Shareholders' Information and Notice of the Annual General Meeting for the year ended 29 February 2016

The Stefanutti Stocks Integrated Report 2016 and the Annual FInancial Statements 2016 are available on the company's website (www.stefanuttistocks.com) and a printed copy is available on request from the Company Secretary.

Stefanutti Stocks

Bridging your expectations

2016 year under review

Revenue
2016: R9,7bn
2015: R10,6bn

Operating profit before investment income
2016: R392m
2015: R335m

Profit for the year
2016: R186m
2015: R203m

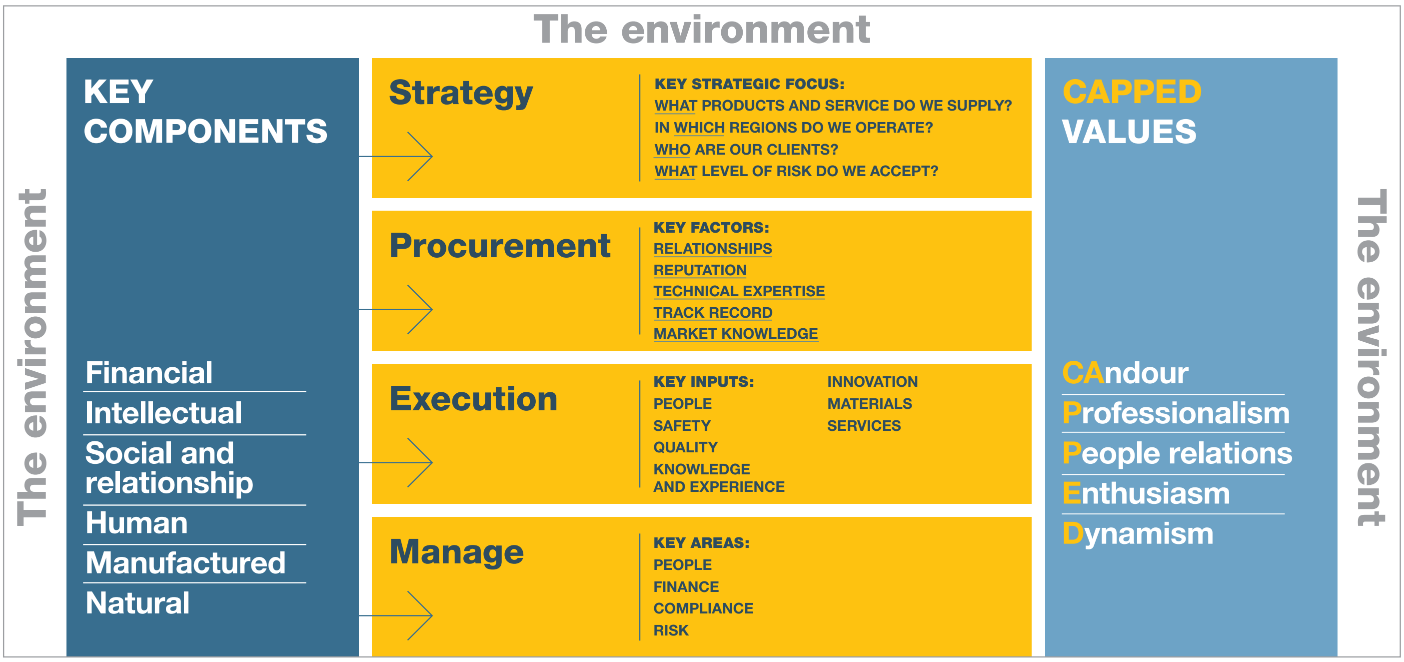
Earnings per share from continuing operations
2016: 149,30c
2015: 150,37c

Headline earnings per share from continuing operations
2016: 138,16c
2015: 146,83c

LTIFR
2016: 0,10
2015: 0,20

RCR
2016: 0,59
2015: 1,49

Our business model



Our vision, mission and values

1 Vision

A dynamic group delivering complete construction and contracting solutions.

2 Mission

Maximise stakeholder value by building a sustainable business presence in Africa and targeted international markets. This will be achieved by:

Being the preferred construction partner for all our stakeholders.

Professional conduct which will establish a track record of industry excellence.

Being a desirable place of work, a natural home for creativity, enthusiasm and personal safety.

3 Values

We continue to create sustainable partnerships with all stakeholders through a values-driven culture. This is accomplished by setting and achieving measurable key objectives to support sustainable earnings growth and at the same time, maintaining a sound financial position while implementing key non-financial objectives to support our growth strategy.

CAndour

Frank and respectful discussions with the objective of finding positive outcomes.

People relations

The value, which causes people to treat one another fairly and with respect, and to always be mindful of the human dignity of others.

Professionalism

The application of a competent, disciplined and meticulous approach to all aspects of business, resulting in performance of high quality and reliability.

Enthusiasm

A high level of positive energy and a determination to succeed.

Dynamism

Openness and flexibility of mind and an energetic, proactive solution-driven attitude.

Commentary

Basis of preparation

The summary consolidated financial statements, which are an extract from the full audited consolidated financial statements, are prepared in accordance with the framework concepts and the measurement and requirements of International Financial Reporting Standards (IFRS). This report contains the information required by International Accounting Standard (IAS) 34: Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and are in compliance with the JSE Listings Requirements.

The accounting policies as well as the methods of computations used in the preparation of the results for the year ended 29 February 2016 are in terms of IFRS and are consistent with those applied in the audited financial statements for the year ended 29 February 2016 which is available on the website (www.stefanuttistocks.com).

There is no significant difference between the carrying amounts of financial assets and liabilities and their fair values due to the effective interest method. These results are presented in Rands, which is Stefanutti Stocks's presentation currency.

These results have been compiled under the supervision of the Chief Financial Officer, AV Cocciante, CA(SA).

The directors take full responsibility for the preparation of this report and that the information has been correctly extracted from the underlying information.

INDEPENDENT AUDITOR'S REPORT

This summarised report is extracted from audited information but is not itself audited by Stefanutti Stocks's external auditor.

The unmodified independent auditors' report can be found on page 7 of the annual financial statements as well as on Stefanutti Stocks's website.

GROUP PROFILE

Stefanutti Stocks, a leading construction company, operates throughout South Africa, sub-Saharan Africa and the Middle East with multidisciplinary expertise including concrete structures, marine construction, piling and geotechnical services, roads and earthworks, bulk pipelines, mine residue disposal facilities (mainly tailings dams), open pit contract mining, all forms of building works including affordable housing and mechanical and electrical installation and construction.

Commentary

The Board of Directors can report that overall, the group has produced a reasonable performance reflecting the extremely challenging trading environment. Management constantly reviews and aligns each business unit and its respective divisions with the changes being experienced in their particular markets, to ensure their ongoing sustainability.

The group continues to report the Power business as a discontinued operation in terms of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations, with an associated loss of R30 million (Feb 2015: R56 million) being recorded for the year in resolving the final disputes with customers.

Due to deteriorating market conditions in the Middle East, specifically within the electromechanical sector, the group has disposed of its 49% investment in Zener Steward Electromechanical LLC (Zener), fulfilling the classification requirements of a discontinued operation in accordance with IFRS 5. The results for the year ended 28 February 2015 have been restated to extract the results of the discontinued operation from continuing to discontinued operations in the prior year in accordance with IFRS 5. The loss attributable to the discontinuance of Zener of R49 million (Feb 2015 restated: R6 million), include the write-down of the carrying value of the investment, trading losses incurred during the year as well as the effects of the weakening South African Rand against the United Arab Emirates Dirham.

During the year, the group disposed of its investment property, resulting in a profit of R16 million and a fair value adjustment of R6 million, which are included in operating profit.

OVERVIEW OF RESULTS

Contract revenue from continuing operations of R9,7 billion decreased by R900 million compared to the previous year (Feb 2015: R10,6 billion) primarily due to a reduction in revenue from the Building business. Operating profit increased from R335 million in the previous year to R392 million in the current year. However, after excluding the profit on sale of the investment property and fair value adjustment, operating profit increased by 10% to R370 million, with the corresponding margin improving from 3,2% to 3,8%.

A market increasingly characterised by delayed payments and reductions in advance payments received from clients has resulted in a material increase in interest-bearing borrowings to R636 million (Feb 2015: R449 million), with an associated increase in the interest charge for the year. This, together with the interest on the third and fourth instalment of the Competition Commission penalty, has had a significant impact on the group's finance costs. When compared with the prior year, the combined impact of the increase in the finance costs and a decline in the profits of equity-accounted investees, from R33 million to R19 million, has resulted in a similar after tax profit, from continuing operations, of R265 million (Feb 2015 restated: R265 million).

Earnings per share from continuing operations of 149,3 cents (Feb 2015 restated: 150,4 cents) and diluted headline earnings per share from continuing operations of 128,4 cents (Feb 2015 restated: 136,5 cents) decreased by 0,7 % and 6,0%, respectively.

Earnings per share from total operations (comprising both continuing and discontinued operations) of 104,3 cents (Feb 2015: 114,8 cents) and diluted headline earnings per share from total operations of 83,3 cents (Feb 2015: 104,7 cents) decreased by 9,2% and 20,4%, respectively.

The group's order book, consisting of mainly medium-sized projects, is currently R12,7 billion of which R4,8 billion arises from work beyond South Africa's borders.

Capital expenditure for the year amounted to R157 million (Feb 2015: R186 million) of which R82 million (Feb 2015: R66 million) was incurred for maintaining capacity.

A reduction in excess billings over work done of R310 million (Feb 2015: R136 million) received during the year coupled with an increase in trade receivables resulted in cash generated from operations declining to R30 million (Feb 2015: R301 million). Included in cash generated from operations is R141 million consumed by working capital (Feb 2015: R6 million).

Dividends of R25 million (Feb 2015: R15 million) were received during the period from equity-accounted investees.

Cash flows in respect of investing activities decreased from R158 million to R7 million predominantly as a result of proceeds from the disposal of the investment property.

Notwithstanding the above, the cash balance has improved to R851 million (Feb 2015: R815 million).

