- 129.2 Any member whose address is indicated in the register of members as being outside South Africa, and who from time to time provides the company with an address in South Africa or in such a country where notices can be served on him, shall be entitled to receive such notices at such address.

- 129.3 Except as provided in the Articles or the Act, no member (except a member whose address appears in the register of members) shall be entitled to receive any notice from the company. Notices of a general meeting or the annual general meeting will be sent to all the beneficial owners in respect of which the company has registered addresses. At the same time that a notice is sent to the members, that notice will also be sent to the Manager: Listings of the JSE, to the auditors of the company and be published on SENS.
- 130.1 The bearer of a share warrant shall, subject to the terms of issue thereof, on account of his being such bearer, be entitled to receive notice of general meetings by means of advertisement.
- 130.2 If notice by means of advertisement is chosen, such notice shall be placed, subject to the provisions of the Act:
- 130.2.1 in the Government Gazette; and
- 130.2.2 in a prominent Johannesburg daily paper; and
- 130.2.3 if the office is situated outside Gauteng, in a newspaper circulating in the town or district where the office is situated.
- 130.3 (deleted).
- 131.1 In the case of joint holders of a share all notices to the holder whose name appears first in the register of members, shall be given, unless such joint holders request otherwise and the board of directors approves it.
- 131.2 A notice given thus shall be deemed to be sufficient notice to all the joint holders.
- 132 Any notice or other document delivered by mail, shall be deemed to have been delivered at the time when it was mailed, and where proof of such delivery is required, it is sufficient to prove that the notice or other documents were duly stamped and mailed.
- 133 Each person becoming entitled to a share in whatever manner, shall be bound by each notice in respect of such share which, before his name and address was entered in the register, was given to the person from whom he obtained his right or title to such share
- 134.1 Any notice or other document delivered or sent to the registered address of any member in terms of the provisions of the Articles, shall be deemed to have been duly delivered in respect of any share registered in the name of such member as individual or joint holder thereof, notwithstanding the fact that:
- 134.1.1 the member was legally incapacitated at the time of delivery; or
- 134.1.2 the company was aware of his legal incapacity.
- 134.2 The provisions of Article 134.1 shall not be applicable if the name of the member at the time of delivery or dispatch of the notice or other document had already been removed from the register as shareholder.
- 135 A notice in terms of Article 134.1 shall for all purposes of the Articles be deemed to be a sufficient delivery of such a notice or other document to all persons having an interest in the share (whether jointly with or as rightful owner through or by virtue of such member).
- 136 Where a number of days or a certain period is prescribed for giving notice, the day of delivery of such notice shall not be calculated into such days or period, unless expressly stipulated otherwise.

## **SUBSIDIARY COMPANIES**

137 (deleted)

## **LIQUIDATION**

138.1 If the company is liquidated, the liquidator may, with the authorisation of a special resolution by the members, distribute the assets of the company entirely or partially in money or assets between the members, and may for such purposes:

138.1.1 put a value on any asset which he deems reasonable, and

138.1.2 determine how the distribution between the members of various classes of members shall be executed.

138.2 The liquidator may with the authorisation of a special resolution of the members transfer all the assets or a part thereof to trustees who shall hold them in trust for the benefit of the members or some of the members.

138.3 Any such resolution may make provision and grant authorisation for a distribution of specific assets between various classes of members in conflict with their existing rights, but each member shall in such a case have the right to refuse consent as well as other additional rights, in the same manner as if such resolution is a special resolution in terms of the provisions of the Act.

## **INDEMNIFICATION**

139.1 Each director, manager, secretary, auditor and officer of the company shall be indemnified from the funds of the company against all:

139.1.1 liability incurred by him in that capacity;

139.1.2 expenses incurred in defending any civil or criminal case in which he may be involved and an order in his favour was given or he was found to be innocent; or

139.1.3 costs with regard to an application in terms of section 248 of the Act in which the court grants legal aid to him.

139.2 Each such person shall be indemnified by the company against all costs, losses and expenditures for which such a person may be liable by virtue of any:

139.2.1 contract entered into by him; or

139.2.2 action performed by him,

in his capacity as director, secretary, manager, auditor or officer of the company or for which he may become liable in whatever manner during the execution of his duties, and the board of directors shall be liable to remunerate such costs, losses and expenditures from the funds of the company.

140 Subject to the provisions of the Act no director, secretary, auditor, officer or employee of the company, unless it is due to his dishonesty, shall be liable for:

140.1 any action, receipt, omission or fault of any other officer or employee of the company; or

140.2 the participation in any receipt or other action; or

140.3 losses or expenditures suffered by the company or accumulated as a result of the insufficient or defective title to any property obtained on behalf of the company by virtue of instructions by the board of directors; or

140.4 the insufficiency or defect in any security in which or on the strength of which any of the money of the company has been invested; or

- 140.5 any loss or damage as a result of the insolvency or unlawful action of any person with whom any money, security or stock of the company has been deposited; or
- 140.6 any loss or damage caused by his error of judgment or oversight; or
- 140.7 any other loss, damage or accident suffered by the company in the execution of or in respect of the exercise of his duties.

#### **PRE-ACQUISITION PROFITS**

- 141.1 Where any asset, business or property is purchased by the company with effect from an expired date on condition that the company shall be entitled to the profits as from that date and shall be liable for the losses thereof, such profits or losses (according to the case) shall:
- 141.1.1 in the discretion of the board of directors; and
- 141.1.2 within the limits of the law,
- be credited or debited entirely or partially against the income account.
- 141.2 (deleted)

#### **ACQUISITION OF ITS OWN SHARES BY THE COMPANY AND PAYMENTS**

- 142.1 Notwithstanding anything to the contrary contained herein, the company shall, subject to the listing requirements of the Johannesburg Stock Exchange (if the company is listed), the approval in terms of a special resolution by shareholders in a general meeting and any other legislation (if any), be authorised to take the necessary steps to:
- 142.1.1 approve the acquisition of shares by the company in accordance with and subject to the provisions in section 85 of the Act and also to obtain, in the manner intended and permitted in the Act, and any other legislation, if applicable, shares in its holding company, if any, and in any subsidiary of such holding company; and;
- 142.1.2 (deleted)
- 142.2 In addition, any subsidiary of the company shall also be entitled to, in accordance with the provisions of the Act, subject to the approval of the Johannesburg Stock Exchange (if the company is listed), the approval in terms of a special resolution by shareholders in a general meeting, and any other legislation, if applicable, obtain shares in the company;
- 142.3 In case of any contradiction between the provisions of this Article 142 and any other provision contained herein or in the Articles of the company in general, the provisions of this Article 142 shall be valid and shall have preference.
- 142.4 Notwithstanding anything to the contrary contained herein, the company may, subject to the listing requirements of the Johannesburg Stock Exchange (if the company is listed), in the discretion of the board of directors in accordance with and subject to the provisions of section 90 of the Act, effect any payment to some or all of its shareholders (including payment of dividends). Such payments may, *inter alia* be debited to the share accounts such as share capital accounts or to the share premium accounts or to the stated capital or to the capital redemption reserve fund. In this Article the meaning of "payment" has the same meaning as that of the word "payment" where used in section 90.

#### **143 ODD-LOT OFFER**

- 143.1 In this Article 143:
- 143.1.1 "Minimum Quantity" shall mean the maximum quantity Affected Shares that a shareholder may hold in order to be classified as an Odd-lot holder;

- 143.1.2 "Affected Shares" shall mean that class of shares in the issued share capital of the company to which the Odd-lot offer refers;
- 143.1.3 "Odd-lot holder" shall mean a shareholder holding not more than the Minimum Quantity Affected Shares at the time set out in the Odd-lot offer, during which it has to be determined which shareholders are holding the Minimum Quantity or less Affected Shares;
- 143.1.4 "Odd-lot offer" shall mean an offer made by the company and a subsidiary ("Subsidiary") of the company to the shareholders in terms whereof:
- 143.1.4.1 shareholders holding, at a date as determined in the offer, the Minimum Quantity or less Affected Shares, are classified as Odd-lot holders;
- 143.1.4.2 an offer is made to those Odd-lot holders to:
- 143.1.4.2.1 subscribe for additional Affected Shares in order to increase the number of Affected Shares held by them in the company to the Minimum Quantity; or
- 143.1.4.2.2 to sell their Affected Shares to the Subsidiary; or
- 143.1.4.2.3 expressly choose to keep their Affected Shares.
- 143.2 If an Odd-lot offer is made and implemented by the company and a subsidiary ("Subsidiary") of the company, and an Odd-lot holder neglects to exercise one of the choices referred to in Article 143.1.4.2, it shall be deemed that that Odd-lot holder chose to accept the offer by the Subsidiary for the sale of all his Affected Shares against the purchase price per share as set out in the Odd-lot offer and:
- 143.2.1 the company shall procure the transfer of such an Odd-lot holder's Affected Shares to the Subsidiary, the payment of the purchase price due by the Subsidiary to the Odd-lot holder against delivery of his share certificates or if such an Odd-lot holder cannot be found, the keeping of the purchase price by the Subsidiary for the Odd-lot holder until the Odd-lot holder claims payment thereof; and
- 143.2.2 the company shall have all the rights and powers to effect the actions in Article 143.2.1 and shall be particularly authorised to transfer all rights, title and interest in the Affected Shares of the Odd-lot holder to the Subsidiary on behalf of the Odd-lot holder and to perform all actions in order to procure such a transfer; and
- 143.2.3 each director of the company shall, without prejudice to any of the rights and powers of the company referred to above, also be empowered to transfer all rights, title and interest in the Affected Shares of the Odd-lot holder to the Subsidiary on behalf of the Odd-lot holder and to perform all actions in order to procure such a transfer.

