

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 4 apply to this cover page.

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

Action required

1. If you have disposed of all your Shares in Pioneer Foods, please forward this Circular and the attached Form of Proxy (*yellow*) to the purchaser of such Shares or to the CSDP, Broker, banker or other agent through whom the disposal was effected.
2. Shareholders are referred to page 2 of this Circular, which sets out the action required by them.



PIONEER FOOD GROUP LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 1996/017676/06)
Share code: PFG ISIN: ZAE000118279
("Pioneer Foods" or "the Company")

CIRCULAR TO SHAREHOLDERS

relating to:

- the specific repurchase of 612 000 Shares from the Pioneer Aandele Aansparingstrust, being a related party to Pioneer Foods;

and incorporating:

- a notice convening a General Meeting of Shareholders; and
- a Form of Proxy (*yellow*) for purposes of the General Meeting of Shareholders (for use by Certificated Shareholders and Dematerialised Shareholders who have selected Own-Name Registration only).

Sponsor



PSG CAPITAL

Legal Adviser



CLIFFE DEKKER HOFMEYR

Date of issue: 22 December 2015

This Circular is available in English only. Copies may be obtained from the registered office of the Company and from the offices of the Sponsor, whose addresses are set out in the "Corporate Information" section of this Circular.

CORPORATE INFORMATION

Directors

ZL (KK) Combi (*Chairman*) **
PM Roux (*Chief executive officer*)
CJ Hess (*Chief financial officer*)
N Celliers *
MM Du Toit *
ASM Karaan **
NS Mjoli-Mncube **
G Pretorius **
LP Retief **
AH Sangqu **

* non-executive

independent

Date and place of incorporation

11 December 1996
Republic of South Africa

Company secretary and registered address

Jay-Ann Jacobs
Glacier Place
1 Sportica Crescent
Tygervalley
7530

Sponsor

PSG Capital Proprietary Limited
(Registration number 2006/015817/07)
1st Floor
Ou Kollege
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

and

1st Floor, Building 8
Inanda Greens Business Park
54 Wierda Road West
Wierda Valley
Sandton, 2196
(PO Box 650957, Benmore, 2010)

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Ground Floor
70 Marshall Street
Johannesburg 2001
(PO Box 61051, Marshalltown, 2107)

Legal adviser

Cliffe Dekker Hofmeyr Incorporated
(Registration number 2008/018923/21)
11 Buitengracht Street
Cape Town
8001
(PO Box 695, Cape Town, 8000)

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ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations commencing on page 4 apply to the action required by Shareholders section.

This Circular is important and requires your immediate attention. Please take careful note of the following provisions regarding the action required by Shareholders. If you are in any doubt as to what actions to take, please consult your CSDP, Broker, banker, attorney, accountant or other professional adviser immediately.

If you have disposed of all of your Shares in Pioneer Foods, please forward this Circular to the purchaser of such Shares or to the CSDP, Broker, banker, attorney or other agent through whom the disposal was effected.

The General Meeting will be held at Lanzerac Hotel & Spa, Lanzerac Road, Stellenbosch on Friday, 12 February 2016 at 9h30, or immediately after the conclusion of the annual general meeting of the Company convened to commence at 9h00 on the same date and at the same venue, whichever is the later, for purposes of considering and, if deemed fit, passing the special resolution required to authorise the implementation of the Specific Repurchases. The notice convening the General Meeting is attached to and forms part of this Circular.

1. DEMATERIALIZED SHAREHOLDERS WHO ARE NOT OWN-NAME DEMATERIALIZED SHAREHOLDERS

1.1. Voting at the General Meeting

- 1.1.1. Your Broker or CSDP should contact you to ascertain how you wish to cast your vote at the General Meeting and should thereafter cast your vote in accordance with your instructions.
- 1.1.2. If your Broker or CSDP has not contacted you, it is advisable for you to contact your Broker or CSDP and furnish it with your voting instructions.
- 1.1.3. If your Broker or CSDP does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your Broker or CSDP.
- 1.1.4. **You must not complete the attached Form of Proxy (yellow).**

1.2. Attendance and representation at the General Meeting

In accordance with the mandate between you and your Broker or CSDP, you must advise your Broker or CSDP if you wish to attend the General Meeting and if so, your Broker or CSDP will issue the necessary letter of representation to you to attend and vote at the General Meeting.

2. CERTIFICATED SHAREHOLDERS AND DEMATERIALIZED SHAREHOLDERS WHO ARE OWN-NAME DEMATERIALIZED SHAREHOLDERS

2.1. Voting and attendance at the General Meeting

- 2.1.1. You may attend the General Meeting in person and may vote at the General Meeting.
- 2.1.2. Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached Form of Proxy (yellow) in accordance with the instructions contained therein and returning it to the Transfer Secretary or the Company, to be received by them, for administrative purposes, by no later than 9h30 on Wednesday, 10 February 2016.