The weakening of the Rand during the year has had a positive effect on the translation of the foreign cash balances as well as equity-accounted investees.

During the year, the company, through a subsidiary, repurchased 1 383 792 of its own shares at an average price of R3,47 per share in terms of a resolution passed at the company's most recent annual general meeting. These shares will not be cancelled and will be accounted for as treasury shares.

The amount of R34 million recognised in other comprehensive income arises from the translation of foreign operations as well as the realisation of the foreign currency translation reserve resulting from the disposal of the foreign investment and investment property.

REVIEW OF OPERATIONS

ROADS, PIPELINES AND MINING SERVICES (RPM)

In an increasingly competitive market RPM again performed as expected. However, contract revenue declined to R2,6 billion from R3,0 billion as reported in the prior year, with a slight reduction in operating profit to R213 million (Feb 2015: R221 million). The operating profit margin increased from 7,5% to 8,1%.

The Roads and Earthworks and Swaziland Divisions have delivered good results. Although these divisions continue to receive a steady flow of medium-sized tender enquiries, operating margins will come under pressure due to the increasingly competitive environment. Some encouraging contract awards are anticipated in the short term.

Mining Services has performed well. However, ongoing delays in the award of contracts together with the weaker commodity prices and negative investor sentiment in the mining sector, will have an adverse impact on the number of projects coming to market. This will affect the order book going forward.

In a market characterised by a shortage of projects and increased competition, the Pipelines Division produced a poor performance for the year. The business has been scaled down and the order book remains of concern.

The Zambian operation performed to expectation. Agreement has been reached with the Zambian Roads Development Agency to extend contract durations in order to accommodate their budget. Additional projects have also been secured in the private sector.

RPM's order book at February 2016 was R4,9 billion (Feb 2015: R5,1 billion).

MECHANICAL AND ELECTRICAL (M&E)

The M&E business unit has delivered good results on the back of available petrochemical projects. Contract revenue and operating profit increased to R1,2 billion (Feb 2015: R667 million) and R66 million (Feb 2015: R35 million) respectively, whilst maintaining an operating profit margin of 5,4% (Feb 2015: 5,3%).

All the divisions within the business unit performed well. The Mechanical Division's order book is under pressure due to the lack of work in the traditional mining infrastructure environment. There are some potential opportunities on existing mining plants, operating power stations and cross border prospects.

M&E's order book at February 2016 was R1,2 billion (Feb 2015: R1,2 billion).

STRUCTURES

Due to the significant reduction in infrastructure projects emanating from both the government and private sectors, Structures ended the year with a reduction in contract revenue and operating profit to R2,1 billion (Feb 2015: R2,5 billion) and R47 million (Feb 2015: R79 million) respectively. An operating profit margin of 2,2% from the 3,1% of the previous year, bears testament to the continuing decline in the infrastructure market available to this business unit. Cost cutting measures are ongoing as the business aligns itself to market conditions.

The Civils divisions continue to perform to expectations, within the constraints of limited infrastructure spend. The number of large projects available in the market remains limited and work is being secured predominantly from medium-sized projects (R100 million to R350 million). This trend is expected to continue in the medium term.

The Geotechnical Division performed well and met its financial targets within the overall structures and building markets in which it operates. Medium to larger anchor projects are scarce.

The lack of infrastructure spend now experienced in the local marine environment together with a loss making project, has resulted in the Marine Division yielding a negative result for the first time in the company's history. This division's order book remains under pressure. Other than a few potential projects in South Africa, mainly cross-border opportunities along the sub-Saharan coastline of Africa are being pursued.

At February 2016 Structures' order book was R2,0 billion (Feb 2015: R2,2 billion).

BUILDING

As a consequence of the ongoing competitive trading environment, the Building Business Unit's contract revenue reduced to R3,7 billion from R4,4 billion. The operating profit, excluding the profit on sale of the investment property and fair value adjustment, improved to R45 million (Feb 2015: R5 million), resulting in an operating profit margin of 1,2% (Feb 2015: 0,1%). The results of the equity-accounted Middle East operation is excluded from operating profit.

The Housing, KwaZulu-Natal and South Divisions continue to produce encouraging results.

Although all contracts within the Inland Division were profitable the delay in contract awards have resulted in holding costs not being recovered. Potential awards are imminent which should improve the financial position for the following year.

Overall the cross-border operations contributed positively to the business unit's performance, with Mozambique generating the greater portion of the returns.

Building's order book at February 2016 was R4,2 billion (Feb 2015: R4,2 billion).

SAFETY

Management and staff remain committed to enhance health and safety policies, procedures and together strive to constantly improve the group's safety performance. The group's lost time injury frequency rate (LTIFR) as at end February 2016 improved to 0,10 from 0,20 of the comparative year. The group's recordable case rate (RCR) for the year reduced to 0,59 as opposed to the 1,49 recorded at February 2015.

DISCONTINUED OPERATIONS

During the year, the group finalised its exit strategy from the Power business. This involved the sale of certain items of plant and equipment, settlement of financing arrangements and finalisation of outstanding contractual related matters.

	2016 R'000	2015 R'000
POWER		
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Revenue	**—**	75 260
Other income	**—**	84
Expenses	**(41 331)**	(154 971)
Loss before tax	**(41 331)**	(79 627)
Tax	**11 567**	23 744
Loss after tax	**(29 764)**	(55 883)
STATEMENT OF FINANCIAL POSITION		
Non-current assets	**—**	22 066
Current assets	**31 769**	62 908
Total assets	**31 769**	84 974
Non-current liabilities	**1 769**	8 821
Current liabilities	**27 729**	36 819
Total liabilities	**29 498**	45 640

The disposal of the group's 49% investment in Zener occurred on 1 January 2016. The amounts recognised on the discontinuance of Zener are reflected below.

	2016 R'000	2015 R'000
ZENER STEWARD		
Share of losses of equity-accounted investees	**(34 672)**	(6 259)
Net gain on disposal of foreign investment	**6 768**	—
Provision for bad debt	**(20 969)**	—
Loss for the year	**(48 873)**	(6 259)
The effect of the discontinued operations on earnings per share are as follows:		
Loss per share (cents)	**(44,99)**	(35,53)
Diluted loss per share (cents)	**(41,81)**	(33,04)

Two unutilised properties, which were included as part of non-current assets held for sale in the prior year, were disposed of during the current year.

OUTLOOK AND STRATEGY

As mentioned in previous reporting periods, due to low level of business confidence in the private and lack of activity in the government sector, the South African construction market continues to be extremely challenging. The escalating levels of competition for available work may further impact operating profit margins going forward.

Notwithstanding the above, there remains potential growth in certain sectors of the economy, which provide opportunities for our Roads and Earthworks, Building, Oil and Gas and Electrical and Instrumentation operations. In other sectors the group is well positioned to take advantage of the medium-sized projects coming to the local marketplace to maintain the order book.

The group maintains its focus on cash management across all its businesses.

Our multidisciplinary and geographically diversified business structure continues to provide a robust platform upon which the group is able to position itself as a strong competitor in the Southern African construction market.

The group continues to look for opportunities both in Southern Africa and on a more selective basis further afield in sub-Saharan Africa.

Over the past two years the order book has remained relatively constant between R12,0 and R13,0 billion. There are potential cross-border awards in the short to medium term that will improve the order book.

The auditors have not reviewed any forward looking statements.

COMPETITION COMMISSION MATTERS

In addition to the two matters previously reported the company has received a third legal notification, arising out of the Competition Commission Fast Track Settlement Process in 2013.

As previously reported, the first matter relates to a complaint initiated by the Competition Commission into an alleged "World Cup Stadia Meeting", which has been referred to the Competition Tribunal for adjudication. Stefanutti Stocks has been cited as one of the respondents.

The second matter relates to a civil damages claim initiated by the City of Cape Town in respect of the Green Point Stadium, following the findings and the imposition of administrative penalties by the competition authorities. Stefanutti Stocks, having paid a penalty under these findings, has now been cited as one of the defendants.

A new and third matter relates to a civil damages claim initiated by SANRAL in respect of the Gauteng Freeway Improvement Project, following the findings and the imposition of administrative penalties by the competition authorities. Stefanutti Stocks, having paid a penalty under these findings, has now been cited as one of the defendants.

In conjunction with 14 other contractors, Stefanutti Stocks received notice from the Construction Industry Development Board of its intention to launch a formal inquiry regarding the contractor's conduct that gave rise to the penalties imposed by the Competition Commission. This process has not been finalised.

Stefanutti Stocks is confident that on the facts currently available, it will be able to successfully defend all the above matters and it has accordingly not made any provision for these.

DIVIDEND DECLARATION

Notice is hereby given that no dividend will be declared (Feb 2015: Nil).

SUBSEQUENT EVENTS

Business combinations

With effect from 1 March 2016, the group acquired an effective 74% stake in the following two empowered construction businesses active in the South African petrochemical market:

- KLB Mkhize Electrical Projects (Pty) Ltd (KLB), an electrical and instrumentation company for a purchase consideration of R7 million and
- Celik Engineering (Pty) Ltd (Celik), a mechanical and structural piping engineering company for a purchase consideration of R2 million.

The effective 74% stake is by way of a subsidiary holding 49% direct interest as well as a 25% indirect interest, through another entity that purchased the other 51%.

In terms of IFRS 3: Business Combinations the initial accounting for the acquisition has only been determined provisionally, as the Purchase Price Allocation has not been completed. The carrying value of assets and liabilities, as noted in the table below, are based on unaudited amounts and approximate the fair value of assets and liabilities before acquisition.