#### 144 **CLASS A ORDINARY PAR VALUE SHARES**

- 144.1 In this Article 144 the following terms and expressions shall have the meanings as set out hereinafter and cognitive expressions shall have a corresponding meaning:
- 144.1.1 "Class A Ordinary Share" shall mean a Class A ordinary par value share with a par value of R0,10 (ten cent) each in the issued share capital of the company and with the rights as set out in this Article 144;
- 144.1.2 "Board" shall mean the board of directors of the company;
- 144.1.3 "Beneficiaries" shall mean employees of full subsidiaries of the company incorporated in South Africa as identified or as shall be identified in an addendum to the Deed of Trust which the company and the Trustees of the Trust have or shall enter and "beneficiary" shall have a corresponding meaning;

- 144.1.4 "Final Date" shall mean the date on which the Imaginary Threshold Debt in accordance with the provisions of Article 144.12 hereinafter shall be deemed to be reduced to zero;
- 144.1.5 "Group" shall mean the company and all its full subsidiaries incorporated in South Africa;
- 144.1.6 "Date of Issue" shall mean the date on which the first Class A Ordinary Shares were issued to the Trust;
- 144.1.7 "Imaginary Threshold Debt" shall mean the imaginary amount of R20,50 per issued Class A Ordinary Share which shall from time to time as from the Date of Issue increase or decrease in the manner described in Article 144.12 hereinafter;
- 144.1.8 "Ordinary Share" shall mean an ordinary share with a par value of R0,10 (ten cent) in the issued share capital of the company;
- 144.1.9 "Ordinary Shareholder" shall mean the holder of an Ordinary Share;
- 144.1.10 "Prime Rate" shall mean the prime overdraft rate as imposed from time to time by The Standard Bank of South Africa Limited on the overdraft facilities of its corporate clients as certified by any manager of that bank whose appointment does not have to be proved;
- 144.1.11 "South Africa" shall mean the Republic of South Africa;
- 144.1.12 "Trust" shall mean the "Pioneer Foods Employee Share Trust", Master's reference number: IT4965/05;
- 144.1.13 "Deed of Trust" shall mean the deed in terms of which the trust was established.
- 144.2 Notwithstanding anything to the contrary contained in these Articles, the holder of a Class A Ordinary Share shall:
- 144.2.1 at a declaration of dividends or a repayment of capital to the Ordinary Shareholders be entitled to receive a dividend or portion of the capital from the company as calculated in terms of the following formula:
- $D = A/N$  where:
- D shall mean the dividend or portion of the capital payable per Class A Ordinary Share in terms of the declaration of dividends or repayment of capital;
- A shall mean the total of all dividends and/or capital payable to all the holders of Class A Ordinary Shares in terms of the declaration of dividends or the repayment of capital calculated in terms of the following formula:
- $30\% \text{ of } (N / [N + M]) \times C$
- Where:
- N shall mean the number of issued Class A Ordinary Shares at the time of the declaration of dividends or the declaration of repayment of capital, as the case may be;
- M shall mean the number of issued Ordinary Shares at the time of the declaration of dividends or the declaration of repayment of capital, as the case may be;
- C shall mean the total dividend or repayment of capital which would have been declared to the holders of the Class A Ordinary Shares and the Ordinary Shareholders, if the holders of the Class A Ordinary Shares would have had the same rights to dividends and capital as the Ordinary Shareholders, as determined by the Board of directors.

For example: if the Board of directors should decide that should the holders of Class A Ordinary Shares and the Ordinary Shareholders have had identical rights to dividends, the company would have paid dividends of R100 million to all the holders of the Class A Ordinary Shares and the Ordinary Shareholders and there are 200 000 000 issued Ordinary Shares and 18 000 000 issued Class A Ordinary Shares, the dividend per Ordinary Share would have amounted to 45,9 (forty five comma nine) cent and the dividend per Class A Ordinary Share 13,8 (thirteen comma eight) cent; and

- 144.2.2 during the liquidation of the company be entitled to receive payment from the company which shall be equal to the payment which the holder of an ordinary share would receive by virtue of such liquidation minus the balance of the Imaginary Threshold Debt regarding the Class A Ordinary Share on the day of liquidation of the company.
- 144.3 A Class A Ordinary Share:
  - 144.3.1 ranks *pari passu* with all the Ordinary Shares and shall, except for the limited rights to dividends, capital and distributions upon liquidation as set out in Article 144.2 above, have all other rights which an ordinary share has and shall particularly have the same voting rights as an ordinary share, being an ordinary share with a par value of R0,10 (ten) cent;
  - 144.3.2 shall have all the rights of an Ordinary Share as from the Final Date with the effect that the restrictions described in Article 144.2 and Article 144.6 shall expire on the Final Date; and
  - 144.3.3 shall grow as from the Final Date to be an Ordinary Share with all the rights of an Ordinary Share and shall from the Final Date be known as an Ordinary Share.
- 144.4 The Class A Ordinary Shares may only be issued to the Trust. The Beneficiaries shall obtain rights in respect thereof in accordance with the Deed of Trust.
- 144.5 The company shall upon issue of the Class A Ordinary Shares to the Trust issue a share certificate with regard thereto to the Trust.
- 144.6 A beneficiary may not encumber and/or sell and/or transfer any Class A Ordinary Share or any rights with regard thereto vesting in the Beneficiary to any entity other than the company or any of its full subsidiaries, and in the event that the employee relationship of a Beneficiary is terminated before the Final Date, the Beneficiary may also not encumber and/or sell and/or transfer any Ordinary Share or any rights with regard thereto vesting in the Beneficiary on or before the Final Date by reason of the fact that rights in respect of the Class A Ordinary Shares vested in him, to any entity other than the company or any of its full subsidiaries. A Beneficiary shall at all times be entitled to sell and transfer his Class A Ordinary Shares and the Ordinary Shares originating therefrom or any rights with regard thereto to the company or any of its full subsidiaries. The restrictions described in this Article 144.6 shall not after the Final Date be applicable to the Ordinary Shares in which the Class A Ordinary Shares grew and which vest in the Beneficiaries who are employed by the full subsidiaries of the company incorporated in South Africa, on the Final Date.
- 144.7 The company shall be entitled to refuse to:
  - 144.7.1 pay any dividend or make capital repayments with regard to Class A Ordinary Shares which in terms of the Deed of Trust vested in a Beneficiary whose employment with a member of the Group was terminated before the Final Date; and/or
  - 144.7.2 pay any dividend or make capital repayments with regard to Ordinary Shares which originated from Class A Ordinary Shares and which in terms of the Deed of Trust vested in the Beneficiary whose employee relationship with a member of the Group was terminated before the Final Date; and/or

- 144.7.3 comply with or acknowledge any other rights, including voting rights of the Class A Ordinary Shares which in terms of the Deed of Trust vested in a Beneficiary whose employee relationship with a member of the Group was terminated before the Final Date; and/or
- 144.7.4 comply with or acknowledge any other rights, including voting rights of the Ordinary Shares which may vest in a Beneficiary, whose employee relationship with a member of the Group was terminated before the Final Date, on or after the Final Date due to the fact that rights with regard to Class A Ordinary Shares vested in him.
- 144.8 The company shall after the Final Date replace Class A Ordinary Share certificates with share certificates reflecting the Class A Ordinary Shares as Ordinary Shares.
- 144.9 A dividend may not be declared or paid in respect of Ordinary Shares without a dividend in respect of each Class A Ordinary Share calculated in terms of Article 144.2 above also being declared and paid.
- 144.10 A repayment of capital in respect of Ordinary Shares may not be declared or paid without a capital payment in respect of each Class A Ordinary Share calculated in terms of Article 144.2 above not also being declared and paid.
- 144.11 Dividends or capital payments may not be declared or paid in respect of Class A Ordinary Shares without a simultaneous declaration of dividends or repayment of capital in respect of Ordinary Shares also taking place.
- 144.12 The Final Date shall be that date on which the Imaginary Threshold Debt in terms of the provisions of this Article 144.12 is deemed to have been reduced to zero. The Imaginary Threshold Debt shall bear imaginary interest from the Date of Issue at a rate of 75% of the Prime Rate. Such imaginary interest shall after the Date of Issue be compounded bi-annually retrospectively on the last day of each calendar month in which the company pays interim or final dividends. If the company does not pay dividends six monthly, the imaginary interest shall only be compounded on the last day of the calendar month in which the company pays the next dividends. Accordingly the Imaginary Threshold Debt shall increase in an imaginary manner as the imaginary interest accrues but shall reduce in an imaginary way with each payment of a dividend or capital repayment in respect of an Ordinary Share. The amount by which the Imaginary Threshold Debt shall reduce by virtue of the payment of such dividend or capital repayments shall be an amount calculated by multiplying the dividend or capital amount paid to the holder of a Class A Ordinary Share by  $\frac{7}{3}$ . In order to avoid any uncertainty it is recorded that the Imaginary Threshold Debt of a Class A Ordinary Share which was repurchased by the company shall be deemed to be zero as from the date of repurchase.
- 144.13 The calculation set out in Article 144.12 shall only be made in order to determine the balance of the Imaginary Threshold Debt and no interest shall actually accrue in favour of the company or any other person or entity.
- 144.14 In the case that the Ordinary Shares are subdivided, those subdivided Ordinary Shares shall be deemed to be consolidated as Ordinary Shares with a par value of R0,10 (ten) cent each for purposes of determining M in Article 144.2.1 above and, where necessary, any dividends or capital payments made with regard thereto shall also, for the above purposes, be deemed to be consolidated in a manner such as to reflect the dividends or capital owing in respect of such consolidated ordinary shares.

- 144.15 In the case that the Ordinary Shares are consolidated, those consolidated ordinary shares shall be deemed to be subdivided as Ordinary Shares with a par value of R0,10 (ten) cent each for purposes of determining M in Article 144.2.1 above and, where necessary, any dividends or capital payments made with regard thereto shall also, for the above purposes, be deemed to be subdivided in a manner such as to reflect the dividends or capital owing in respect of such subdivided ordinary shares.
- 144.16 The Trust shall in terms of the provisions of Articles 61 to 64 be entitled to appoint a Beneficiary as his proxy to exercise the voting rights with regard to the Class A Ordinary Shares on behalf of the Trust, which vested in the Beneficiary in terms of the Deed of Trust.
- 144.17 All the dividend payments or other payments which shall be made by the company regarding the Class A Ordinary Shares, shall be made by the company to the Trust or to that Beneficiary who is indicated by the Trust.
- 144.18 All notices which shall be delivered by the company to the holders of Class A Ordinary Shares shall only be delivered to the Trust as the registered holder of those shares.