3. GENERAL

3.1. Approvals necessary for the implementation of the Specific Repurchases at the General Meeting

The implementation of the Specific Repurchases is subject to, *inter alia*, the approval of the Shareholders by special resolution at the General Meeting in accordance with the Listings Requirements, the Companies Act and the MOI. In order to be approved, the special resolution must be adopted with the support of at least 75% of the voting rights exercised, excluding the votes of the Pioneer Aandele Aansparingstrust, on such resolution at the General Meeting. The Pioneer Aandele Aansparingstrust has no associates.

3.2. Dematerialisation

If a Certificated Shareholder wishes to Dematerialise his/her Certificated Shares, he/she should contact his/her Broker or CSDP.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 4 apply to these salient dates and times.

Notice record date, being the date on which a Shareholder must be registered in the Register in order to be eligible to receive the notice of General Meeting on	Friday, 11 December 2015
Circular posted to Shareholders and notice convening the General Meeting released on SENS on	Tuesday, 22 December 2015
Notice of General Meeting published in the South African press on	Wednesday, 23 December 2015
Last day to trade Shares in order to be recorded in the Register to vote at the General Meeting (see note 2 below) on	Friday, 29 January 2016
General Meeting record date, being the date on which a Shareholder must be registered in the Register in order to be eligible to attend and participate in the General Meeting and to vote thereat, by close of trade on	Friday, 5 February 2016
Form of Proxy (<i>yellow</i>) in respect of the General Meeting to be lodged at the Transfer Secretaries or the Company by 9h30 on	Wednesday, 10 February 2016
General Meeting held at 9h30 (or immediately after the conclusion of the annual general meeting of the Company convened to commence at 9h00 on the same date and at the same venue, whichever is the later), on	Friday, 12 February 2016
Results of the General Meeting published on SENS on	Friday, 12 February 2016
Results of the General Meeting published in the South African press on	Monday, 15 February 2016
Delisting of the Repurchase Shares on or about	Wednesday, 17 February 2016

Notes:

1. The above dates and times are subject to amendment at the discretion of Pioneer Foods. Any such amendment will be released on SENS and published in the South African press.
2. Shareholders should note that as transactions in Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place five Business Days after such trade. Therefore, Shareholders who acquire Shares after close of trade on Friday, 29 January 2016 will not be eligible to attend, participate in and vote at the General Meeting.
3. All dates and times indicated above are South African Standard Time.

DEFINITIONS AND INTERPRETATION

In this Circular, unless the context indicates otherwise, reference to the singular shall include the plural and *vice versa*, words denoting one gender include the others, words and expressions denoting natural persons include juristic persons and associations of persons and the words and expressions in the first column have the meanings stated opposite to them in the second column.

“Board” or “Directors”	the directors of Pioneer Foods as at the Last Practicable Date, whose names appear in the “Corporate Information and Advisors” section of this Circular;
“Broker”	any person registered as a “broking member (equities)” in accordance with the provisions of the Financial Markets Act;
“Business Day”	any day, other than a Saturday, Sunday or public holiday in South Africa;
“Certificated Shareholders”	Shareholders who hold Certificated Shares;
“Certificated Shares”	Shares which have not yet been Dematerialised, title to which is represented by a share certificate or other Document of Title;
“Circular”	this bound document dated Tuesday, 22 December 2015 to Shareholders, including enclosures thereto;
“Cliffe Dekker Hofmeyr” or “Legal Adviser”	Cliffe Dekker Hofmeyr Inc, with registration number 2008/018923/21, a personal liability company incorporated under the laws of South Africa;
“Companies Act”	the Companies Act, 2008 (Act No. 71 of 2008), as amended;
“Condition Precedent”	the condition precedent to the Share Repurchases as set out in the Share Repurchase Agreements and paragraph 3 of this Circular;
“CSDP”	a central securities depository participant registered in terms of the Financial Markets Act, as amended, with whom a beneficial holder of shares holds a dematerialised share account;
“Dematerialisation”	the process by which securities held in certificated form are converted to or held in electronic form as uncertificated securities and recorded as such in a sub-register of securities holders maintained by a CSDP and “Dematerialised” shall bear the corresponding meaning;
“Dematerialised Shareholders”	those Shareholders who hold Dematerialised Shares;
“Dematerialised Shares”	Shares which have been incorporated into the Strate system and which are no longer evidenced by certificates or other physical Documents of Title;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts or any other documents of title to Certificated Shares acceptable to Pioneer Foods;
“Effective Date”	means in respect of the First Tranche Share Repurchase the 3 rd (third) Business Day after the date of fulfilment of the Condition Precedent and in respect of the Second Tranche Share Repurchase the 5 th (fifth) Business Day after the date of fulfilment of the Condition Precedent;
“Financial Markets Act”	the Financial Markets Act, 2012 (Act No. 19 of 2012), as amended;
“First Tranche Share Repurchase”	the repurchase of the First Tranche Repurchase Shares in terms of the First Tranche Share Repurchase Agreement;