	KLB	Celik
Acquisition date	1 March 2016	1 March 2016
Effective voting equity	74%	74%
	R'000	R'000
Total purchase consideration	7 000	2 000
UNAUDITED AT ACQUISITION VALUES	2 463	354
NON-CURRENT ASSETS	473	239
Property, plant and equipment	473	239
CURRENT ASSETS	7 404	2 402
Trade and other receivables	6 168	1 747
Intergroup loans	652	—
Bank balances	584	655
NON-CURRENT LIABILITIES	708	486
Shareholders' loans	708	486
CURRENT LIABILITIES	4 706	1 801
Trade and other payables	3 203	775
Intergroup loan accounts	—	803
Taxation	1 503	223
Goodwill arising on acquisition	4 537	1 646
Acquisition related costs	105	105
Impact on revenue and profit or loss if the business combination took place on 1 March 2015		
Revenue for the year 1 March 2015 to 29 February 2016	32 223	6 133
Profit before tax for the year 1 March 2015 to 29 February 2016	5 366	795

The above transactions will be settled in cash. The goodwill arising from the acquisitions is attributable to the cost of acquiring empowered companies established in a select industry in the South African market. The carrying value of trade receivables amounting to R6 million and R2 million respectively, approximates the fair value and the group is of the opinion that all receivables will be recovered. The acquisition-related costs were incurred subsequent to year-end.

OTHER

The third instalment of the Competition Commission penalty amounting to R77 million including interest, was paid on 23 March 2016.

No other material reportable events have occurred between the reporting date and the date of this announcement.

APPRECIATION

We would like to extend our appreciation to the board, management and staff, for their continued commitment and dedication during these challenging times. We would also like to extend our gratitude to all our customers, suppliers, service providers and shareholders for their ongoing support. We trust that this commitment and support will continue as we strive to further enhance our business performance.

On behalf of the board

Kevin Eborall
Chairman

Willie Meyburgh
Chief Executive Officer

14 July 2016

Summarised consolidated statement of profit or loss and other comprehensive income

FOR THE YEAR ENDED FEBRUARY

CONTINUING OPERATIONS	% (Decrease)/ Increase	2016 R'000	Restated 2015 R'000
REVENUE	(9)	**9 737 386**	10 648 379
Contract revenue	(8)	**9 669 473**	10 567 643
EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION (EBITDA)	11	**551 238**	496 730
Depreciation and amortisation		**(159 273)**	(161 349)
OPERATING PROFIT BEFORE INVESTMENT INCOME	17	**391 965**	335 381
Investment income		**34 049**	41 544
Share of profits of equity-accounted investees		**19 040**	32 720
OPERATING PROFIT BEFORE FINANCE COSTS		**445 054**	409 645
Finance costs		**(60 422)**	(41 664)
PROFIT BEFORE TAXATION		**384 632**	367 981
Taxation		**(120 114)**	(102 678)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**264 518**	265 303
Loss after tax for the year from discontinued operations		**(78 637)**	(62 142)
PROFIT FOR THE YEAR		**185 881**	203 161
OTHER COMPREHENSIVE INCOME		**34 107**	152
Exchange differences on translation of foreign operations (may be reclassified to profit/(loss))		**84 980**	152
Reclassification adjustment from foreign currency translation reserve due to disposal of a foreign investment		**(62 193)**	—
Reclassification adjustment from foreign currency translation reserve due to disposal of the investment property		**11 320**	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**219 988**	203 313
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Equity holders of the company		**182 317**	200 812
Profit from continuing operations		**260 954**	262 954
Loss from discontinued operations		**(78 637)**	(62 142)
Non-controlling interest — profit from continuing operations		**3 564**	2 349
		185 881	203 161
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the company		**214 582**	201 452
Profit from continuing operations		**293 219**	263 594
Loss from discontinued operations		**(78 637)**	(62 142)
Non-controlling interest — profit from continuing operations		**5 406**	1 861
		219 988	203 313
BASIC EARNINGS PER SHARE (CENTS)			
From continuing operations		**149,30**	150,37
From total operations		**104,31**	114,84
DILUTED EARNINGS PER SHARE (CENTS)			
From continuing operations		**138,75**	139,81
From total operations		**96,94**	106,77

Summarised consolidated statement of financial position

AT YEAR-END

	2016 R'000	2015 R'000
ASSETS		
NON-CURRENT ASSETS	**2 565 762**	2 678 885
Property, plant and equipment	**1 099 712**	1 109 652
Investment property	**—**	61 507
Equity-accounted investees	**189 458**	232 255
Goodwill and intangible assets	**1 248 529**	1 256 449
Deferred tax assets	**28 063**	19 022
CURRENT ASSETS	**3 946 516**	3 844 532
Other current assets	**2 877 227**	2 866 395
Taxation	**52 392**	21 028
Bank balances	**985 128**	848 665
	3 914 747	3 736 088
Assets of discontinued operation and non-current assets held for sale	**31 769**	108 444
TOTAL ASSETS	**6 512 278**	6 523 417
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES	**2 608 532**	2 399 334
Equity holders of the company	**2 600 717**	2 396 925
Non-controlling interest	**7 815**	2 409
NON-CURRENT LIABILITIES	**231 709**	299 294
Other financial liabilities	**174 629**	248 112
Deferred tax liabilities	**57 080**	51 182
CURRENT LIABILITIES	**3 672 037**	3 824 789
Other current liabilities	**2 232 473**	2 179 104
Excess billings over work done	**1 229 212**	1 539 683
Taxation	**46 666**	26 932
Bank balances	**134 188**	33 430
	3 642 539	3 779 149
Liabilities directly associated with the discontinued operation	**29 498**	45 640
TOTAL EQUITY AND LIABILITIES	**6 512 278**	6 523 417

Summarised consolidated statement of changes in equity

FOR THE YEAR ENDED FEBRUARY

	Share capital and premium R'000	Share based payments reserve R'000	Foreign currency translation reserve R'000	Revaluation surplus reserve R'000	Retained earnings R'000	Attributable to equity holders of the company R'000	Non-controlling interest R'000	Total equity R'000
BALANCE AT 28 FEBRUARY 2014	1 031 009	29 246	125 164	27 608	981 546	2 194 573	548	2 195 121
Treasury shares disposed	900	(1 101)	—	—	1 101	900	—	900
Total comprehensive income	—	—	640	—	200 812	201 452	1 861	203 313
Profit for the year	—	—	—	—	200 812	200 812	2 349	203 161
Exchange difference on translation of foreign operations	—	—	640	—	—	640	(488)	152
BALANCE AT 28 FEBRUARY 2015	**1 031 909**	**28 145**	**125 804**	**27 608**	**1 183 459**	**2 396 925**	**2 409**	**2 399 334**
Treasury shares acquired	**(4 806)**	**—**	**—**	**—**	**—**	**(4 806)**	**—**	**(4 806)**
Realisation of revaluation reserve	**—**	**—**	**—**	**(4 443)**	**4 443**	**—**	**—**	**—**
Tax on revaluation of properties	**—**	**—**	**—**	**(5 984)**	**—**	**(5 984)**	**—**	**(5 984)**
Total comprehensive income	**—**	**—**	**32 265**	**—**	**182 317**	**214 582**	**5 406**	**219 988**
Profit for the year	**—**	**—**	**—**	**—**	**182 317**	**182 317**	**3 564**	**185 881**
Other comprehensive income	**—**	**—**	**32 265**	**—**	**—**	**32 265**	**1 842**	**34 107**
BALANCE AT 29 FEBRUARY 2016	**1 027 103**	**28 145**	**158 069**	**17 181**	**1 370 219**	**2 600 717**	**7 815**	**2 608 532**

Summarised consolidated statement of cash flows

FOR THE YEAR ENDED FEBRUARY

	2016 R'000	2015 R'000
Cash generated from operations	**30 010**	301 279
Interest received	**33 144**	41 346
Finance costs	**(42 555)**	(47 062)
Dividends received	**25 392**	14 611
Taxation paid	**(133 447)**	(133 603)
CASH FLOWS FROM OPERATING ACTIVITIES	**(87 456)**	176 571
Expenditure to maintain operating capacity	**(50 429)**	(38 201)
Proceeds on disposals of non-current assets held for sale	**118 899**	—
Expenditure for expansion	**(75 105)**	(119 602)
CASH FLOWS FROM INVESTING ACTIVITIES	**(6 635)**	(157 803)
CASH FLOWS FROM FINANCING ACTIVITIES	**54 935**	(218 947)
NET DECREASE IN CASH FOR THE YEAR	**(39 156)**	(200 179)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**74 893**	12 038
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**815 235**	1 003 410
CASH AT THE END OF THE YEAR — DISCONTINUED OPERATION	**(66)**	(34)
CASH AT THE BEGINNING OF THE YEAR — DISCONTINUED OPERATION	**34**	—
CASH AND CASH EQUIVALENTS AT YEAR-END	**850 940**	815 235

Summarised segment information

FOR THE YEAR ENDED FEBRUARY

	RPM R'000	M&E R'000	Structures R'000	Building R'000	Reconciling segments R'000	Total R'000
SEGMENT INFORMATION 29 FEBRUARY 2016						
Contract revenue	**2 637 921**	**1 216 092**	**2 113 292**	**3 702 168**	**—**	**9 669 473**
Intersegment contract revenues	**31 059**	**42 571**	**100 862**	**31 902**	**—**	**206 394**
Reportable segment profit/(loss)	**145 867**	**49 594**	**34 421**	**60 321**	**(25 685)**	**264 518**
Reportable segment assets	**1 576 826**	**513 170**	**1 210 575**	**1 978 701**	**1 233 006**	**6 512 278**
SEGMENT INFORMATION 28 FEBRUARY 2015						
Contract revenue	2 960 508	666 835	2 532 950	4 407 350	—	10 567 643
Intersegment contract revenues	68 822	51 089	117 047	—	8 752	245 710
Reportable segment profit/(loss)	154 149	24 265	64 285	41 992	(19 388)	265 303
Reportable segment assets	1 562 031	507 058	1 361 633	1 814 664	1 278 031	6 523 417

The segment information, other than reportable segment assets excludes the discontinued operations.

