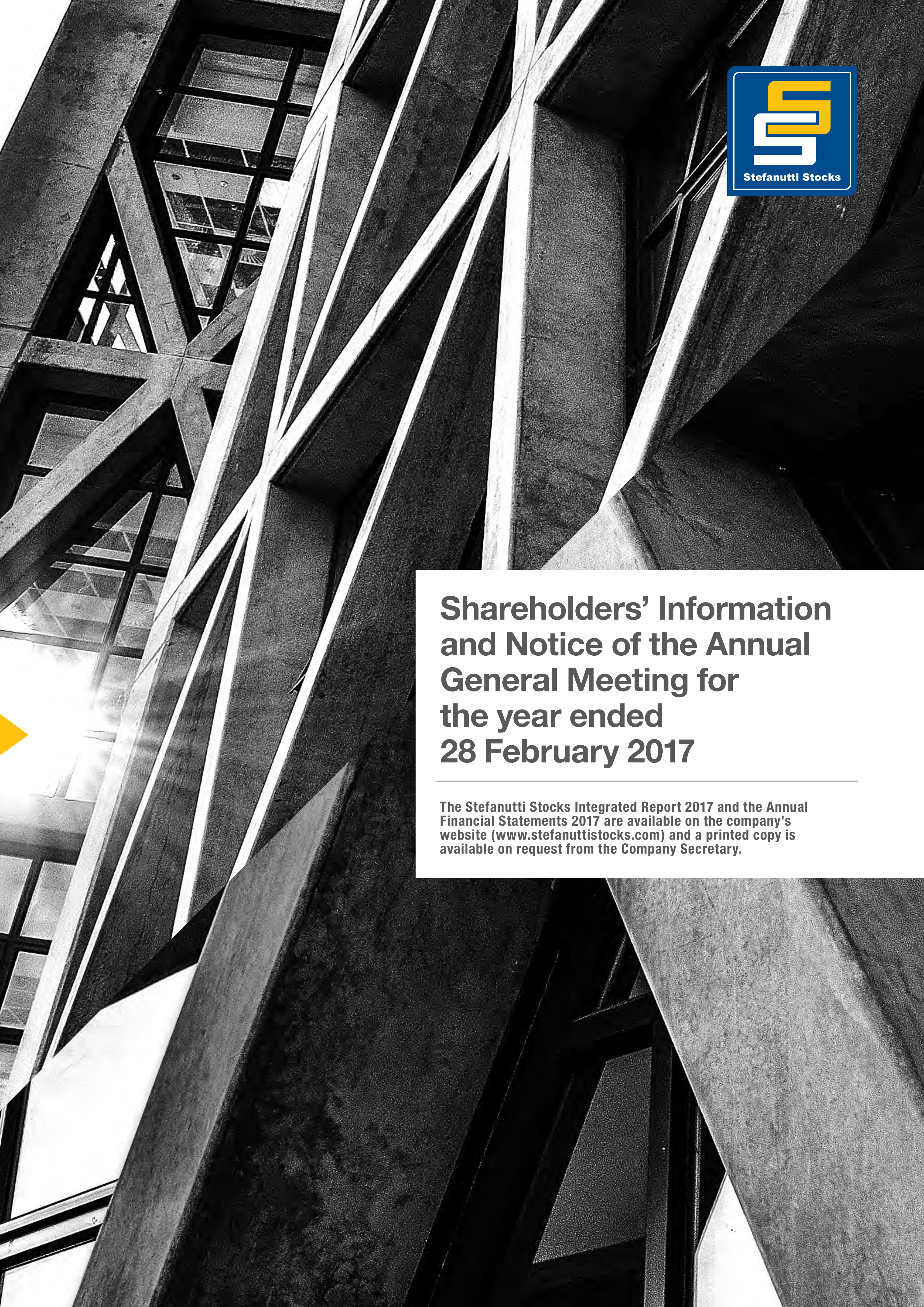

Shareholders’ Information and Notice of the Annual General Meeting for the year ended 28 February 2017

The Stefanutti Stocks Integrated Report 2017 and the Annual Financial Statements 2017 are available on the company’s website (www.stefanuttistocks.com) and a printed copy is available on request from the Company Secretary.

COMPANY PROFILE

Stefanutti Stocks is one of South Africa's leading engineering and construction groups and has been listed on the JSE Main Board in the "Construction and Materials — Heavy Construction" sector since 2007.

Vision

if you can dream it,
we can construct it

Mission

excellence
in execution

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.