First Tranche Share Repurchase Agreement”	the agreement, dated 19 November 2015, entered into between Pioneer Foods and the Pioneer Aandele Aansparingstrust in terms of which Pioneer Foods will repurchase the First Tranche Repurchase Shares;
“First Tranche Repurchase Shares”	such number of the Repurchase Shares held by the Pioneer Aandele Aansparingstrust calculated by dividing the Outstanding Liabilities by the Repurchase Price per Share (rounded up to the nearest whole number), to a maximum of 612 000 Shares;
“Form of Proxy”	for purposes of the General Meeting, the form of proxy (<i>yellow</i>) for use only by Certificated Shareholders and Own-name Registered Dematerialised Shareholders;
“General Meeting”	the general meeting of Shareholders to be held at 9h30 on Friday, 12 February 2016 at Lanzerac Hotel & Spa, Lanzerac Road, Stellenbosch convened in terms of the notice of General Meeting enclosed and forming part of this Circular, or immediately after the conclusion of the annual general meeting of the Company convened to commence at 9h00 on the same date and at the same venue, whichever is the later;
“the Group”	Pioneer Foods and its subsidiaries from time to time;
“JSE”	JSE Limited, registration number 2005/022939/06, a public company incorporated in South Africa and which is licensed as an exchange in terms of the Financial Markets Act;
“Last Practicable Date”	the last practicable date before finalisation of this Circular, which date was 19 November 2015;
“Listings Requirements”	the Listings Requirements of the JSE;
“MOI”	the memorandum of incorporation of Pioneer Foods;
“Outstanding Liabilities”	all the outstanding liabilities of the Pioneer Aandele Aansparingstrust as at close of business on the Business Day prior to the Effective Date in respect of the First Tranche Share Repurchase, as certified in writing by the Pioneer Aandele Aansparingstrust;
“Own-name Registration” or “Own-name Registered”	Shareholders who hold Shares that have been Dematerialised and are recorded by the CSDP on the sub-register kept by that CSDP in the name of such Shareholder;
“Pioneer Foods” or “the Company”	Pioneer Food Group Limited, with registration number 1996/017676/06, a public company incorporated under the laws of South Africa, the issued ordinary share capital of which is listed on the JSE;
“Pioneer Aandele Aansparingstrust”	the trustees for the time being of the Pioneer Aandele Aansparingstrust, with Master’s reference number IT2633/97, an <i>inter vivos</i> trust duly established in accordance with the laws of South Africa, the beneficiaries of which trust are any employee of Pioneer Foods or any of its subsidiaries which is nominated by the Board, in its sole discretion;
“PSG Capital” or “Sponsor”	PSG Capital Proprietary Limited, with registration number 2006/015817/07, a private company incorporated in South Africa;
“Rand” or “R”	South African Rand;
“Register”	the register of Certificated Shareholders maintained by the Transfer Secretaries and the sub-register of Dematerialised Shareholders maintained by the relevant CSDPs;

“Repurchase Agreements”	the First Tranche Share Repurchase Agreement and the Second Tranche Share Repurchase Agreement in terms of which Pioneer Foods will repurchase the Repurchase Shares for the Repurchase Consideration;
“Repurchase Consideration”	the aggregate consideration payable by Pioneer Foods in respect of the Repurchase Shares being the total number of Repurchase Shares multiplied by the respective Repurchase Price per Share, as applicable;
“Repurchase Price per Share”	an amount equal to the weighted average traded price of a Share on the JSE measured over the 30 Business Days prior to the applicable Effective Date;
“Repurchase Shares”	612 000 Shares, being the aggregate of the First Tranche Repurchase Shares and the Second Tranche Repurchase Shares;
“SENS”	the Stock Exchange News Service of the JSE;
“Second Tranche Share Repurchase”	the repurchase of the Second Tranche Repurchase Shares in terms of the Second Tranche Share Repurchase Agreement;
“Second Tranche Share Repurchase Agreement”	the agreement, dated 19 November 2015, entered into between Pioneer Foods and the Pioneer Aandele Aansporingstrust in terms of which Pioneer Foods will acquire the Second Tranche Repurchase Shares;
“Second Tranche Repurchase Shares”	such number of the Repurchase Shares as calculated by subtracting the First Tranche Repurchase Shares from the total number of Repurchase Shares;
“Shares”	ordinary shares with a par value of R0.10 each in the ordinary share capital of Pioneer Foods;
“Shareholders”	the registered holders of Shares;
“Solvency and Liquidity Test”	the solvency and liquidity test set out in section 4(1) of the Companies Act;
“South Africa”	the Republic of South Africa;
“Specific Repurchases”	the First Tranche Share Repurchase and the Second Tranche Share Repurchase, as set out in this Circular, in terms of section 48 of the Companies Act and paragraph 5.69 of the Listings Requirements and pursuant to the terms and conditions of the Repurchase Agreements;
“Strate”	Strate Proprietary Limited, with registration number 1998/022242/07, the settlement and clearing system used by the JSE and which is a registered central securities depository in terms of the Custodian and Administration of Securities Act, 1992 (Act 85 of 1992), as amended; and
“Transfer Secretaries”	Computershare Investor Services Proprietary Limited, with registration number 2004/003647/07, a private company incorporated in South Africa.