Earnings, headline earnings and net asset value per share

FOR THE YEAR ENDED FEBRUARY

HEADLINE EARNINGS RECONCILIATION

	% (Decrease)	**2016 Continuing operations R'000**	2015 Continuing operations R'000	**2016 Total operations R'000**	2015 Total operations R'000
Profit after taxation attributable to equity holders of the company		**260 954**	262 954	**182 317**	200 812
Adjusted for:					
Profit on disposal of investment property		**(16 158)**	—	**(16 158)**	—
Fair value adjustment on investment property		**(6 066)**	—	**(6 066)**	—
Tax effect on adjustments		**7 924**	—	**7 924**	—
Profit on disposal of plant and equipment		**(7 198)**	(8 594)	**(6 416)**	(8 532)
Tax effect on adjustments		**2 020**	2 403	**1 801**	2 386
Impairment of goodwill		**—**	—	**—**	2 187
Net gain on disposal of foreign investment		**—**	—	**(6 768)**	—
Headline earnings	(6)	**241 476**	256 763	**156 634**	196 853
Number of weighted average shares in issue		**174 779 842**	174 867 128	**174 779 842**	174 867 128
Number of diluted weighted average shares in issue		**188 080 746**	188 080 746	**188 080 746**	188 080 746
Earnings per share (cents)	(1)	**149,30**	150,37	**104,31**	114,84
Diluted earnings per share (cents)	(1)	**138,75**	139,81	**96,94**	106,77
Headline earnings per share (cents)	(6)	**138,16**	146,83	**89,62**	112,57
Diluted headline earnings per share (cents)	(6)	**128,39**	136,52	**83,28**	104,66

NET ASSET VALUE

	2016	2015
Total number of net shares in issue	**173 556 487**	174 940 279
Net asset value per ordinary share (cents)	**1 498,48**	1 370,14
Net tangible asset value per ordinary share (cents)	**779,11**	651,92

Notice of annual general meeting

Stefanutti Stocks Holdings Limited
(Incorporated in the Republic of South Africa)
Registration number: 1996/003767/06
Share code: SSK ISIN: ZAE000123766
("Stefanutti Stocks" or "the company")

Notice is hereby given to the shareholders of the company that the annual general meeting of Stefanutti Stocks will be held at No. 9 Palala Street, Protec Park, corner Zuurfontein Avenue and Oranjerivier Drive, Kempton Park, on Friday, 2 September 2016 at 12:00, to (i) consider and, if deemed fit, to pass, with or without modification, the following ordinary and special resolutions, in the manner required by the Companies Act, as read with the JSE Limited (JSE) Listings Requirements ("JSE Listings Requirements"); and (ii) deal with such other business as may lawfully be dealt with at the meeting.

Important dates

Record date to receive the Notice:
Friday, 22 July 2016

Last date to trade to be eligible to vote:
Tuesday, 23 August 2016

Record date to be eligible to vote:
Friday, 26 August 2016

Last date for lodging forms of proxy (by 12:00):
Wednesday, 31 August 2016

Accordingly, the date on which a person must be registered as a shareholder in the register of the company for purposes of being entitled to attend and vote at the meeting is Friday, 26 August 2016.

NB: Section 63(1) of the Companies Act – Identification of meeting participants.

Kindly note that meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in a shareholders' meeting. Forms of identification include valid identity documents, driver's licences and passports.

Presentation of annual financial statements

The consolidated annual financial statements of the company and its subsidiaries (as approved by the board of directors of the company), including the directors' report, the report of the Audit, Governance and Risk Committee and the external auditors' report for the year ended 29 February 2016, have been distributed as required and will be presented to shareholders.

Refer to the group's website for the annual financial statements 2016.

Ordinary resolutions

Ordinary resolution 1: Adoption of annual financial statements

"RESOLVED THAT the annual financial statements of the company for the year ended 29 February 2016, including the directors' report and the report of the Audit, Governance and Risk Committee, be and are hereby received and adopted."

Percentage of voting rights required to pass this resolution: 50% plus one vote.

Ordinary resolution 2: Re-election of director

"RESOLVED THAT ZJ Matlala, who retires by rotation in terms of the Memorandum of Incorporation of the company and who is eligible and available for re-election, be re-elected as a director of the company."

A brief curriculum vitae in respect of ZJ Matlala is included in Appendix 1 on page 21 of this report of which this notice forms part.

Percentage of voting rights required to pass this resolution: 50% plus one vote.

Ordinary resolution 3: Re-election of director

"RESOLVED THAT LB Sithole who retires by rotation in terms of the Memorandum of Incorporation of the company and who is eligible and available for re-election, be re-elected as a director of the company."

A brief curriculum vitae in respect of LB Sithole is included in Appendix 1 on page 21 of this report of which this notice forms part.

Percentage of voting rights required to pass this resolution: 50% plus one vote.

Ordinary resolution 4: Re-election of director

"RESOLVED THAT NJM Canca, who retires by rotation in terms of the Memorandum of Incorporation of the company and who is eligible and available for re-election, be re-elected as a director of the company."

A brief curriculum vitae in respect of NJM Canca is included in Appendix 1 on page 21 of this report of which this notice forms part.

Percentage of voting rights required to pass this resolution: 50% plus one vote.

Ordinary resolution 5: Appointment of auditors

"RESOLVED THAT Mazars be and are hereby re-appointed as auditors of the company for the ensuing financial year with S Vorster as the individual responsible for the audit and the directors be and are hereby authorised to fix the remuneration of the auditors."

Percentage of voting rights required to pass this resolution: 50% plus one vote.

Ordinary resolution numbers 6, 7, 8 and 9: Appointment of Audit, Governance and Risk Committee members

Ordinary resolution numbers 6, 7, 8 and 9 are in respect of the appointment of members of the Audit, Governance and Risk Committee. The membership as proposed by the board of directors is: NJM Canca, JWLM Fizelle, ZJ Matlala and HJ Craig all of whom are independent non-executive directors. The chairman of the committee is ZJ Matlala.

Ordinary resolution 6: Appointment of Audit, Governance and Risk Committee member

"RESOLVED THAT NJM Canca be appointed as a member of the company's Audit, Governance and Risk Committee with effect from the end of this meeting in terms of section 94(2) of the Companies Act." *

* subject to the passing of resolution 4 above.

Percentage of voting rights required to pass this resolution: 50% plus one vote.

Ordinary resolution 7: Appointment of Audit, Governance and Risk Committee member

"RESOLVED THAT JWLM Fizelle be appointed as a member of the company's Audit, Governance and Risk Committee with effect from the end of this meeting in terms of section 94(2) of the Companies Act."

Percentage of voting rights required to pass this resolution: 50% plus one vote.

Ordinary resolution 8: Appointment of Audit, Governance and Risk Committee member

"RESOLVED THAT ZJ Matlala be appointed as a member of the company's Audit, Governance and Risk Committee with effect from the end of this meeting in terms of section 94(2) of the Companies Act." *

* subject to the passing of resolution 2 above.

Percentage of voting rights required to pass this resolution: 50% plus one vote.

Ordinary resolution 9: Appointment of Audit, Governance and Risk Committee member

"RESOLVED THAT HJ Craig be appointed as a member of the company's Audit, Governance and Risk Committee with effect from the end of this meeting in terms of section 94(2) of the Companies Act."

Percentage of voting rights required to pass this resolution: 50% plus one vote.

Ordinary resolution 10: Company's remuneration policy

"To approve on a non-binding advisory basis, the company's remuneration policy (excluding the remuneration of the non-executive directors for the services as directors and members of board committees)."

The company's remuneration policy and related information appears in Appendix 3 on page 22 of this report.

Reason for this resolution

The reason for this resolution is to comply with the recommendations of King III regarding the key elements and guiding principles of the company's remuneration policy, that is to communicate to shareholders, for the purposes of a non-binding advisory vote, how senior executives and directors of the company are remunerated.

Effect of this resolution

The effect of this resolution is that the shareholders will have taken note of the key elements and guiding principles of the company's remuneration approach and policy and will have given an indication by way of a non-binding advisory resolution whether they have found the aforementioned appropriate.

Percentage of voting rights to pass this resolution: 50% plus one vote.

	FEES PER MEETING	
Rand	**Current fee**	Proposed fee*
Non-executive director	**46 700**	46 700
Audit, Governance and Risk Committee chairman	**87 100**	87 100
Audit, Governance and Risk Committee member#	**46 700**	46 700
Remuneration and Nominations Committee chairman	**46 700**	46 700
Remuneration and Nominations Committee member#	**26 700**	26 700
Social and Ethics Committee chairman	**39 200**	39 200
Social and Ethics Committee member#	**21 000**	21 000
Any other committees to be formed:		
Committee chairman	**34 800**	34 800
Committee member#	**18 700**	18 700

* Proposed fee payable from AGM for financial year ended 29 February 2016 to AGM for financial year ended 28 February 2018.

\# Includes permanent non-executive director invitees.

Special resolutions

Special resolution 1: Directors' fees

"RESOLVED THAT payment to the non-executive directors of the fees for services as directors with effect from the date of this annual general meeting until the date of the annual general meeting of the company for the year ended 28 February 2018 be authorised as noted in the table above.

The Non-executive Chairman is paid an annual fee of R880 200 (2016: R880 200) which is subject to annual review by the Remuneration and Nominations Committee.

Extraordinary services are paid at a rate of R1 800 per hour (2016: R1 800) per hour."

Percentage of voting rights required to pass this resolution: 75%.

Reason for and effect of special resolution 1

The reason for special resolution 1 is to comply with the provisions of the Companies Act. The effect of the special resolution is that, if approved by the shareholders at the annual general meeting, the fees payable to non-executive directors until the annual general meeting for the year ended 28 February 2018, will be as set out in the table. Executive directors are not remunerated for their services as directors, but are remunerated as employees of the company. Attendance fees are only paid for physical attendance (rather than teleconference attendance) of board and committee meetings (other than special or urgent meetings).

The above rates have been proposed to ensure that the remuneration of non-executive directors remains competitive in order to enable the company to retain and attract persons of the calibre, appropriate capabilities, skills and experience required in order to make meaningful contributions to the company.

Special resolution 2: Financial assistance

"RESOLVED THAT to the extent required by the Companies Act, the board of directors of the company may, subject to compliance with the requirements of the company's Memorandum of Incorporation, the Companies Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, authorise the company to provide direct or indirect financial assistance by way of loan, guarantee, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or entity that is or becomes related or inter-related to the company or any of its subsidiaries, and/or to any member of such subsidiary or related or inter-related company or entity, all as contemplated in sections 44 and/or 45 of the Companies Act, for such amounts and on such terms and conditions as the directors of the company may determine.