Profile

Regional operations in Africa and United Arab Emirates

CIDB Category 9 Contractor

10 412 global workforce

8 017 employees across South Africa

The group offers highly diversified services

COMMENTARY

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The summarised 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) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee. The report contains the information required by International Accounting Standard (IAS) 34: Interim Financial Reporting and are in compliance with the Listings Requirements of the JSE Limited.

The accounting policies as well as the methods of computation used in the preparation of the results for the year ended 28 February 2017 are in terms of IFRS and are consistent with those applied in the audited annual financial statements for the year ended 29 February 2016 which is available on the group's 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 rate method. The results are presented in Rands, which is Stefanutti Stocks' presentation currency.

The company's directors are responsible for the preparation and fair presentation of the reviewed condensed consolidated results. These results have been compiled under the supervision of the Chief Financial Officer, AV Cocciante, CA(SA).

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 United Arab Emirates with multi-disciplinary expertise including concrete structures, marine construction, piling and geotechnical services, roads and earthworks, bulk pipelines, open pit contract mining and surface mining related services, all forms of building works, including affordable housing, and mechanical and electrical installation and construction.

OVERVIEW OF RESULTS

The Board of Directors report that the group's performance reflects the extremely challenging trading environment and includes certain one off events.

Contract revenue from operations of R9,1 billion decreased by R611 million compared to the previous year (Feb 2016: R9,7 billion). Operating profit decreased from R392 million in the previous year to an operating loss of R106 million in the current year.

The key aspects contributing to the above decrease in earnings can be summarised as follows:

› The recording of a one-off present value charge of R139 million relating to the Settlement Agreement concluded with the South African Government, as disclosed in the SENS announcement released on 11 October 2016.
› The group is required to test goodwill for impairment at each reporting period or when there is an indicator of impairment. At 28 February 2017, based on tests performed relating to the goodwill attributable to the Cycad Pipelines Proprietary Limited acquisition, R155 million of goodwill has been impaired in the current financial year.
› In line with group policy, land and buildings are independently valued every five years. Based upon these latest valuations certain properties have decreased in value resulting in an impairment charge of R15 million which has been recognised in the statement of profit and loss. Correspondingly certain properties have increased in value resulting in R105 million (net of tax effects) having been recognised in the statement of changes in equity.
› The strengthening of the Rand during this reporting period and the weakening of currencies in the African regions in which Stefanutti Stocks operates has resulted in a negative effect on the group's results for the year of R81 million.

Investment income for the year has improved by R11 million from the R34 million reported in the comparative period due to the improved cash position. However, the interest charge for the year has increased to R86 million (Feb 2016: R60 million) due to the additional interest payable on the final instalment of the Competition Commission penalty.

Share of profits of equity-accounted investees increased to R41 million from R19 million due to an improved contribution from the United Arab Emirates operation.

The discontinued operations reported in the prior year had no impact on the results for this year (Feb 2016: R79 million loss).

As a result of the factors mentioned above, earnings per share are reported as a loss of 79,3 cents (Feb 2016: earnings per share 104,31 cents). With the reversal of the impairment charges relating to assets, headline earnings per share are reported as a profit of 10,94 cents (Feb 2016: 89,62 cents). Had the one-off Settlement Agreement charge not been taken into account, the adjusted headline earnings per share would be 89,86 cents.

The group's order book is currently R14 billion of which R4,4 billion arises from work beyond South Africa's borders.

Capital expenditure for the year amounted to R272 million (Feb 2016: R157 million) of which R156 million relates to the Mining Services operation. Of the total capital expenditure, R186 million (Feb 2016: R82 million) was incurred in maintaining capacity.

COMMENTARY
CONTINUED

The group continues to experience delayed payments from clients on contracts. However, the increase in excess billings over work done to R1,2 billion (Feb 2016: R740 million) resulted in cash generated from operations increasing to R616 million (Feb 2016: R30 million). This includes an inflow from working capital of R274 million (Feb 2016: R440 million consumed by working capital). The balance of the proceeds from the sale of the investment property and Zener Steward LLC, in the prior year, resulted in an inflow of R87 million (Feb 2016: R75 million). As a consequence of the above, the group's overall cash position has increased to R1,158 billion (Feb 2016: R851 million).

Total interest-bearing borrowings have increased to R675 million (Feb 2016: R636 million) mainly due to the recognition of R139 million relating to the Settlement Agreement.

During the year, the company, through a subsidiary, repurchased 1 314 918 of its own shares at an average price of R4,08 per share in terms of a resolution passed at the company's Annual General Meeting. These shares will not be cancelled and will be accounted for as treasury shares.