PIONEER FOOD GROUP LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 1996/017676/06)
Share code: PFG ISIN: ZAE000118279
("Pioneer Foods" or "the Company")

Directors:

ZL (KK) Combi (*Chairman*) **
PM Roux (*Chief executive officer*)
CJ Hess (*Chief financial officer*)
N Celliers *
MM Du Toit *
ASM Karaan **
NS Mjoli-Mncube **
G Pretorius **
LP Retief **
AH Sangqu **

* non-executive

independent

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION AND RATIONALE

- 1.1. The Pioneer Aandele Aanspringstrust was incorporated in 1997 to facilitate the incentivisation of the management of Pioneer Foods through the offer of shares or the award of share options to beneficiaries of the Pioneer Aandele Aanspringstrust. Over time, the Pioneer Aandele Aanspringstrust acquired Shares in order to settle the obligations of the Pioneer Aandele Aanspringstrust.
- 1.2. The last share option allocation made by the Pioneer Aandele Aanspringstrust was on 11 February 2007, after which date, management was incentivised by a new share appreciation rights scheme not administered by the Pioneer Aandele Aanspringstrust. Due to the implementation of the share appreciation rights scheme the Pioneer Aandele Aanspringstrust now holds 612 000 surplus Shares not required to settle obligations of the Pioneer Aandele Aanspringstrust.
- 1.3. The purpose of this Circular is to provide Shareholders with relevant information relating to the Specific Repurchases and to give notice convening the General Meeting in order to consider and, if deemed fit, pass, with or without modification, the resolutions, as set out in the notice of the General Meeting, to approve and implement the Specific Repurchases.

2. TERMS OF THE SPECIFIC REPURCHASES

- 2.1. Pioneer Foods has entered into the Repurchase Agreements with the Pioneer Aandele Aanspringstrust, in terms of which Pioneer Foods will repurchase the Repurchase Shares from the Pioneer Aandele Aanspringstrust at the Repurchase Price per Share, subject to the Condition Precedent referred to in paragraph 3 of this Circular below.
- 2.2. The Repurchase Shares represent 0.26% of the total number of Shares in issue at the Last Practicable Date.

- 2.3. The total Repurchase Consideration in respect of the First Tranche Repurchase Shares and the Second Tranche Repurchase Shares shall be discharged from Pioneer Foods' existing cash reserves. The First Tranche Share Repurchase shall be implemented on the 3rd (third) Business Day after the date of fulfilment of the Condition Precedent and the Second Tranche Share Repurchase shall be implemented on the 5th (fifth) Business Day after the date of fulfilment of the Condition Precedent, referred to in paragraph 3 of this Circular below.
- 2.4. The Repurchase Shares will be delisted on the respective Effective Dates, or as soon as possible thereafter, and the Repurchase Shares will be restored as authorised but unissued Shares in Pioneer Foods' share capital.
- 2.5. The Specific Repurchases will be applied against Pioneer Foods' reserves and not against contributed tax capital.
- 2.6. The payment of the Repurchase Consideration by Pioneer Foods to the Pioneer Aandele Aansparingstrust will constitute a dividend for tax purposes.
- 2.7. In terms of section 48 of the Companies Act, paragraph 5.69(b) of the Listings Requirements and the Company's MOI, a special resolution must be passed by Shareholders (excluding the Pioneer Aandele Aansparingstrust) in order to implement the Specific Repurchases. The Pioneer Aandele Aansparingstrust and its associates shall not be entitled to vote in respect of the aforementioned special resolution. It is however recorded that the Pioneer Aandele Aansparingstrust has no associates.
- 2.8. Pioneer warrants that it will not effect the Specific Repurchases during a prohibited period as defined in paragraphs 3.69 and 3.70 of the Listings Requirements.
- 2.9. In terms of the Listings Requirements, Pioneer must pursue the Specific Repurchases unless the JSE agrees otherwise.