Such authority to endure until the annual general meeting of the company for the year ended 28 February 2018."

Percentage of voting rights required to pass this resolution: 75%.

Reason for and effect of special resolution 2

Notwithstanding the title of section 45 of the Companies Act, being "Loans or other financial assistance to directors", on a proper interpretation, the body of the section may also apply to financial assistance provided by a company to related or inter-related companies and other entities, including, inter alia, its subsidiaries, associates, joint ventures, partnerships, collaboration arrangements, etc. for any purpose.

Furthermore, section 44 of the Companies Act may also apply to the financial assistance so provided by a company to related or inter-related companies or other entities, in the event that the financial assistance is provided for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities of the company or a related or inter-related company.

Both sections 44 and 45 of the Companies Act provide, inter alia, that the particular financial assistance must be provided only pursuant to a special resolution of the shareholders, adopted within the previous 2 (two) years, which approved such assistance either for the specific recipient, or generally for a category of potential recipients, and the specific recipient falls within that category and the board of directors must be satisfied that:

› immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test; and
› the terms under which the financial assistance is proposed to be given are fair and reasonable to the company.

The company would like the ability to provide financial assistance, if necessary, also in other circumstances, in accordance with section 45 of the Companies Act. Furthermore, it may be necessary or desirous for the company to provide financial assistance to related or inter-related companies and entities to acquire or subscribe for options or securities or purchase securities of the company or another company related or inter-related to it. Under the Companies Act, the company will, however, require the special resolution referred to above to be adopted. In the circumstances and in order to, inter alia, ensure that the company's subsidiaries and other related and inter-related companies and entities have access to financing and/or financial backing from the company (as opposed to banks), it is necessary to obtain the approval of shareholders, as set out in special resolution 2.

Special resolution 3: General authority to repurchase company shares

"RESOLVED THAT the company and/or its subsidiaries be and is hereby authorised, by way of general authority, to acquire ordinary shares issued by the company, in terms of the Companies Act, the Memorandum of Incorporation of the company and the JSE Listings Requirements being that:

(a) any such acquisition of ordinary shares shall be implemented on the open market of the JSE;

(b) this general authority shall only be valid until the company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing this special resolution;

(c) an announcement will be published on SENS as soon as the company has acquired ordinary shares constituting, on a cumulative basis, 3% (three percent) of the number of ordinary shares in issue prior to the acquisition, pursuant to which the aforesaid 3% (three percent) threshold is reached, containing full details of such repurchases;

(d) acquisitions in aggregate in any one financial year may not exceed 20% (twenty percent) of the company's ordinary issued share capital nor may acquisitions in aggregate, from the date of passing this special resolution, exceed 20% (twenty percent) of the company's ordinary issued share capital at the date of passing this special resolution;

(e) in determining the price at which ordinary shares issued by the company are acquired by it in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten percent) of the volume weighted average price at which such ordinary shares are traded on the JSE, as determined over the 5 (five) trading days immediately preceding the date of repurchase of such ordinary shares by the company;

(f) at any point in time, the company will appoint only one agent to effect any repurchase(s) on the company's behalf;

(g) the company or its subsidiary may not repurchase securities during a prohibited period unless it has in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE in writing prior to the commencement of the prohibited period; and

(h) a resolution by the board of directors that it has authorised the repurchase, that the company and its subsidiaries have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the group."

Reason for and effect of special resolution 3

The reason for special resolution 3 is to grant the company a general authority in terms of the Companies Act, the JSE Listings Requirements and the company's Memorandum of Incorporation for the acquisition by the company, or any of its subsidiaries, of shares issued by the company, or its holding company, which authority shall be valid until the earlier of the next annual general meeting of the company or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the company, provided that the general authority shall not extend beyond 15 (fifteen) months from the date of this annual general meeting. The passing of this special resolution will have the effect of authorising the company or any of its subsidiaries to acquire shares issued by the company or its holding company.

The board believes it to be in the interest of the company that shareholders grant a general authority to provide the board with optimum flexibility to repurchase shares as and when an opportunity that is in the best interest of the company arises.

The following additional information as required in terms of the JSE Listings Requirements for the purposes of this general authority is disclosed in the integrated report 2016 and annual financial statements 2016, available on the company's website (www.stefanuttistocks.com) as per the following references:

› directors and management – pages 18 to 23 of the integrated report 2016;
› major beneficial shareholders – page 74 of the annual financial statements 2016;
› directors' interests in ordinary shares – page 44 of the annual financial statements 2016; and
› share capital of the company – page 32 of the annual financial statements 2016.

Litigation statement

The directors whose names appear in Appendix 4 on page 25 of this report of which this notice forms part, and with the exception of the matters noted under regulatory and legislative compliance on page 65 of the integrated report 2016, the directors are not aware of any other legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous 12 (twelve) months, a material effect on the financial position of the company or its subsidiaries.

Directors' responsibility statement

The directors whose names appear in Appendix 4 of this report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all necessary information.

Material changes

Other than the facts and developments reported on in this report and the integrated report 2016, available on the company's website (www.stefanuttistocks.com), there have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report and up to the date of this notice.

Statement by the board of directors of the company

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

› the intention of the directors of the company is to utilise the general authority to repurchase shares in the capital of the company if, at some future date, the cash resources of the company are in excess of its requirements or there are other good reasons for doing so. In this regard, the directors will take account of, inter alia, an appropriate capitalisation structure for the company, the long-term cash needs of the company, and the interests of the company; and

› in determining the method by which the company intends to repurchase its ordinary shares, the maximum number of ordinary shares to be repurchased and the date on which such repurchase will take place, the directors of the company will ensure that:

» the company and its subsidiaries will, after the repurchase, be able to pay their debts as they become due in the ordinary course of business for the next 12 (twelve) months after the date of such repurchase;

» the consolidated assets of the company and its subsidiaries fairly valued and recognised and measured in accordance with the accounting policies used in the latest audited financial statements will, after the repurchase, be in excess of the consolidated liabilities of the company and its subsidiaries for the next 12 (twelve) months after the date of such repurchase;

» the issued share capital and reserves of the company and its subsidiaries will, after the repurchase, be adequate for the ordinary business purposes of the company and its subsidiaries for the next 12 (twelve) months after the date of such repurchase; and

» the working capital available to the company and its subsidiaries will, after the repurchase, be sufficient for the ordinary business requirements of the company and its subsidiaries for the next 12 (twelve) months after the date of such repurchase.

Any matters raised by shareholders, with or without advance notice to the company

To deal, at the annual general meeting, with any matters raised by shareholders, with or without advance notice to the company.

Summary of applicable rights established in section 58 of the Companies Act

For purposes of this summary, the term "shareholder" shall have the meaning ascribed thereto in section 57(1) of the Companies Act.

1. At any time, a shareholder of a company is entitled to appoint any individual, including an individual who is not a shareholder of that company, as a proxy to participate in, speak and vote at a shareholders' meeting on behalf of the shareholder.

2. A proxy appointment must be in writing, dated and signed by the relevant shareholder.

3. Except to the extent that the Memorandum of Incorporation of a company provides otherwise:

   3.1 a shareholder of the relevant company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by such shareholder; and

   3.2. a copy of the instrument appointing a proxy must be delivered to the relevant company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.

4. Irrespective of the form of instrument used to appoint a proxy:

   4.1 the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder of the relevant company; and

   4.2 should the instrument used to appoint a proxy be revocable, 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 the relevant company.

5. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the relevant shareholder as of the later of the date:

   5.1 stated in the revocation instrument, if any; or

   5.2 upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act.

6. Should the instrument appointing a proxy or proxies have been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the relevant company's Memorandum of Incorporation to be delivered by such company to the shareholder must be delivered by such company to:

   6.1 the shareholder; or

   6.2 the proxy or proxies if the shareholder has in writing directed the relevant company to do so and has paid any reasonable fee charged by the company for doing so.

7. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the Memorandum of Incorporation of the relevant company or the instrument appointing the proxy provides otherwise.

8. If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:

   8.1 such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;

   8.2 the company must not require that the proxy appointment be made irrevocable; and

   8.3 the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.

Voting and proxies

A shareholder of the company entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies (who need not be a shareholder of the company) to attend, vote and speak in his/her stead. On a show of hands, every shareholder of the company present in person or represented by proxy shall have one vote only. On a poll, every shareholder of the company present in person or represented by proxy shall have one vote for every share held in the company by such shareholder.

Dematerialised shareholders who have elected own-name registration in the sub-register through a Central Securities Depository Participant (CSDP) and who are unable to attend but wish to vote at the annual general meeting, should complete and return the attached form of proxy and lodge it with the transfer secretaries of the company no later than 12:00 on Thursday, 1 September 2016.

Shareholders who have dematerialised their shares through a CSDP or broker rather than through own-name registration and who wish to attend the annual general meeting must instruct their CSDP or broker to issue them with the necessary authority to attend.

If such shareholders are unable to attend, but wish to vote at the annual general meeting, they should timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that shareholder and his/her CSDP or broker.

Forms of proxy may also be obtained on request from the company's registered office. The completed forms of proxy must be deposited at, posted or faxed to the transfer secretaries at the address below, to be received at least 24 hours prior to the meeting.

Any member who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the annual general meeting should the member subsequently decide to do so.

The practical applications of the aforementioned rights are discussed in the notes to the proxy form attached hereto.

By order of the board.

William Somerville
Company Secretary

14 July 2016

Registered office

No. 9 Palala Street
Protec Park
Cnr Zuurfontein Avenue and Oranjerivier Drive
Kempton Park
1619
P.O. Box 12394, Aston Manor, 1630
Telephone: +27 11 571 4300

Transfer secretaries

Computershare Investor Services (Pty) Ltd
70 Marshall Street
Johannesburg
2001
P.O. Box 61051, Marshalltown, 2107
Telephone: +27 11 370 5000
Fax: +27 11 688 5238

Form of proxy

Stefanutti Stocks Holdings Limited
(Incorporated in the Republic of South Africa)
Registration number: 1996/003767/06
Share code: SSK ISIN: ZAE000123766
("Stefanutti Stocks" or "the company")

For use at the annual general meeting of the company to be held at No 9 Palala Street, Protec Park, corner of Zuurfontein Avenue and Oranjerivier Drive, Kempton Park, on Friday, 2 September 2016 at 12:00 and at any adjournment thereof.