The effect of the strengthening of the Rand on the translation of foreign operations, during the year, has resulted in R118 million loss being recognised in other comprehensive income.

REVIEW OF OPERATIONS

ROADS, PIPELINES AND MINING SERVICES (RPM)

Owing to a reduction in infrastructure projects and delays in the awarding of contracts during the year, contract revenue reduced to R2,2 billion (Feb 2016: R2,6 billion), with a reduction in operating profit to R162 million (Feb 2016: R213 million). The operating profit margin decreased from 8,1% to 7,4%.

The Roads and Earthworks and Swaziland Divisions have delivered good results. Although these divisions continue to receive a steady flow of tender enquiries, operating margins will continue to remain under pressure due to the competitive trading environment. A severe shortage of projects has resulted in the Pipelines operation being incorporated into the Roads and Earthworks Division.

Mining Services has also performed well. Recently awarded contracts have improved this division's medium-term order book, and some promising contract awards are anticipated in the short term.

The Zambian operation has performed to expectation on the back of private sector projects. Discussions with the Zambian Roads Development Agency are ongoing in order to resolve outstanding payments on their projects. Once resolved, work will recommence on these contracts.

Limited work has resumed on the road projects in Nigeria that had previously been stopped due to non-payment. Payments are being received and we remain in continuous discussions with the relevant states to resolve the outstanding debt.

RPM's order book at February 2017 was R5,0 billion (Feb 2016: R4,9 billion).

MECHANICAL AND ELECTRICAL (M&E)

Whilst the Mechanical Division was negatively affected by the shortage of work in the traditional mining infrastructure environment, the remainder of the business unit performed to expectation on the back of petrochemical projects. Consequently, contract revenue has declined slightly to R1,1 billion (Feb 2016: R1,2 billion). Operating profit reduced to R40 million (Feb 2016: R66 million) with a reduction in operating profit margin to 3,6% (Feb 2016: 5,4%).

Although there is concern regarding the reduction of M&E's order book, there are opportunities in the petrochemical sector with the planned construction of fuel storage tanks. In addition, cross border work in the mining surface infrastructure environment could generate work for all the divisions in this business unit.

M&E's order book at Feb 2017 was R780 million (Feb 2016: R1,2 billion).

STRUCTURES

Due to the continued decline in infrastructure projects emanating from both the government and private sectors, Structures ended the year with a reduction in both contract revenue and operating profit to R1,8 billion (Feb 2016: R2,1 billion) and R26 million (Feb 2016: R47 million) respectively. An operating profit margin of 1,5% compared to the 2,2% for the comparative year, bears testament to the decline in the infrastructure market available to this business unit. During the year, the business unit was further scaled down and restructured to align itself to market conditions.

The number of large projects coming to the market remains constrained with work being secured predominantly from medium-sized projects. Relative to the comparative period the turnover in the water and sanitation treatment sector has increased and has the potential to grow further. The Marine operation has secured some cross border projects and has a satisfactory order book. However, the environment within which Structures operates continues to be competitive with profit margins and order book remaining under pressure.

At February 2017, Structures' order book was R2,3 billion (Feb 2016: R2,0 billion).

COMMENTARY
CONTINUED

BUILDING

The Building business unit's contract revenue increased slightly to R4,0 billion (Feb 2016: R3,7 billion). The completion and finalisation of loss making projects together with certain unrecovered holding costs, contributed to an operating loss of R2 million (Feb 2016: R45 million profit excluding the profit on sale of investment property and fair value adjustment). The profit of the equity accounted United Arab Emirates operation amounting to R41 million (Feb 2016: R19 million) is excluded from the operating loss. During the year the business was scaled down and certain divisions were combined in order to further improve efficiency and reduce costs.

The loss making projects in Namibia, Qatar and Eastern Cape were completed by year-end and therefore will have no further impact on this business unit's results going forward.

The Mozambique Division made a positive contribution to the business unit's performance with some further contracts expected to be awarded in the short term.

Building's order book at February 2017 was R4,7 billion (Feb 2016: R3,7 billion) excluding the United Arab Emirates of R1,0 billion (Feb 2016: R500 million).

SAFETY

Unfortunately the group recorded a fatality on 18 March 2017 and it is with sadness that we express our condolences to Mr Andile Dlomo's family, friends and colleagues.