3. CONDITIONS PRECEDENT OF THE SPECIFIC REPURCHASES

The Specific Repurchases are subject to the fulfilment of the Condition Precedent, as contained in the Repurchase Agreements, that the Specific Repurchases are approved by a special resolution of the Shareholders by way of a specific authority.

4. ADEQUACY OF CAPITAL

- 4.1. The Directors have considered the impact of the Specific Repurchases and are of the opinion that:
 - 4.1.1 the provisions of section 4 and section 48 of the Companies Act have been complied with;
 - 4.1.2 the Company and the Group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of approval of this Circular;
 - 4.1.3 the assets of the Company and the Group will be in excess of its liabilities for a period of 12 months after the date of approval of this Circular, where for this purpose, the assets and liabilities are recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements of the Group;
 - 4.1.4 the share capital and reserves of Pioneer Foods and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of approval of this Circular; and
 - 4.1.5 the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of approval of this Circular.
- 4.2. Furthermore, in respect of the Specific Repurchases:
 - 4.2.1 in terms of section 46(1)(a)(ii) of the Companies Act and the Listings Requirements, the Board has, by resolution, authorised the Specific Repurchases;
 - 4.2.2 in terms of section 46(1)(b) of the Companies Act, it reasonably appears that the Company and the Group will satisfy the Solvency and Liquidity Test immediately after completing the Specific Repurchases; and
 - 4.2.3 in terms of section 46(1)(c) of the Companies Act and paragraph 5.69 of the Listings Requirements, the Board has, by resolution, acknowledged that it has applied the Solvency and Liquidity Test, and reasonably concluded that the Company and the Group will satisfy the Solvency and Liquidity Test immediately after completing the Specific Repurchases.

5. MAJOR BENEFICIAL SHAREHOLDERS

To the best of Pioneer Foods' knowledge and belief, the following major beneficial Shareholders are the direct or indirect beneficial owners of 5% or more of the Shares:

Before the Specific Repurchases:

	Number of Shares held directly	Number of Shares held indirectly	Percentage of total issued ordinary share capital
Zeder Investments Limited ¹	58 250 788	–	25.02
Government Employees Pension Fund	25 442 450	–	10.93
Pioneer Foods Proprietary Limited	17 982 056	–	7.73
Total	101 675 294	–	43.69

After the Specific Repurchases:

	Number of Shares held directly	Number of Shares held indirectly	Percentage of total issued ordinary share capital
Zeder Investments Limited ¹	58 250 788	–	25.09
Government Employees Pension Fund	25 442 450	–	10.96
Pioneer Foods Proprietary Limited	17 982 056	–	7.74
Total	101 675 294	–	43.79

Notes:

¹ Zeder Investments Limited hold its Shares in Pioneer Foods through its wholly owned subsidiary, Cerula 23 Proprietary Limited.

6. MATERIAL CHANGES

There have been no material changes in the financial or trading position of Pioneer Foods since the end of the last financial period, being 30 September 2015, up to and including the Last Practicable Date.

7. SHARE CAPITAL

The authorised and issued ordinary share capital of Pioneer Foods, before and after the Specific Repurchases, is set out below:

Before	Number of shares	R'000
Authorised		
Ordinary shares of 10 cents each	400 000 000	40 000
Class A ordinary shares of 10 cents each	18 130 000	1 813
Issued		
Ordinary shares of 10 cents each	232 797 446	23 280
Class A ordinary shares of 10 cents each	4 121 600	412
Treasury shares held by a subsidiary ¹	17 982 056	(1 798)
Share premium		2 163 384

After	Number of shares	R'000
Authorised		
Ordinary shares of 10 cents each	400 000 000	40 000
Class A ordinary shares of 10 cents each	18 130 000	1 813
Issued		
Ordinary shares of 10 cents each ²	232 185 446	23 219
Class A ordinary shares of 10 cents each	4 121 600	412
Treasury shares held by a subsidiary ¹	17 982 056	(1 798)
Share premium		2 044 111

Notes:

¹ As at the Last Practicable Date, Pioneer Foods Proprietary Limited held 17 982 056 Shares as treasury shares.

² The share capital for the ordinary Shares **after** the Specific Repurchases has been calculated on the basis that the Repurchase Shares were repurchased at a Repurchase Price per Share of R194.99, being an amount equal to the weighted average traded price of a Share on the JSE measured over the 30 Business Days prior to the Last Practicable Date.