For use by the holders of the company's certificated ordinary shares and/or dematerialised ordinary shares held through a Central Securities Depository Participant (CSDP) or broker who have selected own-name registration (own-name dematerialised shareholders). Additional forms of proxy are available from the transfer secretaries of the company.

Not for the use by holders of the company's dematerialised ordinary shares who are not own-name dematerialised shareholders. Such shareholders must contact their CSDP or broker timeously if they wish to attend and vote at the annual general meeting and request that they be issued with the necessary letter of representation to do so, or provide the CSDP or broker timeously with their voting instructions should they not wish to attend the annual general meeting in order for the CSDP or broker to vote thereat in accordance with their instructions. Terms used in this proxy form have the meanings given to them in the notice of annual general meeting to which this proxy form is attached.

I/We ____________________ (full name in block letters)

of ____________________ (address)

____________________ (e-mail address) ____________________ (telephone number) ____________________ (cellphone number)

being a member(s) of Stefanutti Stocks and holding ____________________ ordinary shares in the company,

hereby appoint ____________________ of ____________________

failing him/her ____________________ of ____________________

failing him/her the chairman of the annual general meeting, as my/our proxy to act for me/us and on my/our behalf at the annual general meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions to be proposed thereat and at any adjournment thereof; and to vote for and/or against the special and ordinary resolutions and/or abstain from voting in respect of the Stefanutti Stocks ordinary shares registered in my/our name(s), in accordance with the following instructions:

	NUMBER OF VOTES		
	For	**Against**	**Abstain**
Ordinary Resolutions			
1. To adopt the annual financial statements of the company for the year ended 29 February 2016, including the directors' report and the report of the Audit, Governance and Risk Committee			
2. To re-elect ZJ Matlala as a director of the company			
3. To re-elect LB Sithole as a director of the company			
4. To re-elect NJM Canca as a director of the company			
5. To re-appoint the auditors			
6. To appoint NJM Canca as a member of the Audit, Governance and Risk Committee			
7. To appoint JWLM Fizelle as a member of the Audit, Governance and Risk Committee			
8. To appoint ZJ Matlala as a member of the Audit, Governance and Risk Committee			
9. To appoint HJ Craig as a member of the Audit, Governance and Risk Committee			
10. To approve the company's remuneration policy			
Special Resolutions			
1. To approve the fees of non-executive directors			
2. To approve financial assistance			
3. General authority to repurchase company shares			

* Please indicate by inserting the relevant number of votes in the appropriate spaces above how you wish your votes to be cast. Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.

Signed at ____________________ (place) on ____________________ (date) 2016

Member's signature ____________________ assisted by ____________________ (if applicable)

Notes to the form of proxy

1. This form of proxy is to be completed only by those members who are:

   (a) holding shares in a certificated form; or

   (b) recorded in the sub-register in electronic form in their own name.

2. Members who have dematerialised their shares, other than own-name dematerialised shareholders, and who wish to attend the annual general meeting must contact their CSDP or broker who will furnish them with the necessary letter of representation to attend the annual general meeting, or they 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 members and their CSDP or broker.

3. Each member is entitled to appoint one or more individuals as a proxy (who need not be a member(s) of the company) to participate in, speak, and vote in place of that member at the annual general meeting.

4. A member wishing to appoint a proxy must do so in writing by inserting the name of said proxy or the name of one alternative proxy of the member's choice on the form of proxy in the space provided, with or without deleting "the chairman of the annual general meeting". The person whose name stands first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.

5. A member's instructions to the proxy must be indicated on the form of proxy by the insertion of the relevant number of votes exercisable by that member in the appropriate box(es) provided. Failure to comply with the above will be deemed to authorise the chairman of the annual general meeting, if the chairman is the authorised proxy, to vote in favour of the ordinary and special resolutions at the annual general meeting, or any other proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit, in respect of all the member's votes exercisable thereat.

6. The proxy shall (unless this sentence is struck out and countersigned) have the authority to vote, as he/she deems fit, on any other resolution which may validly be proposed at the meeting, including in respect of any proposed amendment to the above resolutions. If the aforegoing sentence is struck out, the proxy shall be deemed to be instructed to vote against any such proposed additional resolution and/or proposed amendment to an existing resolution as proposed in the notice to which this form is attached.

7. A member or his/her proxy is not obliged to vote in respect of all the ordinary shares held by such member or represented by such proxy, but the total number of votes for or against the ordinary resolutions and in respect of which any abstention is recorded may not exceed the total number of votes to which the member or his/her proxy is entitled.

8. 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 company's transfer office or waived by the chairman of the annual general meeting.

9. The chairman of the annual general meeting may reject or accept any form of proxy which is completed and/or received other than in accordance with these instructions, provided that he is satisfied as to the manner in which a member wishes to vote.

10. Any alterations or corrections to this form of proxy must be initialled by the signatory(ies).

11. The completion and lodging of this form of proxy will not preclude the relevant member from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.

12. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the company's transfer secretaries.

13. Where there are joint holders of any shares, only that holder whose name appears first in the register in respect of such shares need sign this form of proxy.

14. Any proxy appointment made in terms of this form of proxy remains valid until the end of the annual general meeting, unless revoked earlier.

15. Members are requested to lodge forms of proxy with the transfer secretaries at the address given below at least 24 hours prior to the annual general meeting (see address below). Members are also permitted to deliver proxies to the chairman before the meeting.

    Computershare Investor Services (Pty) Ltd
    Ground Floor, 70 Marshall Street
    Johannesburg, 2001
    PO Box 61051, Marshalltown, 2107
    Telephone: +27 11 370 5000
    Fax: +27 11 688 5238

Appendices to notice of AGM

Appendix 1: Curriculum vitae of Directors standing for re-election

Zanele Matlala

52

Independent Non-executive Director, ARCO chairman

BCom, BCompt (Hons), CA (SA), Advanced Management Programme (Insead)

Appointed: February 2012

Zanele was appointed CEO of Merafe Resources Limited on 1 June 2012, having served as its CFO from 1 October 2010. She has extensive financial services experience gained in various roles – as Group Financial Director of Kagiso Trust Investments and CFO and Executive Manager: Private Sector Investments of the Development Bank of Southern Africa (DBSA). She has also held various positions at the Industrial Development Corporation, including heading the Wholesale Venture Capital Funds.

Bridgman Sithole

53

Independent Non-executive Director, REMCO chairman

Appointed: July 2007

Bridgman is currently Executive Chairman of Mowana Investments (Pty) Ltd (Mowana), a black empowerment investment holding company invested in Stefanutti Stocks. Prior to joining Mowana in 2005, Bridgman was an Executive Director of Strategy and Business Development at Business Connexion. He has also held various senior positions within the ANC, provincial governments and ABSA Bank Limited. Bridgman currently serves on the boards of numerous private companies.

Nomhle Canca

50

Independent Non-executive Director, ARCO member, S&E chairman

BA (Political Science), BA (Economics)

Appointed: July 2007

Nomhle has over 21 years' experience in the financial services industry, having started her career as a stockbroker in Atlanta (USA) and later registered with the New York Stock Exchange. She was the co-founder of Women Investment Portfolio Holding (Wiphold) and Women's Development Bank. She has held various directorships at private and state-owned companies.

Appendix 2: Attendance at board committee meetings

Member	Board	ARCO	REMCO	S&E
Chairman	**KR Eborall**	**ZJ Matlala**	**LB Sithole**	**NJM Canca**
Number of meetings	**5**	**4**	**3**	**3**
KR Eborall	5/5	4/4 ^	3/3	n/a
W Meyburgh (CEO)	5/5	4/4 ^	3/3 ^	2/3
AV Cocciante * (CFO)	3/3	4/4 ^	2/2	2/2 ^
NJM Canca	4/5	2/2	n/a	3/3
HJ Craig **	4/4	2/2	n/a	2/2
T Eboka	4/5	n/a	2/3	3/3
ZJ Matlala	5/5	3/4	n/a	1/1
ME Mkwanazi **	4/4	n/a	2/2	n/a
LB Sithole	4/5	n/a	2/3	n/a
DG Quinn †	5/5	4/4 ^	3/3 @	1/1 ^
JWLM Fizelle (alternate to LB Sithole)	2/2 +	4/4	n/a	n/a

n/a Not applicable.

^ By invitation.

* Appointed as CFO on 1 June 2015.

** Appointed as independent non-executive director on 17 April 2015.

† Appointed as non-executive director on 1 June 2015.

\+ Attended one meeting on behalf of LB Sithole and one meeting together with him.

@ Attended one meeting as an invitee and two as a member.

Appendix 3: Remuneration report

Introduction

The remuneration report of the Stefanutti Stocks board sets out the information applicable to the group's remuneration strategy and remuneration policy. The Remuneration Committee (REMCO/ the committee) assists the board in determining remuneration policies for the group and has set the remuneration policy for financial year-end 2016 (FYE2016). The matters raised at the annual general meeting in September 2015 have been taken into account in this process.

The board has approved the information provided by the committee in this report and accepted its recommendations.

The overall principle of the Stefanutti Stocks remuneration policy is to align the long-term strategic interests of the company and its senior executives with those of its shareholders. The purpose of the policy is to continually motivate employees at all levels in combination with optimal retention and recruitment practices.

The group has taken an approach to remuneration which will ensure that employees are incentivised to achieve an appropriate balance between the short- and long-term strategic objectives of the company.

The key issues that are addressed in this remuneration report, which are in accordance with the remuneration guidelines of King III, are as follows:

› REMCO;
› Remuneration philosophy and policy; and
› Implementation.

REMCO

The committee is responsible for the development and oversight of the group's remuneration philosophy and policy. The composition, mandate, role and responsibilities of the committee are set out in written terms of reference, which have been approved by the board.