Management and staff remain committed to enhanced health and safety policies and procedures, and together strive to constantly improve the group's safety performance. The group's Lost Time Injury Frequency Rate (LTIFR) at February 2017 was 0,10 (Feb 2016: 0,10) and the Recordable Case Rate (RCR) was 0,70 (Feb 2016: 0,59).

OUTLOOK AND STRATEGY

Notwithstanding that the South African construction market continues to be extremely challenging, there remains potential growth in certain sectors of the market. These include mining surface infrastructure, marine, petrochemical tank farms, water and sanitation treatment plants, and residential and mixed use building projects. These will provide opportunities for all our business units, both locally and cross border.

Subject to the fulfilment of certain conditions there is a potential award of a large open pit contract for the Mining Services Division.

Our multi-disciplinary and geographically diversified business structure continues to provide a robust platform upon which the group remains as a strong competitor in the Southern African construction market.

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

INDUSTRY RELATED MATTERS

In terms of the Settlement Agreement entered into with the South African Government all matters, other than the civil claim received from the City of Cape Town (Green Point Stadium), have been settled and/or withdrawn. The group is confident that on the facts currently available, it will be able to successfully defend the City of Cape Town claim and has accordingly not made any provision therefor.

DIVIDEND DECLARATION

Notice is hereby given that no dividend will be declared (Feb 2016: Nil).

SUBSEQUENT EVENTS

There were no other material reportable events which 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 continuous commitment and dedication. We also express our gratitude to our customers, suppliers, service providers and shareholders for their ongoing support.

On behalf of the board

Kevin Eborall
Chairman

Willie Meyburgh
Chief Executive Officer

13 July 2017

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28 FEBRUARY

CONTINUING OPERATIONS	% decrease	2017 R'000	2016 R'000
REVENUE	(6)	**9 149 604**	9 737 386
Contract revenue	(6)	**9 058 576**	9 669 473
EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION (EBITDA)	(62)	**209 046**	551 238
Depreciation and amortisation		**(145 882)**	(159 273)
Impairment of assets		**(169 560)**	—
OPERATING (LOSS)/PROFIT BEFORE INVESTMENT INCOME	(127)	**(106 396)**	391 965
Investment income		**44 864**	34 049
Share of profits of equity-accounted investees		**40 893**	19 040
OPERATING (LOSS)/PROFIT BEFORE FINANCE COSTS		**(20 639)**	445 054
Finance costs		**(85 597)**	(60 422)
(LOSS)/PROFIT BEFORE TAXATION		**(106 236)**	384 632
Taxation		**(43 554)**	(120 114)
(LOSS)/PROFIT FROM CONTINUING OPERATIONS		**(149 790)**	264 518
DISCONTINUED OPERATIONS		**—**	(78 637)
(LOSS)/PROFIT		**(149 790)**	185 881
OTHER COMPREHENSIVE (LOSS)/INCOME		**(10 998)**	34 107
Exchange differences on translation of foreign operations (may be reclassified to profit/(loss))		**(118 328)**	84 980
Reclassification from foreign currency translation reserve		**2 468**	(50 873)
Revaluation of land and buildings (may not be reclassified to profit/(loss))		**104 862**	—
TOTAL COMPREHENSIVE (LOSS)/INCOME		**(160 788)**	219 988
(LOSS)/PROFIT ATTRIBUTABLE TO:			
Equity holders of the company		**(137 068)**	182 317
Non-controlling interest		**(12 722)**	3 564
		(149 790)	185 881
TOTAL COMPREHENSIVE (LOSS)/INCOME ATTRIBUTABLE TO:			
Equity holders of the company		**(157 099)**	214 582
Non-controlling interest		**(3 689)**	5 406
		(160 788)	219 988
BASIC (LOSS)/EARNINGS PER SHARE (CENTS)	(176)	**(79,34)**	104,31
DILUTED (LOSS)/EARNINGS PER SHARE (CENTS)	(175)	**(72,88)**	96,94