8. DIRECTORS' INTERESTS

The Directors' interests in Shares, as at the Last Practicable Date, are as follows:

Director	Beneficial		Total	Percentage held (%)
	Direct	Indirect		
Executive Directors				
PM Roux	9 631	–	9 631	0.00
CJ Hess	–	–	–	–
Non-executive Directors				
ZL (KK) Combi	–	172 295	172 295	0.08
N Celliers	–	–	–	–
MM Du Toit	–	–	–	–
ASM Karaan	–	86 147	86 147	0.04
NS Mjoli-Mncube	–	86 147	86 147	0.04
G Pretorius	–	30 000	30 000	0.01
LP Retief	–	–	–	–
AH Sangqu	–	86 147	86 147	0.04
Total	9 631	390 736	400 367	0.21

There have been no changes to the Directors' shareholdings since the end of the last financial period, being 30 September 2015, up to and including the Last Practicable Date.

9. COSTS OF THE SPECIFIC REPURCHASES

The costs (exclusive of value-added tax) of the Specific Repurchases are anticipated to be:

Description	Estimated amount (Rand)
Securities transfer tax	306 000
Sponsor	150 000
Legal adviser	100 000
Printing and related costs	20 000
JSE documentation fee	19 630
Contingency	4 370
Total	600 000

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names appear in the "Corporate Information and Advisors" section of this Circular, collectively and individually accept full responsibility for the accuracy of the information given in this Circular in relation to Pioneer Foods and certify that, to the best of their knowledge and belief, no facts have been omitted which would make any statement in this Circular false or misleading, that all reasonable enquiries to ascertain such facts have been made and that the Circular contains all information required by law and the Listings Requirements.

11. IMPACT ON THE FINANCIAL INFORMATION OF PIONEER FOODS

11.1. The Share Repurchases and the costs set out in paragraph 9 of this Circular above are anticipated to be funded from Pioneer Foods' existing cash reserves. The aforementioned will result in a decrease in Pioneer Foods' net asset value by the amount of the Repurchase Consideration and the costs set out in paragraph 9 of this Circular above.

11.2. The Share Repurchases will result in a reduction in the number of issued Shares of Pioneer Foods and in the issued share capital of Pioneer Foods, as set out in paragraph 7 above.

12. ADVISERS CONSENTS

Each of the advisers, whose names appear in the "Corporate Information and Advisors" section of this Circular, have consented in writing to act in the capacities stated and to the inclusion of their names and have not withdrawn their consents prior to the publication of this Circular.

13. SPONSOR'S INDEPENDENCE

13.1. It is recorded that an associate of PSG Capital ("**Zeder**") holds Shares in Pioneer Foods, which Shares do not amount to a controlling stake in Pioneer Foods. It is further recorded that two independent non-executive directors of the holding company of PSG Capital ("**PSG Group**") and a director of Zeder also serve on the Board of Pioneer Foods. The aforementioned directors of PSG Group are both independent non-executive directors of PSG Group and Pioneer Foods and are not involved in the day-to-day management of either company.

13.2. PSG Capital operates separately and independently from the management of PSG Group and Zeder and is not involved in the management of Pioneer Foods. PSG Capital did not act as the corporate advisor, tax advisor or legal adviser to Pioneer Foods in relation to the transaction which is the subject of this Circular and is merely acting in the capacity as JSE sponsor. Accordingly, there are no matters which may have an effect on the independence of PSG Capital from Pioneer Foods in respect of this Circular.

14. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the registered office of Pioneer Foods and the Sponsor, during normal office hours, from the date of issue of this Circular up to and including Friday, 12 February 2016:

14.1. the MOI of Pioneer Foods and its subsidiaries;

14.2. the financial statements of Pioneer Foods for the three financial years ended 30 September 2015, 30 September 2014 and 30 September 2013;

14.3. the written consents from each of the advisers referred to in paragraph 12 of this Circular; and

14.4. the Repurchase Agreements.

By order of the Board

Jay-Ann Jacobs
Company Secretary



PIONEER FOOD GROUP LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 1996/017676/06)
Share code: PFG ISIN: ZAE000118279
("Pioneer Foods" or "the Company")

NOTICE OF GENERAL MEETING

All terms defined in the Circular, to which this notice of General Meeting is attached, shall bear the same meanings when used in this notice of General Meeting.

NOTICE IS HEREBY GIVEN that a General Meeting of Shareholders will be held at Lanzerac Hotel & Spa, Lanzerac Road, Stellenbosch on Friday, 12 February 2016 at 9h30 or immediately after the conclusion of the annual general meeting of the Company convened to commence at 9h00 on the same date and at the same venue, whichever is the later, to consider and, if deemed fit, pass, with or without modification, the special resolution set out hereunder.