Composition

At year-end the REMCO consisted of LB Sithole (Chairman), DG Quinn, ME Mkwanazi and T Eboka.

During the year Mr ME Mkwanazi was appointed to the board (17 April 2015) and to REMCO (1 June 2015) as an independent non-executive director. In addition, Mr DG Quinn was appointed to the board and to REMCO (1 June 2015) as a non-executive director. As per King III, the majority of members, are independent non-executive members. In addition, the board Chairman who chairs the Nominations Committee, the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and the Human Resources Executive attend meetings by invitation. The Company Secretary attends all meetings as the secretary of the committee.

The committee has access to independent advisors to ensure that it receives expert advice on remuneration matters, both in general and on industry-specific terms. The CEO, CFO and the Human Resources Executive also make recommendations to the committee, however, they are excluded from deliberations in respect of their own remuneration.

Meetings

The committee met three times during the year. The following key remuneration decisions were taken during the year:

› Review and approval of the company's remuneration policy, and submission thereof to shareholders for a non-binding advisory vote at the annual general meeting.
› Revision and approval of the executive directors' incentive scheme (EDIS).
› Approval of the short-term incentive payments for the executives made under the EDIS.
› Review and approval of the company and operational directors' short-term incentive scheme (DPSIS).
› Review and approval of the succession plans and principles for the executive directors and the Executive Committee (EXCO).
› Approval of the short-term incentives payments for company, operational and all other directors, made under the DPSIS.
› Approval of the long-term incentive payments made to executive directors.
› No long-term incentive payments were made to company, operational directors and all other directors.
› Review and approval of the key performance areas (KPAs) for executive directors.
› Approval of the short-term incentive payments made to executive directors in terms of KPA achievement.
› Approval of the following annual total fixed package (TFP) increases:
  » General salaried staff — 6%
  » Company and operational directors — 6%
  » EXCO (including CEO and CFO) — 6%
› Review and recommendation of the non-executive directors fees.
› Recommendation to approve certain projects to be undertaken by Mr DG Quinn, at an approved hourly rate, to the board. The projects and hourly rate to be reviewed and approved on an annual basis.
› Recommendation that the Mergers and Acquisitions and Disposals Committee be discontinued and a special committee be formed when necessary under the Audit, Governance and Risk Committee (ARCO).

The following key nomination decisions were taken during the year:

› The recommendation of the following non-executive director appointments to the board:
  » HJ Craig — independent non-executive director
  » ME Mkwanazi — independent non-executive director
  » DG Quinn — non executive director
› The recommendation of the appointment of Mr AV Cocciante as the group CFO, with effect from 1 June 2015, to the board.
› The recommendation of the re-election of the following non-executive directors retiring at the 2015 annual general meeting. (Ms T Eboka and Mr KR Eborall)
› The recommendation that Mr DG Quinn remain as a member of the Pension Fund Advisory Body at the approved non-executive director hourly rate. The position to be reviewed on an annual basis.
› Review of the role and function of the Board Chairman.
› Recommendation that Mr KR Eborall remain as chairman for a further year, noting his age of 71 years.

Attendance at these meetings is shown in the table set out on page 21.

Role and responsibilities

The written terms of reference of the committee are reviewed annually. During the year under review all remuneration policies were reviewed by the committee to ensure that the policies remained appropriate and aligned, as far as practically possible, with the principles of King III and the Companies Act.

The committee's role and responsibilities with regard to board members include:

› Ensuring the committee comprises at least two independent non-executive directors, with the appropriate skills and experience;
› Assessing the composition of the board and any deficiencies in this regard;
› Identifying and recommending nominees to the board (prior to a nomination, appropriate background checks are performed on any proposed new director);
› Reviewing directors' independence annually and establishing those directors standing for re-election at the annual general meeting;
› Revising and approving of the role of the chairman and recommending to the board, the extension of the chairman's contract for a further year (greater than age threshold of 70 years).

- Ensuring that an adequate succession plan is in place for all senior management positions;
- Recommending to the board the annual TFP, short- and long-term incentives, and other benefits paid to the executive directors and EXCO members;
- Determining short- and long-term incentive pay structures for qualifying staff; and
- Reviewing and approving the annual increases for executives, company and operational directors and monthly paid employees.

Responsibility for senior management appointments and remuneration has been assigned to the CEO. The CEO provides feedback to the committee and the board in this regard.

The committee is currently reviewing the future long-term incentivisation parameters for executive directors made under the EDIS, to further align shareholder and executive directors' interests, by matching future vesting criteria of Forfeitable Share Plan (FSP) awards to future performance conditions over a period of not less than three years.

Retirement age for non-executive directors is 70 years.

Remuneration philosophy and policy

The company's philosophy is to employ dynamic and competent individuals who subscribe to the group's culture and values. Stefanutti Stocks strives to provide a working environment, which encourages the development and personal growth of employees within the framework of company objectives. The group rewards executive management and employees for their contributions by:

- paying market competitive TFPs (base salary and benefits);
- paying appropriate annual short-term incentive awards; and
- making appropriate long-term incentive awards to executives and all other directors in terms of the FSP, which was approved at a general meeting in August 2009.

The committee considers these factors within an overall remuneration policy which is designed to meet the company's needs by attracting, retaining, motivating and ensuring the behaviour of the group's employees are aligned with the overall group strategy over the short, medium and long term.

External advisors are utilised to assist in various benchmarking processes, which ensure that new and existing employees are rewarded by remuneration packages that are both competitive and attractive.

The key principles of the remuneration policy are as follows:

- The TFP includes a base salary, retirement fund contributions and certain other benefits.
- Total remuneration is targeted to be within the upper quartile of relevant industry benchmarks, but in light of prevailing conditions, is currently paying at the median of this benchmark.
- An appropriate mix between TFP and short- and long-term incentives.
- The short-term component is designed to achieve group objectives in the short and medium term.
- Long-term share incentive participation is designed to align the executive directors' performance with shareholder expectations.

Implementation

Guaranteed remuneration

When structuring guaranteed packages, the group applies a TFP approach. The policy is to pay, at the median on average, when compared to similar positions throughout the industry. However, not all employees will be paid in accordance with this guideline as other factors, such as individual performance, special requirements and supply and demand, are also taken into account.

The benchmark information used for project or operational appointments comes from within the industry in which the company operates, and, also where relevant, the general South African market.

Benefits such as pension, medical aid and car allowance are included in the TFP. It is obligatory that all permanent salaried employees of Stefanutti Stocks belong to the Stefanutti Stocks Pension Fund. Membership of a funeral policy plan, which is independent of the pension scheme, is also mandatory for all South African group employees.

The Stefanutti Stocks Pension Fund is a defined contribution fund and provides retirement funding and risk cover services.

It is also compulsory for all new salaried employees to join the group's prescribed medical aid, unless the employee can prove that he/she is a dependant on another medical aid.

Hourly-paid employees' remuneration, bonuses and other benefits are determined at industry bargaining council level. The company offers these employees membership to the Stefanutti Stocks Provident Fund, which provides retirement funding and risk cover services. Membership of an approved funeral policy insurance plan is also compulsory for limited duration contract employees.

Variable remuneration

Short-term incentives

Within the group, executive, company and divisional directors and most salaried employees qualify for annual short-term performance incentives based on the relevant company, business unit, divisional or specific contract performances.

Executive Directors Incentive Scheme (EDIS)

Main board executive directors' variable remuneration falls under the EDIS. The short-term incentive available to the executive directors under this scheme, is based upon a combination of the following three metrics:

Financial Targets

Financial targets account for 80% of possible short-term incentives payable to executive directors.

- **Operating profit margin (OP):** An annual expected OP is established at the commencement of each financial year, with maximum and minimum thresholds applied thereafter on a sliding scale. The expected OP is internally reviewed on an annual basis, and based on relevant industry and peer comparatives.
  - On achievement of the expected OP of 3,0%, an award of 100% of the TFP is made;
  - If the OP achieved is below the minimum threshold of 1,0%, no award is made; and
  - If the OP achieved is at or above the maximum threshold of 5,0%, a maximum of 200% of the TFP is made.

The OP awards earned by the CEO and CFO, based upon the financial year-end 2015 (FYE2015) reported results and an operating margin of 3,1%, amounted to 105% of their TFPs.

- **Return on equity (ROE):** An annual targeted ROE is also established at the commencement of each financial year, targeted to meet the company's weighted average cost of capital (WACC), also with maximum and minimum thresholds and again applied on a sliding scale.
  - On achievement of the targeted ROE meeting WACC metric, the full amount calculated under the OP metric remains unchanged.
  - If this ROE/WACC metric falls below the minimum threshold of WACC minus 6%, a factor of 75% is applied to the amount calculated under the OP metric.
  - If this ROE/WACC metric is at or above the upper threshold of WACC plus 6%, a factor of 125% is applied to the amount calculated under the OP metric.

The impact of not achieving the company's WACC for the FYE2015 reported results produced a dilution of 14,4% of the OP award to the CEO and CFO.

- Under this scheme, the maximum total short-term incentive payable to executive directors, is 250% of TFP, while the minimum award is nil.
- In the absence of the group having any long-term incentivisation scheme for executives in place in 2013, the board awarded a retention bonus of R1 million to Mr DG Quinn, conditional upon him remaining with the company until 30 April 2015. This condition was met and was paid in FYE2016.

Personal objectives

Personal objectives account for 20% of possible short-term incentives payable to executive directors.

At the commencement of each year, personal objectives are set out under KPAs, by the board, for executive directors. These KPA objectives were applied subjectively to the short-term incentives for executives for FYE2015, but accounted for 20% of the short-term incentive awarded to the CEO and CFO for FYE2016.