#### 145 **UNCERTIFICATED SECURITIES**

- 145.1 In this Article 145 the following terms and expressions shall have the meanings as set out hereinafter and cognitive expressions shall have a corresponding meaning
- “Security Services Act” means the ‘Security Services Act, 2004.
- “Uncertificated Securities” means uncertificated securities as defined in section 29 of the Security Services Act which are by virtue of the Companies Act transferable without a written instrument and are not evidenced by a certificate;
- 145.2 Notwithstanding any provisions to the contrary contained in any law, the common law, an agreement or these Articles:
- 145.2.1 shares in the company may be held in the form of Uncertificated Securities and nothing in these Articles prohibit the issue of shares by the company in the form of Uncertificated Securities;
- 145.2.2 the relevant provisions of the Companies Act shall apply to the Uncertificated Securities of the company; and
- 145.2.3 in particular transfer of the Uncertificated Securities held in the company will take place in the manner prescribed by the Act.

## **ANNEXURE C**

### **RULES OF THE PHANTOM SHARE PLAN**

#### **PIONEER FOOD GROUP LIMITED**

(Registration Number: 1996/017676/06)

#### **EQUITY SETTLED PHANTOM SHARE PLAN**

## TABLE OF CONTENTS

	*
1. INTRODUCTION	3
2. INTERPRETATION	3
3. THE PLAN	7
4. OPERATION OF THE PLAN	7
5. PLAN LIMITS	7
6. GRANT OF PSRs	8
7. VESTING, EXERCISE AND ACCRUAL OF PSRs	9
8. SETTLEMENT	10
9. LAPSE OF PSRs	10
10. RECONSTRUCTION OR TAKEOVER	11
11. VARIATION IN SHARE CAPITAL	12
12. FURTHER CONDITIONS	12
13. DISCLOSURE IN ANNUAL FINANCIAL STATEMENTS	14
14. AMENDMENTS AND TERMINATION	14
15. DOMICILIUM AND NOTICES	15
16. DISPUTES	16
17. GOVERNING LAW	16

\*The numbers of the pages do not reflect the numbers of the pages of this Notice

## **1 INTRODUCTION**

The Pioneer Food Group Limited Equity Settled Phantom Share Plan is intended as an incentive to selected Employees to promote the continued growth of the Company and/or its Subsidiaries. Subject to the terms and conditions hereof, selected Employees will be granted the opportunity of acquiring Shares in the Company in future, with the quantum of their awards based on the future increase in the value of the Shares.

## **2 INTERPRETATION**

2.1 In these Rules, unless inconsistent with the context, the following words and expressions shall have the following meanings:

2.1.1 "Accept", "Accepted" or "Acceptance": the completion of a Notice of Acceptance by a Participant in terms of Rule 6.2.2, and the delivery thereof to the Directors as indicated in Rule 15;

2.1.2 "Act": the Companies Act, No 61 of 1973;

2.1.3 "Business Day": any day on which the JSE is open for the transaction of business;

2.1.4 "Capitalisation Issue": the issue of Shares on capitalisation of the Company's profits and/or reserves, including the Company's share premium account;

2.1.5 "Closed Period": a closed period, as defined in the Listings Requirements of the JSE, and regulated in the Security Services Act, No 36 of 2004, applicable to the Company from time to time;

2.1.6 "Company": Pioneer Food Group Limited;

2.1.7 "Control": the holding of Shares, or the aggregate of holdings of Shares, or other securities in the Company entitling the holder thereof to exercise, or cause to be exercised, more than 50% of the voting rights at shareholders' meetings of the Company irrespective of whether such holding or holdings confers *de facto* control, or the holding or control by a shareholder or member alone or pursuant to an agreement with other shareholders or members of more than 50% of the voting rights in the Company, or the ability to appoint the majority of the Directors;

2.1.8 "Date of Grant": the date on which PSRs are Granted to an Employee as specified in the Letter of Grant, irrespective of the date on which the PSRs Granted to an Employee, are actually Accepted and/or Exercised;

2.1.9 "Directors": means the non-executive directors for the time being of the Company, or any committee thereof to or upon whom the powers of the non-executive directors in respect of this Plan are delegated or conferred in terms of the Company's articles of association;

2.1.10 "Employee": a person eligible for participation in the Plan namely an officer or other employee employed on a full-time basis by a member of the Group, including executive directors but excluding non-executive directors;

2.1.11 "Employer Company": a company in the Group that employs an Employee, including a company in the Group that employs an Employee that has been transferred to such company subsequent to the Date of Grant;

2.1.12 "Exercise" or "Exercised": the completion of an Exercise Notice by a Participant in terms of Rule 7.2, and the delivery thereof to the Directors as indicated in Rule 15;

2.1.13 "Exercise Date": the date of receipt, as contemplated in Rule 15, by the Directors of a completed Exercise Notice;

2.1.14 "Exercise Notice": a completed written or electronic notice, in the format provided by the Company, given by a Participant to the Directors in respect of the Exercise of a PSR granted to such Participant;

- 2.1.15 "Exercise Price": Before the listing of the Company on the JSE, the weighted average price of the Share that traded on the over-the-counter facility implemented by the Company for purposes of trade in Shares, for the 20 (twenty) trading days immediately prior to the date on the Exercise Notice, as certified by the secretary of the Company for the time being. After the listing of the Company on the JSE, the closing price of the Share as quoted by the JSE on the Business Day immediately preceding the date on the Exercise Notice;
- 2.1.16 "Financial Year": the financial year of the Company, which currently runs from 1 October to 30 September each year;
- 2.1.17 "Grant" or "Granted": the delivery by the Directors of a Letter of Grant to an Employee;
- 2.1.18 "the Grant": the offer to participate in the Plan as indicated in a Letter of Grant that has been delivered to an Employee;
- 2.1.19 "Grant Price": the Market Value of a Share on the Business Day immediately preceding the Date of Grant;
- 2.1.20 "Group": the Company and its subsidiaries, any associated companies as defined in Schedule 4 of the Act, or joint ventures with other entities;
- 2.1.21 "JSE": the JSE Limited;
- 2.1.22 "Letter of Grant": a document in terms of which the Grant is communicated to an Employee, and containing the information in Rule 6.2.1;
- 2.1.23 "Market Value": Before the listing of the Company on the JSE, the weighted average price of the Shares that traded on the over-the-counter facility implemented by the Company for purposes of trade in Shares, for the 20 (twenty) trading days immediately prior to the day on which a determination of the market value of the Shares is to be made for the purposes of these Rules, as certified by the secretary of the Company for the time being. After the listing of the Company on the JSE, the average closing market price of a Share on the JSE for the 20 (twenty) trading days immediately prior to the day on which a determination of the market value of the Shares is to be made for the purposes of these Rules, as certified by the secretary of the Company for the time being;
- 2.1.24 "Notice of Acceptance": a completed written or electronic notice, in the format provided by the Company, given by a Participant to the Directors in respect of the Acceptance of a PSR Granted to such Participant;
- 2.1.25 "Participant": an Employee to whom a Grant has been made in terms of this Plan, and who has Accepted such Grant, including the executor of such Employee's deceased estate, or such Employee's heirs and legatees where appropriate, and "Participation" shall be construed accordingly;
- 2.1.26 "Plan": the Pioneer Food Group Limited Equity Settled Phantom Share Plan constituted by these Rules, as amended from time to time;
- 2.1.27 "Plan Period": the period from the Date of Grant to midnight on the tenth anniversary of the Date of Grant, or such other period as determined by the Directors in their absolute discretion;
- 2.1.28 "Phantom Share Right" or "PSR": the right to the excess of the Exercise Price over the Grant Price that vests on the Exercise thereof in a Participant in terms of this Plan provided that the Participant will not become entitled to receive the excess in cash, but will be entitled to receive Shares or a portion of a Share calculated by dividing the excess with the Exercise Price;
- 2.1.29 "Reconstruction or Takeover": any takeover, merger or reconstruction however effected, including a reverse takeover, reorganisation or scheme of arrangement sanctioned by the court, but does not include any event which does not involve any change in Control of the Company;

- 2.1.30 "Rights issue": the offer of any shares of the Company, as defined in the Act, to all ordinary shareholders of the Company pro rata to their holdings in the Company;
- 2.1.31 "Rules": these rules as amended from time to time;
- 2.1.32 "Settlement": delivery of the required number of Shares to which a Participant will become entitled as a result of the Exercise of his PSRs in terms of Rule 8, and "Settle" and "Settled" shall be construed accordingly;
- 2.1.33 "Settlement Date": within 30 (thirty) days from the Exercise Date;
- 2.1.34 "Share": ordinary shares with a par value of 10 (ten) cents each (or as adjusted) in the capital of the Company;
- 2.1.35 "Vesting Date": the date on which PSRs become exercisable in terms of Rule 7, and as stipulated in the Letter of Grant, and "Vest" and "Vested" shall be construed accordingly.
- 2.2 The headings in these Rules are inserted for reference purposes only and shall in no way govern or affect the interpretation hereof.
- 2.3 If any provision in a definition is a substantive provision conferring rights or imposing obligations on any party, notwithstanding that it is only in the definition clause, effect shall be given to it as if it were a substantive provision.
- 2.4 Unless the context indicates otherwise, an expression that denotes any gender includes the other, a natural person includes a created entity (corporate or unincorporated), and the singular includes the plural, and *vice versa* in each case.
- 2.5 References in these Rules to any statutory provisions are to those provisions as modified or re-enacted, and include any regulations made under them.