SPECIAL RESOLUTION NUMBER 1

"RESOLVED THAT the Company be and is hereby authorised, by way of a specific authority, in accordance with the applicable provisions of the Companies Act, the Listings Requirements and its MOI, to acquire an aggregate of 612 000 Shares from the Pioneer Aandele Aansparingstrust in terms of the First Tranche Share Repurchase and/or the Second Tranche Share Repurchase at the Repurchase Price per Share."

Once the Specific Repurchases have been completed, the Repurchase Shares will be cancelled and restored to the authorised, but unissued, share capital of Pioneer Foods, and will be delisted from the JSE.

In terms of the Companies Act, the MOI and the Listings Requirements, for special resolution number 1 to be adopted at least 75% of the Shareholders present in person or represented by proxy and entitled to vote on this resolution at the General Meeting must cast their vote in favour of this resolution. The votes of the Pioneer Aandele Aansparingstrust will not be taken into account in determining the results of the voting on this resolution. The Pioneer Aandele Aansparingstrust has no associates.

The Directors have considered the impact of the Specific Repurchases contemplated in this resolution and are of the opinion that the provisions of section 4 and section 48 of the Companies Act have been complied with, and:

- in terms of section 46(1)(a)(ii) of the Companies Act, the Board has, by resolution, authorised the Specific Repurchases;
- in terms of section 46(1)(b) of the Companies Act, it reasonably appears that the Company and the Group will satisfy the Solvency and Liquidity Test immediately after completing the Specific Repurchases; and
- in terms of section 46(1)(c) of the Companies Act and paragraph 5.69 of the Listings Requirements, the Board has, by resolution, acknowledged that it has applied the Solvency and Liquidity Test, and reasonably concluded that the Company and the Group will satisfy the Solvency and Liquidity Test immediately after completing the Specific Repurchases.

The reason for the passing of the special resolution is to authorise the Company to implement the Specific Repurchases. The effect of the passing and implementation of the special resolution is that the Company will implement the Specific Repurchases.

VOTING AND PROXIES

The date on which Shareholders must have been recorded as such in the share register maintained by the Transfer Secretaries of the Company ("**the Share Register**") for purposes of being entitled to receive this notice is Friday, 11 December 2015.

The date on which Shareholders must be recorded in the Register for purposes of being entitled to attend and vote at the General Meeting is Friday, 5 February 2016, with the last day to trade being Friday, 29 January 2016.

Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the General Meeting and must accordingly bring a copy of their identity document, passport or drivers' license to the General Meeting. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the Transfer Secretaries for guidance.

Shareholders entitled to attend and vote at the General Meeting may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a Shareholder of the Company. A Form of Proxy (*yellow*), which sets out the relevant instructions for its completion, is enclosed for use by Certificated Shareholders or Own-name Registered Dematerialised Shareholders who wish to be represented at the General Meeting. Completion of a Form of Proxy will not preclude such Shareholder from attending and voting (in preference to that Shareholder's proxy) at the General Meeting.

The instrument appointing a proxy and the authority (if any) under which it is signed must reach the Transfer Secretaries of the Company, at the address given below, by not later than 9h30 on Wednesday, 10 February 2016.

Dematerialised Shareholders, other than Own-name Registered Dematerialised Shareholders, who wish to attend the General Meeting in person will need to request their CSDP or Broker to provide them with the necessary letter of representation in terms of the custody agreement entered into between such Shareholders and the CSDP or Broker.

Dematerialised Shareholders, other than Own-name Registered Dematerialised Shareholders, who are unable to attend the General Meeting and who wish to be represented thereat, must provide their CSDP or Broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or Broker in the manner and time stipulated therein.

Shareholders present in person, by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each Share held.

By order of the Board

J Jacobs

Company Secretary

22 December 2015

Registered Address

Glacier Place
1 Sportica Crescent
Tygervalley
7530

Transfer Secretaries

Computershare Investor Services Proprietary Limited
Registration number 2004/003647/07
Ground Floor
70 Marshall Street
Johannesburg 2001
(PO Box 61051, Marshalltown 2107)



PIONEER FOOD GROUP LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 1996/017676/06)
Share code: PFG ISIN: ZAE000118279
("Pioneer Foods" or "the Company")

FORM OF PROXY – FOR USE BY CERTIFICATED AND OWN-NAME REGISTERED DEMATERIALIZED SHAREHOLDERS ONLY

All terms defined in the Circular, to which this notice of General Meeting is attached, shall bear the same meanings when used in this Form of Proxy.