Directors Profit Share Incentive Scheme (DPSIS)

For qualifying company and operational directors', other than executive directors, variable remuneration falls under the DPSIS. Short-term incentives payable to all directors are earned under this scheme and are based on a predetermined percentage of financial year-end audited profit before tax (PBT). This predetermined PBT percentage metric is regularly reviewed by the board, in light of industry and peer comparatives:

- Each division generates a profit share pool (Pool) based upon the above predetermined metric. This amount is initially provided for in the annual budgets and thereafter provided for on a monthly basis, until fully provided for by each division at financial year-end.
- The amount generated under the Pool is used to pay the relevant business unit and operational directors, based on:
  - A TFP weighting for each director; and
  - A subjective adjustment after input from the relevant business unit's managing director and executive directors.
- This scheme targets a maximum award of 200% of TFP, with a minimum of nil where no profits are generated.

Long-term incentives

Long-term incentives are applicable to those directors who contribute to the company's long-term objectives, and whose services should be retained to that end. These long-term incentives are designed to create a community of interest between executives and shareholders.

Stefanutti Stocks Share Option Scheme

The company has ceased using its share option scheme, and no options have been issued since February 2009. Outstanding awards in terms of the scheme will lapse in 2017.

Forfeitable Share Plan (FSP)

The FSP was introduced in 2009 to replace the Stefanutti Stocks Share Option Scheme, and was approved by shareholders at a general meeting held on 25 August 2009. The committee considers annual allocations of forfeitable shares and in terms of the FSP and company shares are purchased in the market, at the ruling price and are therefore non-dilutory to shareholders.

The maximum number of shares issued under the FSP to which a company and operational director is entitled, will not exceed 1% of the current issued share capital. The aggregate number of shares granted under the FSP (and outstanding options under the Stefanutti Stocks Share Option Scheme) at any one time, will not exceed 10% of the current issued share capital. Shares issued under the FSP vest with the relevant company and operational director, on the anniversary of the third year after the award date, provided the director still remains employed within the group.

Forfeitable shares previously awarded are forfeited in instances of dismissal for misconduct, poor performance, dishonesty or resignation (fault termination). In instances of death, ill health or disability, retrenchment, retirement or where the employer company ceases to be a subsidiary of the company (no fault termination), a proportional vesting of forfeitable shares previously awarded takes place based on the number of months served since the award date.

Executive directors

The long-term incentive award of forfeitable shares is generally granted on an annual basis in order to mitigate unanticipated outcomes arising out of cyclical factors and share price volatility.

The long-term incentive award of forfeitable shares is based upon the lesser of:

- The average of the short-term awards made over the previous three years, multiplied by an approved benchmark factor (CEO – 1,08, CFO – 0,85); or
- 100% of the annual TFP

The long-term incentive awards earned by the CEO and CFO based upon the FYE2015 reported results amounted to 58,9% of their TFPs.

The maximum amount that can therefore be awarded as a long-term incentive (under the FSP) will not exceed 100% of the TFP.

Company and operational directors

The committee, determines the value of forfeitable shares to be awarded to the directors taking into account the financial performance of the group. This will be a percentage of audited financial year-end profit after tax. No awards were made this year.

The tables showing the breakdown of the annual remuneration of directors for the years ended 29 February 2016 and 28 February 2015 are set out in note 26 to the annual financial statements.

Key Man Attraction and Retention Scheme

The committee approved the implementation of a Key Man Attraction and Retention Scheme in 2012. The primary purpose of this scheme is to enable the company to compete for new, and retain existing, key employees on an equal footing with its competitors.

This remuneration is outside of the standard TFP, annual bonus and long-term incentives.

This scheme recognises that there are occasions when additional incentives, in the form of forfeitable shares or retention bonuses, may need to be provided, such as:

- In making an employment offer to an individual when it is necessary to offer compensation for relinquishing an existing long-term incentive; or
- To prevent the solicitation of key members of staff by third-party organisations. The potential recruitment cost of replacement is considered in such cases.

Non-executive directors fees

Recommendations are made to the committee by the executive directors and Human Resources Executive, for onward review by the board and submission to shareholders.

Non-executive directors remuneration is compared to the company's industry peer group on an annual basis.

Non-executive directors are compensated based on attendance fees. The fees are based on the size and complexity of the group and also take into account industry practices and independent fee surveys provided to the committee.

No distinction is made between fees payable to independent non-executive directors and other non-executive directors. The fees of the Chairman and if applicable, the Lead Independent Director take their expanded roles into account.

Non-executive directors qualify for reimbursement of expenses incurred in performing their duties for and on behalf of the company. Should the board require a non-executive director to undertake a specific project on behalf of the company, this will be authorised beforehand and executed at a pre-approved hourly rate, which will not exceed the rate as approved annually by shareholders.

Non-executive directors do not have service contracts. Instead, letters of appointment serve to confirm their terms of engagement, and include matters such as fees, term of office, expected time commitment, share dealing and board performance assessment. The Chairman has a letter of appointment, which is specific to his responsibilities and functions.

All non-executive directors are appointed for a term of three years and are obliged to retire at the end of that period. They may offer themselves for re-election at the annual general meeting.

Upon recommendation from the Nominations Committee, the board will, on an annual basis, consider the continued services of any non-executive director who has reached the age of 70 years.

The fees paid to non-executive directors for the financial year ending 29 February 2016 and 28 February 2015 are reflected in the annual financial statements.

Non-executive directors are not required to be shareholders and they do not qualify to participate in any incentive scheme that is operated by the group.

At the annual general meeting of shareholders scheduled for 2 September 2016, shareholders will be asked to pass a special resolution to take effect from 2 September 2016 approving non-executive directors' fees. Details of these fees are also set out in the notice of annual general meeting commencing on page 14.

In light of the current macro-economic conditions facing the company and the industry as a whole, REMCO and the board resolved that the fees approved by shareholders at the 2015 annual general meeting should remain unchanged and accordingly no increase in fees is proposed at the 2016 annual general meeting.

Directors' service contracts

Executive directors are employed on standard contracts of employment within the group. These contracts are not fixed-term contracts and do not provide for termination payment. The normal retirement age is set at 65 years.

Directors' shareholding

The aggregate beneficial holdings at 29 February 2016 and 28 February 2015, held by the directors of the company in the issued shares of the company are detailed in the annual financial statements.

Directors' trading in company securities

As standard group policy, directors are required to obtain clearance prior to trading in the company's securities. Such clearance must be obtained from the Chairman or the CEO. The Chairman obtains approval from the CEO or a designated director prior to his trading in the company's securities. Directors are required to inform their portfolio/investment managers not to trade in the securities of the company unless they have specific written instructions from that director to do so. Directors may not trade in their shares during closed periods.

Directors are further prohibited from dealing in the company's shares at any time when they are in possession of unpublished price-sensitive information in relation to the company, or where clearance to trade is not given.

Post year-end share transactions

The transactions that took place post year-end are reflected in the annual financial statements.

Share options

The details of the executive directors' share options are set out in the annual financial statements.

Interest of directors in contracts

Directors are required to notify the company of their interests in contracts and this is a standard agenda item at each board meeting. There have been no material changes post 29 February 2016 to date.

Information regarding related-party transactions is set out in the annual financial statements.

Prescribed officers

Directors and prescribed officers as defined in terms of the Companies Act, have been assessed and identified as executive and company directors, as well as certain EXCO members.

On behalf of the REMCO

LB Sithole
Chairman

14 July 2016

Appendix 4: Directors of Stefanutti Stocks Holdings Limited

Non-executive directors

KR Eborall# (Chairman)

NJM Canca#

ZJ Matlala#

T Eboka#

LB Sithole#

JWLM Fizelle# (alternate to LB Sithole)

HJ Craig#

ME Mkwanazi#

DG Quinn

Independent.

Executive directors

W Meyburgh (Chief Executive Officer)

AV Cocciante (Chief Financial Officer)

Notes

Notes

Abbreviations

"AGM"
Annual general meeting

"ARCO"
Audit, Governance and Risk Committee

"CEO"
Chief Executive Officer

"CFO"
Chief Financial Officer

"REMCO"
Remuneration and Nominations Committee

"S&E"
Social and Ethics Committee

Corporate information

Company Information	**Stefanutti Stocks Holdings Limited** Share code: SSK ISIN: ZAE000123766 JSE Sector: Construction Year end: 28 February
Registration Number	1996/003767/06
Country of Incorporation	South Africa
Registered Office	No. 9 Palala Street, Protec Park, Cnr Zuurfontein Avenue and Oranjerivier Drive, Kempton Park, 1619
Postal Address	PO Box 12394, Aston Manor, 1630
Telephone Number	+27 11 571 4300
Facsimile	+27 11 976 3487
Directors	**As at 14 July 2016** KR Eborall# (Chairman); NJM Canca#; ZJ Matlala#; T Eboka#; LB Sithole#; HJ Craig#; ME Mkwanazi#; JWLM Fizelle# (alternate to LB Sithole); DG Quinn; W Meyburgh (CEO); AV Cocciante (CFO) # Independent Non-executive Directors
Company Secretary	**WR Somerville** 20 Lurgan Road, Parkview, 2193 Telephone number: +27 11 326 0975
Auditors	**Mazars** Mazars House, 54 Glenhove Road, Melrose Estate, 2196 PO Box 6697, Johannesburg, 2000 Telephone number: +27 11 547 4000
Attorneys	**Webber Wentzel** 90 Rivonia Road, Sandton, Johannesburg, 2196 PO Box 61771, Marshalltown, 2107 Telephone number: +27 11 530 5000
Transfer Secretaries	**Computershare Investor Services (Pty) Ltd** Ground Floor, 70 Marshall Street, Johannesburg, 2001 PO Box 61051, Marshalltown, 2107 Telephone number: +27 11 370 5000
Sponsor	**Bridge Capital Advisors (Pty) Ltd** 2nd Floor, 27 Fricker Road, Illovo Boulevard, Illovo, 2196 PO Box 651010, Benmore, 2010 Telephone number: +27 11 268 6231
Bankers	Nedbank Limited The Standard Bank of South Africa Limited Absa Bank Limited Bidvest Bank Limited First National Bank, a division of FirstRand Bank Limited Nedbank Swaziland Standard Chartered Bank Banco Internacional de Mozambique Standard Bank Mozambique Moza Banco Banco Unico United Bank for Africa Banco Commercial & Investimentas Emirates NBD HSBC First Gulf Bank
Website	**www.stefanuttistocks.com**