### **3 THE PLAN**

The Pioneer Food Group Limited Equity Settled Phantom Share Plan is hereby constituted, and shall be administered for the purpose and in the manner set out herein.

### **4 OPERATION OF THE PLAN**

- 4.1 The Directors are responsible for the governance of this Plan. Subject to the terms and conditions of this Plan, the Directors will, therefore, have the final authority to decide, by means of a resolution, on which Employees will participate in this Plan, the quantum of the Grants to be made to these Employees and all other issues relating to the governance of this Plan.
- 4.2 The Directors may from time to time, in their discretion:
- 4.2.1 call upon the Employer Companies to make recommendations as to which of their respective Employees they intend to incentivise by the making of Grants;
- 4.2.2 consider the recommendations of the Employer Companies; and
- 4.2.3 notify the Employer Companies of which of their Employees have been approved for purposes of participation in this Plan.
- 4.3 The Directors will make Grants to the Employees concerned, subject to the terms and conditions of this Plan.
- 4.4 In terms of this Plan, the Employer Companies will, however, remain responsible for the Settlement of the benefits due to the Participants employed by them, or Participants deemed to be Employees of them in terms of Rule 9.4, on the Exercise Dates.

## **5 PLAN LIMITS**

### 5.1 Overall Company Limit:

5.1.1 The maximum number of Shares that may be transferred to Employees under this Plan shall not exceed 14 500 000 (fourteen million five hundred thousand) Shares (which represents approximately 7,5% (seven and a half per cent) of the number of issued shares of the Company as at the date of the general meeting at which this Plan is approved by shareholders).

### 5.2 Individual limit:

The maximum number of Shares that may be transferred to any Participant in respect of this Plan shall not exceed 2% (two per cent) of the issued share capital of the Company from time to time.

## **6 GRANT OF PSRs**

### 6.1 Time when PSRs may be Granted:

The Directors may make a Grant to an Employee on or after any of the following dates:

6.1.1 the date of the adoption of this Plan;

6.1.2 the day after the publication of the Company's annual results for any period. However, the Directors may allow an Employee to join this Plan part way through a Financial Year of the Company by making a Grant as soon as is practically possible after the interim results for that period are published; and

6.1.3 any day on which there are no restrictions on the making of Grants, being restrictions imposed by a Closed Period, statute, order, regulation or directive, or by any code adopted by the Company based on the provisions contained in the King Report on Corporate Governance relating to dealings in securities by directors, or the Listings Requirements of the JSE, as the case may be.

### 6.2 Grant of PSRs:

6.2.1 The Directors may in their sole and absolute discretion deliver a Letter of Grant to the Employee, which shall specify at least the following:

6.2.1.1 the name of the Employee;

6.2.1.2 the number of PSRs Granted;

6.2.1.3 the Grant Price;

6.2.1.4 the Date of Grant;

6.2.1.5 the Plan Period;

6.2.1.6 the Vesting Date; and

6.2.1.7 any other relevant terms and conditions.

### 6.2.2 A Grant shall:

6.2.2.1 be personal to the Employee to whom it is addressed, and may only be acted on by such Employee;

6.2.2.2 indicate that the Employee must Accept the Grant in writing within the period specified in the Grant (being a period of not more than 30 (thirty) days after the Date of Grant); and

6.2.2.3 state that it is made on the terms and subject to the conditions of the Rules of the Plan.

6.2.3 Any Acceptance of the Grant must be in the form prescribed by the Directors, and must be submitted to the Directors at the Company's registered office in South Africa, within the period specified in Rule 6.2.2.2, failing which the Grant will be deemed to have been refused.

## **7 VESTING, EXERCISE AND ACCRUAL OF PSRs**

### 7.1 Vesting of PSRs

7.1.1 Notwithstanding anything to the contrary contained in these Rules, PSRs Granted will only Vest and become exercisable as follows:

7.1.1.1 no PSRs will Vest and become exercisable prior to the first anniversary of the Date of Grant;

7.1.1.2 20% on the first anniversary of the Date of Grant;

7.1.1.3 a further 20% on the second anniversary of the Date of Grant;

7.1.1.4 a further 20% on the third anniversary of the Date of Grant;

7.1.1.5 a further 20% on the fourth anniversary of the Date of Grant; and

7.1.1.6 the final 20% on the fifth anniversary of the Date of Grant;

unless the Directors in their absolute discretion, from time to time, vary the Vesting Dates in respect of any of the PSRs Granted.

### 7.2 Manner of Exercise:

7.2.1 PSRs that have not Vested may not be Exercised.

7.2.2 All PSRs that have Vested:

7.2.2.1 may only be Exercised to the extent that it has not lapsed as contemplated in Rule 9; and

7.2.2.2 may be Exercised at any time after it has vested in terms of Rule 7.1.1; and

7.2.2.3 must be Exercised before the end of the Plan Period.

7.2.3 The Exercise Notice must specify the number of PSRs being Exercised.

7.2.4 Exercise will only be permitted in respect of 100 (one hundred) PSRs or multiples thereof, provided that fractional exercising will be permissible in respect of the final tranche of PSRs that can be Exercised, to the extent that this does not constitute 100 (one hundred) or a multiple thereof.

## **8 SETTLEMENT**

8.1 Settlement of a PSR is subject to the condition that the Participant who holds that PSR Exercise that PSR. Before a Participant Exercise the vested PSR, the relevant Employer Company will not be obliged to Settle.

8.2 Following the Exercise of PSRs by a Participant, the relevant Employer Company will be obliged, by the Settlement Date, to deliver, or procure the delivery of a number of Shares to the Participant calculated in accordance with the following formula:

$$(A \div B) \times C$$

Where:

'A' represents the excess of the Exercise Price over the Grant Price that vests on the Exercise in a Participant in terms of this Plan;

'B' represents Exercise Price;

'C' represents the number of PSRs Exercised by the Participant

8.3 The Employer Company will Settle the obligation in Rule 8.2 by subscribing for new Shares to be allotted and issued by the Company directly to the Participants or by purchasing those shares.

8.4 Shares transferred or issued to Participants will rank *pari passu* in all respects with the existing issued ordinary shares in the Company.

## **9 LAPSE OF PSRs**

9.1 All PSRs will lapse to the extent not Exercised on the expiry of the Plan Period. If, however, the Plan Period expires during a Closed Period, it will be extended for a period of 90 (ninety) days from the end of the Closed Period.

9.2 If, while any portion of a Participant's PSRs remains unexercised, such Participant ceases to be an Employee of any Employer Company by reason of his resignation or dismissal on grounds of misconduct, poor performance or proven dishonest or fraudulent conduct (whether such cessation occurs as a result of notice given by him or otherwise, or where he resigns to avoid dismissal on ground of misconduct, poor performance or proven dishonest or fraudulent conduct), all unexercised (Vested and Unvested) PSRs will lapse on such cessation, except to the extent that the Directors may determine otherwise in their absolute discretion.

9.3 In the event that a PSR lapses the Participant that held that PSR will not have any further rights that comprised that PSR against any member of the Group.

9.4 If, while any portion of a Participant's PSRs remains unexercised, such Participant ceases to be an Employee by reason of his retirement, retrenchment, death, or a reason other than listed in Rule 9.2, the Participant, the executor of his deceased estate or his heirs and legatees, as the case may be, will be entitled to the same rights, and be subject to the same conditions, under this Plan as if the Participant had continued to be an Employee, unless the Directors in their absolute discretion determine otherwise.

9.5 For the purposes of this Rule 9, a Participant will not be treated as ceasing to be an Employee of an Employer Company if, on the same date (or such longer period as the Directors may determine in their absolute discretion) on which he ceases to be an Employee of an Employer Company, he is employed by another Employer Company.

## **10 RECONSTRUCTION OR TAKEOVER**

10.1 All PSRs that have not been Exercised (Vested and unvested) will become immediately exercisable in the event of a Reconstruction or Takeover of the Company.

10.2 If there is an internal reconstruction or other event which does not involve any change in the ultimate Control of the Company, and therefore is not a Reconstruction or Takeover, or if any other event happens which may affect Grants, the Directors may in their absolute discretion take such action as they consider appropriate to protect the interests of Participants, including converting Grants into grants of a substantially similar value in respect of shares in one or more other companies, provided that the Participants are no worse off thereafter.

10.3 Where necessary, in respect of any such actions, the Company's auditors, acting as experts and not as arbitrators, and whose decision will be final and binding on all persons affected thereby, will confirm to the Directors in writing that these actions are on a non-prejudicial basis.

## **11 VARIATION IN SHARE CAPITAL**

11.1 In the event of a rights issue, capitalisation issue, subdivision of Shares, consolidation of Shares, the Shares ceasing to be listed on the JSE, the Company being put into liquidation for the purpose of reorganisation, or any other event affecting the share capital of the Company, or in the event of the Company making distributions to shareholders, including a distribution in specie, or a payment in terms of section 90 of the Act (other than a dividend paid in the ordinary course of business out of the current year's retained earnings), Participants will continue to participate in this Plan. The

Directors may, however, in their absolute discretion make such adjustments to the number of PSRs, or take such other action as may be required, to place Participants in a substantially similar position than they were prior to the happening of the relevant event.

- 11.2 Where necessary, in respect of any such adjustments, the Company's auditors, acting as experts and not as arbitrators, and whose decision will be final and binding on all persons affected thereby, will confirm to the Directors in writing that these adjustments are on a non-prejudicial basis.
- 11.3 If the Company is placed into liquidation other than for the purposes of reorganisation, any PSRs that have not yet Vested will ipso facto lapse from the date of liquidation. For the purposes hereof "date of liquidation" will mean the date upon which any application for the liquidation of the Company (whether provisional or final) is granted by a South African court.