For use only by Shareholders holding Certificated Shares, nominee companies of CSDPs, Brokers' nominee companies and Own-name Dematerialised Shareholders at Lanzerac Hotel & Spa, Lanzerac Road, Stellenbosch on Friday, 12 February 2016 at 9h30 or immediately after the conclusion of the annual general meeting of the Company convened to commence at 9h00 on the same date and at the same venue, whichever is the later, or any adjournment thereof.

Dematerialised Shareholders who are not Own-name Registered Dematerialised Shareholders must not complete this Form of Proxy and must provide their CSDP or Broker with their voting instructions, except for Own-name Registered Dematerialised Shareholders recorded in the sub-register through a CSDP or Broker, which Shareholders must complete this Form of Proxy and lodge it with their CSDP or Broker in terms of the custody agreement entered into between them and their CSDP or Broker. Dematerialised Shareholders who are not Own-name Registered Dematerialised Shareholders wishing to attend the General Meeting must inform their CSDP or Broker of such intention and request their CSDP or Broker to issue them with the necessary letter of representation to attend.

I/We (Full name in print) _____

of (address) _____

Telephone: (work) area code () _____

Telephone: (home) area code () _____

Cellphone number: _____

E-mail address: _____

being the holder of _____

Shares in the Company, 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 vote for me/us at the General Meeting for purposes of considering and, if deemed fit, passing, with or without modification, the special resolution to be proposed thereat and at any adjournment thereof and to vote for and/or against the resolution and/or abstain from voting in respect of the Shares registered in my/our name(s), in accordance with the following instruction (see notes):

	Number of Shares		
	In favour of	Against	Abstain
Special Resolution Number 1			
The specific repurchase by Pioneer Foods of 612 000 Shares held by the Pioneer Aandele Aanspringstrust			

Please indicate your voting instruction by way of inserting the number of Shares or by a cross in the space provided.

Signed at _____

on this _____

day of _____

Signature(s) _____

Assisted by (where applicable) (state capacity and full name) _____

Each Shareholder is entitled to appoint one or more proxy(ies) (who need not be Shareholder(s) of the Company) to attend, speak and vote in his/her stead at the General Meeting.

Please read the notes on the reverse side hereof.

Notes:

1. A Shareholder entitled to attend and vote at the General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a registered Shareholder of the Company.
2. Every Shareholder present in person or by proxy and entitled to vote at the General Meeting shall, on a show of hands, have one vote only, irrespective of the number of Shares such Shareholder holds. In the event of a poll, every Shareholder shall 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 such Shareholder bears to the aggregate amount of the nominal value of all the Shares issued by the Company.
3. Shareholders who have Dematerialised their Shares with a CSDP or Broker, other than Own-name Registered Dematerialised Shareholders, must arrange with the CSDP or Broker concerned to provide them with the necessary authorisation to attend the General Meeting or the Shareholders concerned must instruct their CSDP or Broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the Shareholder and the CSDP or Broker concerned.

Instructions on signing and lodging the Form of Proxy:

1. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space/s provided, with or without deleting "the chairperson of the General Meeting", but any such deletion must be initialled by the Shareholder. Should this space/s be left blank, the proxy will be exercised by the chairperson of the General Meeting. The person whose name appears first on the Form of Proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A Shareholder's voting instructions to the proxy must be indicated by the insertion of an "X", or the number of votes which that Shareholder wishes to exercise, in the appropriate spaces provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or to abstain from voting at the General Meeting as he/she thinks fit in respect of all the Shareholder's exercisable votes. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by him/her or by his/her proxy, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the Shareholder or by his/her proxy.
3. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Transfer Secretaries of the Company.
4. To be valid, the completed Form of Proxy must be lodged with the Transfer Secretaries of the Company, Computershare Investor Services Proprietary Limited at 70 Marshall Street, Johannesburg, 2001, South Africa, or posted to the Transfer Secretaries at PO Box 61051, Marshalltown, 2107, South Africa, to be received by them by no later than Wednesday, 10 February 2016, at 9h30 (South African time).
5. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity must be attached to this Form of Proxy unless previously recorded by the Transfer Secretaries or waived by the chairperson of the General Meeting.
6. The completion and lodging of this Form of Proxy will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so.
7. The appointment of a proxy in terms of this Form of Proxy is revocable in terms of the provisions of section 58(4)(c) read with section 58(5) of the Companies Act, and accordingly a Shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company.
8. The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this Form of Proxy must be initialled by the signatory/ies.
9. The chairperson of the General Meeting may accept any Form of Proxy which is completed other than in accordance with these instructions provided that he/she is satisfied as to the manner in which a Shareholder wishes to vote.