## **12 FURTHER CONDITIONS**

- 12.1 The Participants shall pay to the Employer Company on demand any employees' tax, stamp duty or uncertificated securities tax, and any other taxes, levies or costs for which a liability may arise as a result of the Exercise of PSRs (further "Tax Liabilities"). In these circumstances, the Participants irrevocably appoint the relevant Employer Company and/or its nominee as their agent to settle the Tax Liabilities to the appropriate party or revenue authority.
- 12.2 Participants shall, to the extent that they are not capable of paying the Tax Liabilities on demand, as referred to in Rule 12.1, irrevocably appoint the Employer Company and/or its nominee as their agent to sell such number of Shares to be delivered to them on Settlement as may be required to enable the Employer Company and/or its nominee to settle the Tax Liabilities to the appropriate party or revenue authority.
- 12.3 If the acquisition or disposal of Shares would be in contravention of any code adopted by the Company relating to dealings in securities by Directors, or prohibited by insider trading legislation or other legislation or regulations, the delivery of Shares will be delayed until there would be no such contravention.
- 12.4 The rights of Participants under this Plan are determined exclusively by these Rules. A Participant has no right to compensation or damages, or any other amount or benefit in respect of his ceasing to participate in this Plan, or in respect of any loss or reduction of any rights or expectations under this Plan in any circumstances, except as otherwise set out in these Rules. In particular a Participant will have no claim of whatsoever nature against the Company or against any other member of the Group in the event that the Exercise Price on the Exercise Date or on any other date is less than the Grant Price or the excess of the Exercise Price over the Grant Price is at any time less than expected by the Participant or any other person or entity.
- 12.5 PSRs may not be transferred, ceded, assigned or otherwise disposed of by a Participant to any other person, provided that on the death of a Participant his PSRs will be transferred to the executor of his deceased estate, and thereafter to his heirs or legatees, who will also be subject to these Rules.
- 12.6 A Participant will not be entitled to any voting rights or dividends on the Shares not yet transferred to him.
- 12.7 If listed, application will be made by the Company for the listing of the Shares as soon as possible after the issue thereof in terms of Rule 8.
- 12.8 Where a Participant is transferred from one Employer Company to another Employer Company:
  - 12.8.1 all PSRs Granted to such Participant by the Directors will remain in force on the same terms and conditions as set out in these Rules; and

- 12.8.2 the second Employer Company will assume all of the obligations that may arise in respect of the relevant PSRs in consideration for obtaining the Participant's services from the first Employer Company.

### **13 DISCLOSURE IN ANNUAL FINANCIAL STATEMENTS**

The Company will disclose in its annual financial statements the number of Shares that may be utilised for purposes of this Plan at the beginning of the accounting period, and any changes in such number during the accounting period, and the balance of securities available for utilisation at the end of the accounting period.

### **14 AMENDMENTS AND TERMINATION**

- 14.1 Subject to the provisions of this Rule 14, the Directors may in their absolute discretion at any time, alter, vary, add to, relax or deviate from Rules as they think fit, including the termination of the Plan. Any such amendments or termination that will affect Grants may only be made in circumstances where Participants will still benefit in terms of the Plan.
- 14.2 The Directors may make amendments to the Rules and existing Grants, if amendments to the Plan are required by the JSE on listing, without obtaining Participant approval.
- 14.3 If the Company is listed, and except as provided in Rule 14.4, the provisions relating to:
- 14.3.1 eligibility to participate in this Plan;
  - 14.3.2 the individual and overall Company limits contained in Rule 5;
  - 14.3.3 the procedure to be adopted on termination of employment or the retirement of a Participant;
  - 14.3.4 the voting, dividend, transfer and other rights, including those arising on the liquidation of the Company, attaching to the PSRs;
  - 14.3.5 the terms of this Rule 14.3; and
  - 14.3.6 any other matters described in Item 14.3 of Schedule 14 to the JSE Listing Requirements, may not be amended without the prior approval by ordinary resolution of shareholders of the Company in general meeting, and of the JSE.
- 14.4 The Directors, in their absolute discretion, may make minor amendments for ease of the administration of this Plan, to comply with or take account of the provisions of any proposed or existing legislation, or to obtain or maintain favourable taxation or regulatory treatment of the Company or any Employer Company, or any present or future Participant.

### **15 DOMICILIUM AND NOTICES**

- 15.1 The parties choose *domicilium citandi et executandi* for all purposes arising from this Plan, including, without limitation, the giving of any notice, the payment of any amount, the delivery of Shares, or the serving of any process, as follows:
- 15.1.1 the Company or the Directors: The address and telefax number of the Registered Office of the Company from time to time;
  - 15.1.2 Employer Company: The address and telefax number of the Registered Office of the Employer Company from time to time; and
  - 15.1.3 each Participant: The physical address, telefax number and electronic address as from time to time reflected in the Employer Company's payroll system.

- 15.2 Any of the above persons will be entitled, from time to time, by written notice to the others, to vary its domicilium to any other physical address within the Republic of South Africa and/or its telefax number and/or (in the case of a Participant) his electronic address: provided that in the case of a Participant, such variation is also made to his details on the Employer Company's payroll system.
- 15.3 Any notice given, and any delivery or payment made by any of the above persons to any other, which:
- 15.3.1 is delivered by hand during the normal business hours of the addressee at the addressee's domicilium for the time being, shall be rebuttably presumed to have been received by the addressee at the time of delivery;
- 15.3.2 is delivered by courier during the normal business hours of the addressee at the addressee's domicilium for the time being, shall be rebuttably presumed to have been received by the addressee on the 3rd (third) day after the date of the instruction to the courier to deliver to the addressee;
- 15.3.3 is posted by prepaid registered post from an address within the Republic of South Africa to the addressee at the addressee's domicilium for the time being, shall be rebuttably presumed to have been received by the addressee on the 7th (seventh) day after the date of posting.
- 15.4 Any notice given that is transmitted by electronic mail and/or telefax to the addressee at the addressee's electronic address and/or telefax number (as the case may be) for the time being shall be presumed, until the contrary is proven by the addressee, to have been received by the addressee on the date of successful transmission thereof.
- 15.5 Any notice or other document given to any Participant pursuant to this Plan may be delivered to him, or sent by post to him at his home address according to the records of the Employer Company, or such other address as may appear to the Directors to be appropriate. Notices or other documents sent by post will be deemed to have been given 7 (seven) days following the date of posting.
- 15.6 Any notice or document given to the Employer Company pursuant to this Plan may be delivered to it or sent by post to its registered office, marked for the attention of the company secretary of the Employer Company, or such other address as may be specified by the Employer Company, and the documents will not be deemed to have been received before actual receipt by the company secretary of the Employer Company.

## **16 DISPUTES**

Any dispute arising under this Plan will be referred to the decision of an appropriate expert, nominated by the Directors for that purpose, who will act as an expert and not as an arbitrator, and whose decision will, in the absence of manifest error, be final and binding upon all persons affected thereby.

## **17 GOVERNING LAW**

South African law governs the operation of this Plan. All Employer Companies and Participants submit to the jurisdiction of the South African courts as regards any matter arising under this Plan.

This Plan was duly adopted at the general meeting of Pioneer Food Group Limited held at Paarl on 9 April 2008, and was available for inspection for at least 14 (fourteen) days prior to the general meeting at the Company's registered office.



**Pioneer Voedsel Groep Beperk**  
(Ingelyf in die Republiek van Suid Afrika)  
(Registrasienommer 1996/017676/06 )

## **KENNISGEWING VAN 'N VERGADERING VAN AANDEELHOERS GEHOU TE WORD TE LEMOENKLOOF GASTEHUIS, HOOFSTRAAT, PAARL OM 10:00 OP 9 April 2008**

Direkteure

W A Agenbach, A W Bester, H E Blanckenberg, TA Carstens, L R Cronjé, G D Eksteen, J N Hamman, W A Hanekom, J A Louw, N S Mjoli-Mncube [Mev], A H Sangcu, A C Singleton [Mev], Dr F A Sonn, Dr M I Survé, M T Swanepoel, J H van Niekerk

### **KENNISGEWING VAN AANDEELHOERSVERGADERING**

KENNIS WORD HIERMEE GEGEE aan al die aandeelhouers van Pioneer Voedsel Groep Beperk, Registrasienommer 1996/017676/06 ("die maatskappy") dat 'n Algemene Vergadering van Aandeelhouers gehou sal word te Lemoenkloof Gastehuis, Hoofstraat, Paarl op 9 April 2008 om 10:00 om die volgende Spesiale Besluite en Gewone Besluite te oorweeg en met of sonder wysiging goed te keur:

#### **1. SPESIALE BESLUIT NO 1**

Dat die naam van die maatskappy na Pioneer Food Group Limited verander word en dat die naam van die maatskappy in enige ander amptelike taal van die Republiek na Pioneer Voedsel Groep Beperk verander word .

##### **Redes**

Die rede vir die naamsverandering is dat vanweë die vereistes van die JSE Beperk dat die Akte van Oprigting en Statute van die maatskappy in Engels vertaal word, dit nodig geword het om ook die name te verander soos in die spesiale besluit uiteengesit.

##### **Effek**

Die effek van die spesiale besluit sal wees dat die name verander sal word soos daarin uiteengesit.

#### **2. SPESIALE BESLUIT NO. 2**

Dat bladsye 1 – 3 (paragrafe 1 tot 8) van die Akte van Oprigting van die maatskappy vervang word met bladsye 1 tot 3 (paragrafe 1 tot 8) hierby aangeheg as "Annexure A".

##### **Redes**

Die rede vir die spesiale besluit is die vereiste van Skedule 10 van die Noteringsvereistes van die JSE Beperk wat verg dat die Akte van Oprigting in Engels moet wees. Die aangehegte "Annexure A" is die vertaalde weergawe van die bestaande bladsye 1 tot 3 (paragrafe 1 tot 8) van die Afrikaanse Akte van Oprigting. Die enigste byvoegings is die verwysing na "drank" wat in paragrafe 2 en 3 van die Akte van Oprigting ingevoeg is vanweë die feit dat die maatskappy ook betrokke is by die vervaardiging en verkoop van "drank".

##### **Effek**

"Annexure A" sal die bestaande bladsye 1 tot 3 (paragrafe 1 tot 8) van die Afrikaanse Akte van Oprigting van die maatskappy vervang. Die effek van invoeging van die term "drank" in paragrafe 2 en 3 van die Akte van Oprigting is dat die doel en hoofmerk van die maatskappy uitgebrei sal word om ook die vervaardiging en verkoop van "drank" in te sluit.

### 3. SPESIALE BESLUIT NOMMER 3

Dat die Statute van die maatskappy in die geheel vervang word met die Statute hierby aangeheg as "Annexure B".

#### **Redes**

Die rede vir die spesiale besluit is die vereiste van Skedule 10 ("Schedule 10") van die Noteringsvereistes van JSE Beperk wat verg dat die Statute van die maatskappy in Engels moet wees. Die aangehegte Statute is die vertaalde weergawe van die bestaande Afrikaanse Statute van die maatskappy.

Die Statute hierby aangeheg is, benewens dat dit vertaal is, ook verder gewysig ten opsigte van die Statute hieronder uiteengesit. Die betrokke Statute met redes vir hul wysiging word hieronder uiteengesit:

#### **Statute gewysig of aangevul ten einde te voldoen aan Skedule 10**

1. Statute 4.1 en 4.2 moet gewysig en Statuut 4.3 moet bygevoeg word om die vereistes van Item 10.2 van Skedule 10 akkuraat weer te gee.
2. Statute 17.3 en 21.2 moet gewysig word om die vereistes van Item 10.10 van Skedule 10 akkuraat weer te gee.
3. Statuut 33.10 moet ingevoeg word ten einde aan Item 10.15c van Skedule 10 te voldoen.
4. Statuut 33.11 moet ingevoeg word ten einde aan Item 10.15i van Skedule 10 te voldoen.
5. Statuut 41.5 moet geskrap word aangesien dit met die gewysigde Statuut 129.3 sal ooreenstem.
6. Statuut 56.3 moet ingevoeg word aangesien die JSE Beperk dit as 'n bykomende noteringsvereiste versoek het.
7. Statute 68.1 en 68.2 is nie meer van toepassing nie en moet dus vervang word met Statute voorgeskryf deur Items 10.23 en 10.25 van Skedule 10.
8. 'n Bykomende Statuut moet toegevoeg word tot Statuut 81.1, as 'n nuwe Statuut 81.1A, ten einde aan Item 10.2.9 van Skedule 10 te voldoen.
9. Statuut 84.1 moet gewysig word om 'n gedeelte van die vereistes van Item 10.28 van Skedule 10 akkuraat weer te gee.
10. Statuut 103.1.2 moet gewysig word ten einde aan Item 10.31 van Skedule 10 te voldoen.
11. Statuut 115 moet gewysig word sodat dit ten volle kan voldoen aan Item 10.34 van Skedule 10.
12. Statuut 125.1 moet gewysig word ten einde die vereistes van Item 10.36 van Skedule 10 akkuraat weer te gee.
13. 'n Nuwe tweede laaste sin moet toegevoeg word tot Statuut 129.3 sodat dit aan Item 10.38 van Skedule 10 kan voldoen. 'n Nuwe laaste sin moet bygevoeg word tot Statuut 129.3 sodat dit aan Items 10.19 en 10.41 van Skedule 10 sal voldoen.

#### **Statute om ander redes gewysig of bygevoeg**

1. Statuut 1
  - a. Die omskrywing van "direkteure" word gewysig om die omskrywing te vereenvoudig.
  - b. Die omskrywing van "groep" word geskrap aangesien dit nie gebruik word nie.
  - c. Die omskrywing van "houer" word bygevoeg by die omskrywings van "lid" en "aandeelhouer" om die geregistreerde houer van 'n aandeel aan te dui aangesien dit in die Statute gebruik word en omskrywing verg ten einde onsekerheid oor die betekenis daarvan uit die weg te ruim.

- d. Die omskrywing van “oordragsekretaris” word gewysig ten einde die werklike toedrag van sake weer te gee.
  - e. Die verwysing na “takregister” in die omskrywing van “register” word verwyder aangesien die maatskappy geen sodanige takregister het nie.
  - f. Die ou Statute 1.4 tot 1.6 word verwyder aangesien dit nie relevant is nie.
2. Statuut 5.1 is gewysig om uitdruklik te voorsien vir die mag om voorkeuraandele en opsies oor aandele uit te reik.
  3. Statuut 5.2 word gewysig om duidelik te maak dat die algemene vergadering die magte daarin uiteengesit mag uitoefen.
  4. Die woorde wat in Statuut 9.1 geskrap is, moet geskrap word aangesien dit nie relevant is of vereis word nie.
  5. Statuut 11.1 moet gewysig word ten einde dit in ooreenstemming te bring met die praktyk van die maatskappy om slegs een sertifikaat ten opsigte van al die aandele van een klas wat deur ’n lid gehou word, uit te reik.
  6. Die ou Statuut 11.3.2 is geskrap aangesien die maatskappy nie effekte het nie.
  7. Statuut 12.1.1 moet gewysig word ten einde die maatskappy in staat te stel om ’n bedrag wat die direksie van tyd tot tyd mag bepaal, ten opsigte van nuwe aandeelsertifikate te hef.
  8. Statute 16.2 en 16.3 moet geskrap word en Statuut 25.2 moet gewysig word aangesien daar nie meer ’n noodsaak is vir plaaslike komitees om met aandele-oordragte te handel nie.
  9. Die beperking op die oordraggelde in Statuut 19.3 moet verwyder word aangesien dit nie meer die koste daarvan weergee nie.
  10. Die beperking op die gelde in Statuut 21.1 moet verwyder word aangesien dit nie meer die koste daarvan weergee nie.
  11. Die bewoording van Statuut 32.1 moet aangevul word ten einde enige moontlike twyfel te verwyder dat verwysing daarin na gemagtigde kapitaal gemaak word, en om uitdruklik te voorsien dat nuwe aandelekapitaal uit nuwe klasse van aandele mag bestaan.
  12. Die invoeging by Statuut 33.1 is nodig om die verwysing na pari waarde aandele te verduidelik en om te vermeld dat ’n onderverdeling aandele met ’n kleiner pari waarde tot gevolg sal hê.
  13. Die verwysing in Statuut 35.1.1.2 na “besluit” moet opgeklar word vir sover dit uitdruklik na ’n spesiale besluit moet verwys.
  14. Statuut 41.2 moet geskrap word aangesien die maatskappy nie enige takregisters het nie.
  15. Statuut 44.1 moet gewysig word sodat, vir doeleindes van die bepaling van of ’n kworum teenwoordig is, die houers van Klas A Gewone Aandele ook in aanmerking geneem word.
  16. Statuut 44.2 moet gewysig word ten einde te voorsien dat ’n trust wat aandele hou wat deur ’n verteenwoordiger by die vergadering verteenwoordig is, ook as ’n lid sal kwalifiseer by die bepaling van of ’n kworum teenwoordig is.

17. Die verwysing in Statuut 46.3 na Statute 46.1 en 36.2 is foutief en moet gewysig word sodat daar na Statuut 46 verwys word.
18. Statuut 52.1 moet gewysig word om dit moontlik te maak dat stemming oor die voorsitter of oor 'n verdagingskwessie deur 'n stemming met stembriefies beslis kan word.
19. Statuut 56.2 moet gewysig word om dit duidelik te maak dat by 'n stemming met die opsteek van hande 'n persoon slegs een stem het nieetenaande die aantal lede wat hy by die vergadering verteenwoordig.
20. Statute 64.2, 65, 129.2, 129.3 en 130.3 verwys na takregisters. Die maatskappy het geen takregisters nie en gevolglik moet die gedeeltes van Statute 64.2, 129.2 en 129.3 wat daarna verwys, asook die geheel van Statute 65 en 130.3, geskrap word.
21. Die verwysing in Statuut 80 na Statuut 68.2 is foutief en moet gewysig word om 'n verwysing te wees na Statuut 68.3.
22. Statuut 82.2 moet gewysig word om uitdruklik te vermeld welke aantal stemme vereis word ten einde as direkteur verkies te word.
23. Statuut 84.1 moet gewysig word om bloot die aantal direkteure wat jaarliks moet bedank, weer te gee.
24. Statuut 85.1 moet gewysig word om uitdruklik vir delegasie van magte voorsiening te maak.
25. Die maatskappy mag die geheel van sy besigheid of die grootste gedeelte van sy bates verkoop slegs indien die aandeelhouers sodanige verkoping goedgekeur het en indien die Statute daardie mag aan die direksie verleen. Daardie mag moet ingevoeg word as Statuut 86.3.
26. Die woorde "onopgeëiste of onbetaalde kapitaal" in Statuut 90.1.2 moet geskrap word vir sover die direkteure nie die mag nodig het om sodanige kapitaal te beswaar nie.
27. Statuut 99 is 'n herhaling van Statuut 68.2 en moet gevolglik geskrap word. Ten einde te verseker dat geen grootskaalse hernommering veroorsaak word deur daardie skrapping nie, is Statute 100, 100.1 en 100.2 gekonsolideer en hernommer as Statuut 99 terwyl Statuut 100.3 hernommer is as Statuut 100. Die foutiewe verwysing na Statuut 68.2 is verwyder van die ou Statuut 100 (nuwe Statuut 99).
28. Die byvoeging tot Statuut 101.1 word geverg ten einde dit duidelik te maak hoe besluite deur die direksie aangeneem word en oor hoeveel stemme elke direkteur beskik.
29. Die verwysing na "winste" moet geskrap word in Statute 111.1 en 112.1 en Statuut 141.2 moet geskrap word aangesien betalings aan aandeelhouers nie meer tot betalings uit winste beperk word nie.
30. Die Maatskappywet skryf nie voor dat die verdeling van 'n kapitale wins deur aandeelhouers goedgekeur moet word nie, en gevolglik moet so 'n vereiste geskrap word. Daar is ook geen noodsaak vir Statuut 121.2 nie aangesien artikel 90 van die Maatskappywet reeds soortgelyke beperkings voorskryf.
31. Die verwysing in Statuut 130.2.3 na "Transvaal" is foutief en moet gewysig word om na "Gauteng" te verwys.
32. Statuut 134.2 bevat 'n foutiewe verwysing wat reggestel moet word.
33. Statuut 137 skryf voor dat alle spesiale besluite met inbegrip van besluite deur filiale van die maatskappy geneem in die direksieverslag openbaar moet word. Dit word nie meer deur die maatskappy vereis nie en Statuut 137 moet gevolglik geskrap word.

34. Statute 142.1 en 142.2 moet gewysig word om dit duidelik te maak dat 'n spesiale besluit vereis word. Statuut 142.1.2 moet geskuif word van waar dit tans onder Statuut 142.1 staan, na Statuut 142.4, aangesien, terwyl dit deel van Statuut 142.1 uitmaak, die mag om betalings te maak slegs met die goedkeuring van aandeelhouders uitgeoefen mag word. Statuut 142.4 moet ook uitgebrei word om uitdruklik te vermeld watter rekeninge van 'n kapitale aard gedebiteer mag word wanneer betalings van 'n kapitale aard aan aandeelhouders gemaak word.
35. Statuut 143.2.1 moet gewysig word om dit duidelik te maak dat betaling slegs teen die lewering van die betrokke aandeelsertifikate sal plaasvind.
36. Die direksie verlang, vir sover dit nodig mag wees, om in die Statute voorsiening te maak vir die magte om aandele in 'n ongesertifiseerde formaat uit te reik of te hou. Die nuwe Statuut 145 verleen daardie magte uitdruklik.

### **Effek**

Die aangehegte Statute sal die bestaande Statute van die maatskappy as sy Statute vervang. Die effek van die bykomende wysigings tot die Statute word hieronder uiteengesit:

### **Statute gewysig of bygevoeg ten einde aan die Skedule te voldoen**

1. Statute 4.1, 4.2 en 4.3 sal die vereistes van Item 10.2 van Skedule 10 akkuraat weergee.
2. Statute 17.3 en 21.2 sal 'n gedeelte van die vereistes van Item 10.10 van Skedule 10 akkuraat weergee.
3. Statuut 33.10 sal aan Item 10.15c van Skedule 10 voldoen .
4. Statuut 33.11 sal aan Item 10.15i van Skedule 10 voldoen.
5. Die skraping van Statuut 41.5 sal die oorvleueling met die gewysigde Statuut 129.3 verwyder.
6. Statuut 56.3 is bygevoeg aangesien die JSE Beperk dit as 'n bykomende noteringsvereiste versoek het. Hierdie Statuut sal die effek hê dat die maksimum persentasie stemme wat die houders van voorkeuraandele gesamentlik in staat is om uit te bring ten opsigte van 'n besluit wat ingevolge die Noteringsvereistes van die JSE Beperk vereis word, beperk is tot 25% minus een stem van al die stemme wat deur aandeelhouders van die maatskappy gehou word.
7. Statute 68.1 en 68.2 sal die vereistes van Items 10.23 en 10.25 van Skedule 10 akkuraat weergee.
8. Die nuwe Statuut 81.1.A sal voldoen aan Item 10.2.9 van Skedule 10.
9. Statuut 84.1 sal 'n gedeelte van die vereistes van Item 10.28 van Skedule 10 akkuraat weergee.
10. Die gewysigde Statuut 103.1.2 sal aan Item 10.31 van Skedule 10 voldoen .
11. Die effek van die byvoeging van die laaste sin tot Statuut 115 sal wees dat Statuut 115 ten volle aan 10.34 van Skedule 10 voldoen.
12. Statuut 125.1 sal die vereistes van Item 10.36 van Skedule 10 akkuraat weergee.
13. Die tweede laaste sin bygevoeg tot Statuut 129.3 sal die effek hê dat Statuut 129.3 voldoen aan Item 10.38 van Skedule 10. Die laaste sin bygevoeg tot Statuut 129.3 sal die effek hê dat Statuut 129.3 voldoen aan Items 10.19 en 10.41 van Skedule 10.

## **Statute om ander redes gewysig of bygevoeg**

1. Statuut 1
  - a. Die effek van die wysiging van die omskrywing van “direkteure” is dat die omskrywing vereenvoudig is.
  - b. Die effek van die skraping van die omskrywing van “groep” is dat daar geen sodanige omskrywing meer in die Statute is nie.
  - c. Die effek van die toevoeging van die omskrywing van “houer” tot die omskrywings van “lid” en “aandeelhouer” is dat dit dieselfde betekenis as daardie uitdrukkings dra.
  - d. Die effek van die wysiging van die omskrywing van “oordragsekretaris” is dat die omskrywing nou die betekenis daarvan weergee wat deur die maatskappy gebruik word.
  - e. Die effek van die skraping van die verwysing na “takregister” is ’n regstelling van die Statute en reflekteer die feitelike toedrag van sake, naamlik dat die maatskappy geen “takregisters” het nie.
  - f. Die effek van die skraping van die ou Statute 1.4 tot 1.6 is dat “aandele”, “skuldbrief”, en “dividende” nou hul gewone betekenis dra waar dit in die Statute gebruik word.
2. Die effek van die wysiging van Statuut 5.1 is dat dit uitdruklik sal voorsien vir die mag om voorkeuraandele en opsies oor aandele uit te reik.
3. Die effek van die wysiging van Statuut 5.2 is dat die algemene vergadering die magte daarin uiteengesit mag uitoefen.
4. Die effek van die wysiging van Statuut 9.1 is dat irrelevante woorde uit Statuut 9.1 verwyder word.
5. Die effek van die wysiging van Statuut 11.1 is dat die maatskappy slegs een aandeelsertifikaat ten opsigte van al die aandele van een klas wat deur ’n lid gehou word, sal uitreik.
6. Die effek van die skraping van Statuut 11.3.2 is dat die ou irrelevante Statuut 11.3.2 wat met effekte handel, uit die Statute verwyder is.
7. Die effek van die wysiging van Statuut 12.1.1 is dat die maatskappy in staat sal wees om ’n bedrag wat die direksie van tyd tot tyd mag bepaal ten opsigte van nuwe aandeelsertifikate te hef.
8. Die effek van die skraping van Statute 16.2, 16.3 en die wysiging van Statuut 25.2 is dat die maatskappy nie meer plaaslike komitees van die aard waarna in daardie Statute verwys word, mag aanstel nie.
9. Die effek van die wysiging van Statuut 19.3 sal wees dat die beperking op oordraggelde verwyder sal wees.
10. Die effek van die wysiging van Statuut 21.1 sal wees dat die beperking op gelde daarin beskryf verwyder sal wees.
11. Die effek van die wysiging van Statuut 32.1 sal wees dat die bewoording van Statuut 32.1 aangevul sal wees om enige moontlike twyfel te verwyder dat verwysing na gemagtigde kapitaal daarin gemaak word, en om uitdruklik te bepaal dat nuwe aandeelkapitaal uit nuwe klasse van aandele mag bestaan.
12. Die effek van die wysiging van Statuut 33.1 sal wees dat die Statuut uitdruklik sal verwys na pari waarde aandele en dat dit sal vermeld dat ’n onderverdeling aandele van ’n kleiner pari waarde tot gevolg sal hê.

13. Die effek van die wysiging van Statuut 35.1.1.2 sal wees dat die Statuut uitdruklik na 'n spesiale besluit sal verwys.
14. Die effek van die skapping van Statuut 41.2 sal wees dat die Statute nie meer met takregisters sal handel nie.
15. Die effek van die wysiging van Statuut 44.1 is dat vir doeleindes van die bepaling van of 'n kworum teenwoordig is, die houers van Klas A Gewone Aandele ook in aanmerking geneem sal word.
16. Die effek van die wysiging van Statuut 44.2 is dat 'n trust wat aandele hou en wat deur 'n verteenwoordiger by 'n vergadering verteenwoordig is, ook as 'n lid sal kwalifiseer by die bepaling van of n kworum teenwoordig is.
17. Die effek van die wysiging in Statuut 46.3 is dat dit nou slegs na die korrekte Statuut verwys.
18. Die effek van die wysiging van Statuut 52.1 sal wees dat die verkiesing van 'n voorsitter of die besluit met betrekking tot 'n verdaging deur 'n stemming met stembriefies beslis kan word.
19. Die effek van die wysiging van Statuut 56.2 is dat duidelik gemaak word dat by 'n stemming met die opsteek van hande 'n persoon slegs een stem het nieteenstaande die aantal lede wat hy by die vergadering verteenwoordig.
20. Die effek van die wysiging van Statute 64.2, 129.2 en 129.3 en die skapping van Statute 65 en 130.3 is om die onnodige verwysing na takregisters verwyder.
21. Die effek van die wysiging van Statuut 80 is dat die foutiewe verwysing reggestel sal wees om 'n verwysing na Statuut 68.3 te wees.
22. Die effek van die wysiging van Statuut 82.2 sal wees dat dit opgeklar is welke aantal stemme vereis word ten einde as direkteur verkies te word.
23. Die effek van die wysiging van Statuut 84.1 sal wees dat die aantal direkteure wat jaarliks moet bedank,voorgeskrif sal wees.
24. Die effek van die wysiging van Statuut 85.1 is dat dit uitdruklik voorsiening vir delegasie van magte deur die direksie sal maak.
25. Die effek van die bykomende Statuut 86.3 sal wees dat die maatskappy die mag sal hê, nadat die aandeelhouers sodanige verkoping goedgekeur het, om die geheel van sy besigheid of die grootste gedeelte van sy bates te verkoop.
26. Die effek van die skapping van die verwysing na "opgeëiste of onbetaalde kapitaal" in Statuut 90.1.2 is dat die direkteure die mag verloor om sodanige kapitaal te beswaar.
27. Die effek van die skapping van Statuut 99 is dat 'n herhaling van Statuut 68.2 verwyder is. Die effek van die nuwe Artikel 99 is dat Artikels 100, 100.1 en 100.2 gekonsolideer is in 'n nuwe Artikel 99 en dat die foutiewe verwysing na Artikel 68.2 verwyder is uit die nuwe Artikel 99.
28. Die effek van die byvoeging tot Statuut 101.1 maak dit duidelik hoe besluite deur die direksie aanvaar word en hoeveel stemme elke direkteur het.
29. Die effek van die skapping van die verwysing na "winste" in Statute 111.1 en 112.1 en Statuut 141.2 beteken dat betalings aan aandeelhouers nie meer tot betalings uit winste beperk sal wees nie.
30. Die effek van die wysigings van Statuut 121.1 en skapping van Statuut 121.2 is dat die onnodige gedeeltes daarvan geskrap is sodat die direksie, onderworpe aan voldoening aan die Maatskappyewet, betalings aan aandeelhouers mag maak.

31. Die effek van die wysiging van Statuut 130.2.3 is dat die foutiewe verwysing reggestel sal wees.
32. Die effek van die wysiging van Statuut 134.2 is dat die foutiewe verwysing reggestel sal wees.
33. Die effek van die skraping van Statuut 137 sal wees dat die maatskappy nie meer aan die vereistes van die geskrapte Statuut 137 hoef te voldoen nie.
34. Die effek van die wysiging van Statute 142.1 en 142.2 is om dit duidelik te maak dat 'n spesiale besluit vereis word. Die effek van die verwydering van die ou Statute 142.1.2 tot 142.4 is dat die vereiste dat aandeelhouers 'n betaling moet goedkeur, uit die Statute verwyder sal wees, terwyl Statuut 142.4 uitdruklik sal vermeld watter rekeninge van 'n kapitale aard gedebiteer mag word wanneer betalings van 'n kapitale aard aan aandeelhouers gemaak word.
35. Die effek van die wysiging van Statuut 143.2.1 is dat dit duidelik gemaak word dat betaling slegs teen die lewering van die betrokke aandeesertifikate sal plaasvind.
36. Die effek van die nuwe Statuut 145 is dat, vir sover dit nodig mag wees, die Statute voorsiening maak vir die hou van aandele in 'n ongesertifiseerde formaat.

### **GEWONE BESLUIT 1**

Dat 'n addisionele 21 428 571 gewone aandele met 'n pari waarde van R0,10 (10 sent) elk onder die beheer van die direkteure van die maatskappy geplaas word, dat die direkteure van die maatskappy hiermee gemagtig word en dat 'n algemene magtiging aan die direkteure van die maatskappy verleen word om soos in artikel 221 van die Maatskappywet, Nr 61 van 1973, soos gewysig, voorsien word in hul diskresie sodanige aandele aan persone of ander entiteite wat die direksie van die maatskappy goed mag ag, toe te ken en uit te reik, teen sodanige inskrywingsvergoeding en op sodanige ander bepalings en voorwaardes as wat die direksie van die maatskappy in sy diskresie mag goed ag, en dat enige uitreiking van sodanige aandele deur die maatskappy ingevolge hierdie besluit hiermee goedgekeur word. Ten einde enige misverstand te voorkom word besluit dat die algemene magtiging wat i.t.v. hierdie besluit verleen word, addisioneel is tot die algemene magtiging wat op 22 Februarie 2008 verleen is en wat 20 miljoen gewone aandele onder die beheer van die direksie van die maatskappy geplaas het, en dat hierdie besluit nie daardie magtiging op enige wyse herroep of vervang nie.

#### **Redes en Effek**

Die rede vir hierdie besluit is om 'n genoegsame aantal gewone aandele onder die beheer van die direkteure van die maatskappy te plaas ten einde die direkteure van die maatskappy in staat te stel om 'n aanbod deur die maatskappy aan al sy aandeelhouers te laat maak om in te skryf vir sodanige aantal gewone aandele as wat die direkteure van die maatskappy mag bepaal in verhouding tot hul bestaande aandeelhouding (d.w.s. beide gewone aandele en klas A Gewone Aandele), op die bepalings en voorwaardes wat die direkteure van die maatskappy ag in die beste belang van die maatskappy te wees. Na die aanvaarding van die besluit sal die maatskappy in staat wees om so 'n aanbod te maak en te implementeer.

### **GEWONE BESLUIT 2**

Dat die "Equity Settled Phantom Share Plan" ("Plan") beskryf in "Annexure C" hiertoe goedgekeur word en dat die direksie gemagtig word om die Plan onmiddellik te implementeer.

#### **Redes en Effek**

Die direkteure van die maatskappy verg goedkeuring van die aandeelhouers vir die "Equity Settled Phantom Share Plan" voordat dit geïmplementeer word.

## **STEMMING EN VOLMAGTE**

Afskrifte van die bestaande Akte van Oprigting en Statute en die "Equity Settled Phantom Share Plan" is ter insae beskikbaar te Markstraat 32, Paarl.

As u nie in staat is om die algemene vergadering by te woon nie, mag u een of meer gevolmagtigdes aanstel om u by die algemene vergadering te verteenwoordig deur die aangehegte volmagvorm vir die algemene vergadering ooreenkomstig die instruksies wat dit bevat in te vul en terug te stuur na die Maatskappysekretaris by die geregistreerde kantoor van Pioneer Foods te Markstraat 32, Paarl om ontvang te word nie later nie as 10:00 op Dinsdag, 8 April 2008.

Op las van die direksie

*Maatskappysekretaris*

## **BYLAES**

**"Annexure A": Paragrafe 1 tot 8 van die Akte van Oprigting**

**"Annexure B": Statute**

**"Annexure C": Equity Settled Phantom Share Plan**



**Pioneer Food Group Limited**  
 Incorporated in the Republic of South Africa  
 Registration number 1996/017676/06

**FORM OF PROXY**

I/We \_\_\_\_\_ (please print)

of \_\_\_\_\_ (please print)

being a member/members of Pioneer Food Group Limited and the holder/s of \_\_\_\_\_ shares

in Pioneer Food Group Limited hereby appoint:

1. \_\_\_\_\_ or failing him/her,

2. \_\_\_\_\_ or failing him/her,

3. the chairperson of the general meeting,

as my/our proxy to attend, speak and to vote on a show of hands or on a poll for me/us and on my/our behalf at the shareholders meeting to be held on 9 April 2008 at Lemoenkloof Guest House, Main Street, Paarl and at any adjournment thereof as follows and in the name of and on behalf of me/us:

	Number of votes		
	*In favour of	*Against	*Abstain
<b>Special resolution 1</b> (change of name)			
<b>Special resolution 2</b> (replacement of part of memorandum of association)			
<b>Special resolution 3</b> (replacement of articles of association)			
<b>Ordinary resolution 1</b> (authority for issue of shares)			
<b>Ordinary resolution 2</b> (approval of share incentive plan)			

(Indicate instruction to proxy by means of a X in the applicable space provided above) Unless instructed otherwise, my/our\* proxy may vote in his discretion.

Signed this day of \_\_\_\_\_ 2008

Signature \_\_\_\_\_

Assisted by me (where applicable) \_\_\_\_\_

(State capacity and full name) \_\_\_\_\_

**Note: a member who is entitled to be present and to vote is entitled to appoint one or more proxies to be present in his place, to talk there and to vote and such a proxy does not have to be a member of the company.**





**Pioneer Voedsel Groep Beperk**  
 (Ingelyf in die Republiek van Suid Afrika)  
 (Registrasienuommer 1996/017676/06 )

## **VOLMAGVORM – AANDEELHOERSVERGADERING**

Ek/Ons \_\_\_\_\_ (drukskrif asseblief)

van \_\_\_\_\_ (drukskrif asseblief)

synde 'n lid/ lede van Pioneer Voedsel Groep Beperk en die houer/s van \_\_\_\_\_ aandele

in Pioneer Voedsel Groep Beperk, stel hiermee aan:

1. \_\_\_\_\_ of by gebreke aan hom/haar,
2. \_\_\_\_\_ of by gebreke aan hom/haar,
3. die voorsitter van die algemene vergadering,

as my/ons verteenwoordiger om die aandeelhouersvergadering wat gehou word op 9 April 2008 te Lemoenkloof Gastehuis, Hoofstraat, Paarl en enige verdagting daarvan by te woon, daar te praat en by 'n stemming met die opsteek van hande of by 'n stemming met stembriefies names en ten behoeve van my/ons te stem:

	Aantal stemme		
	*ten gunste van	*Teen	*Buite stemming
<b>Spesiale besluit 1</b> (naamsverandering)			
<b>Spesiale besluit 2</b> (vervanging van gedeelte van akte van oprigting)			
<b>Spesiale besluit 3</b> (vervanging van statute)			
<b>Gewone besluit 1</b> (magtiging vir uitreiking van aandele )			
<b>Gewone besluit 2</b> (goedkeuring van aandele-aansporingsplan)			

(Dui instruksies vir die gevolmaggide aan deur middel van 'n X in die toepaslike spasie hierbo) tensy anders opdrag gegee, mag my/ons gevolmaggide in sy eie diskresie en na goeddunke stem.

Onderteken hierdie \_\_\_\_\_ dag van \_\_\_\_\_ 2008

Handtekening \_\_\_\_\_

Bygestaan deur my (waar toepaslik) \_\_\_\_\_

(Vermeld hoedigheid en volle name) \_\_\_\_\_

**(Nota; 'n lid wat geregtig is om teenwoordig te wees en te stem is geregtig om een of meer gevolmaggides aan te stel om in sy plek teenwoordig te wees, daar te praat en te stem en sodanige gevolmaggide hoef nie 'n lid van die maatskappy te wees nie.)**