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 28 FEBRUARY

	2017 R'000	2016 R'000
ASSETS		
NON-CURRENT ASSETS	**2 548 043**	2 565 762
Property, plant and equipment	**1 212 248**	1 099 712
Equity-accounted investees	**189 860**	189 458
Goodwill and intangible assets	**1 087 133**	1 248 529
Deferred tax assets	**58 802**	28 063
CURRENT ASSETS	**4 019 055**	3 946 516
Other current assets	**2 816 126**	2 877 227
Taxation	**44 496**	52 392
Bank balances	**1 158 433**	985 128
	4 019 055	3 914 747
Assets of discontinued operation and non-current assets held for sale	**—**	31 769
TOTAL ASSETS	**6 567 098**	6 512 278
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES	**2 442 378**	2 608 532
Share capital and premium	**1 021 737**	1 027 103
Other reserves	**181 515**	203 395
Retained earnings	**1 235 000**	1 370 219
Equity holders of the company	**2 438 252**	2 600 717
Non-controlling interest	**4 126**	7 815
NON-CURRENT LIABILITIES	**370 912**	231 709
Other financial liabilities	**346 460**	174 629
Deferred tax liabilities	**24 452**	57 080
CURRENT LIABILITIES	**3 753 808**	3 672 037
Other current liabilities *	**2 079 542**	2 232 473
Excess billings over work done	**1 197 743**	740 216
Provisions	**420 400**	488 996
Taxation	**56 121**	46 666
Bank balances	**2**	134 188
	3 753 808	3 642 539
Liabilities directly associated with the discontinued operation	**—**	29 498
TOTAL EQUITY AND LIABILITIES	**6 567 098**	6 512 278
* Including interest-bearing liabilities of	**328 794**	327 552

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 28 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 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 rate change on revalued 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
Treasury shares acquired	(5 366)	—	—	—	—	(5 366)	—	(5 366)
Realisation of revaluation reserve	—	—	—	(1 849)	1 849	—	—	—
Total comprehensive loss	—	—	(124 893)	104 862	(137 068)	(157 099)	(3 689)	(160 788)
Loss for the year	—	—	—	—	(137 068)	(137 068)	(12 722)	(149 790)
Other comprehensive loss	—	—	(124 893)	104 862	—	(20 031)	9 033	(10 998)
BALANCE AT 28 FEBRUARY 2017	**1 021 737**	**28 145**	**33 176**	**120 194**	**1 235 000**	**2 438 252**	**4 126**	**2 442 378**

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY

	2017 R'000	2016 R'000
Cash generated from operations	**616 297**	30 010
Interest received	**44 862**	33 144
Finance costs	**(30 906)**	(42 555)
Dividends received	**21 138**	25 392
Taxation paid	**(102 580)**	(133 447)
CASH FLOWS FROM OPERATING ACTIVITIES	**548 811**	(87 456)
Expenditure to maintain operating capacity	**(29 921)**	(50 429)
Proceeds from non-current assets held for sale	**87 334**	118 899
Expenditure for expansion	**(54 562)**	(75 105)
CASH FLOWS FROM INVESTING ACTIVITIES	**2 851**	(6 635)
CASH FLOWS FROM FINANCING ACTIVITIES	**(164 702)**	54 935
NET INCREASE/(DECREASE) IN CASH FOR THE YEAR	**386 960**	(39 156)
Effect of exchange rate changes on cash and cash equivalents	**(79 535)**	74 893
Cash and cash equivalents at the beginning of the year	**850 940**	815 235
Cash at the end of the year – Discontinued operation	**—**	(66)
Cash at the beginning of the year – Discontinued operation	**66**	34
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**1 158 431**	850 940

EARNINGS, HEADLINE EARNINGS AND NET ASSET VALUE PER SHARE

FOR THE YEAR ENDED 28 FEBRUARY

HEADLINE EARNINGS RECONCILIATION

	% decrease	2017 R'000	2016 R'000
(Loss)/profit after taxation attributable to equity holders of the company		**(137 068)**	182 317
Adjusted for:			
Profit on disposal of plant and equipment		**(13 377)**	(6 416)
Tax effect		**3 743**	1 801
Impairment of assets		**169 560**	—
Tax effect		**(3 966)**	—
Profit on disposal of Investment Property		**—**	(16 158)
Fair value adjustment on Investment Property		**—**	(6 066)
Tax effect		**—**	7 924
Net gain on disposal of foreign investment		**—**	(6 768)
HEADLINE EARNINGS		**18 892**	156 634
Settlement agreement charge		**138 764**	—
Tax effect		**(2 426)**	—
ADJUSTED HEADLINE EARNINGS		**155 230**	156 634
Number of weighted average shares in issue		**172 750 427**	174 779 842
Number of diluted weighted average shares in issue		**188 080 746**	188 080 746
(Loss)/earnings per share (cents)	(176)	**(79,34)**	104,31
Diluted (loss)/earnings per share (cents)	(175)	**(72,88)**	96,94
Headline earnings per share (cents)	(88)	**10,94**	89,62
Diluted headline earnings per share (cents)	(88)	**10,05**	83,28
Adjusted headline earnings per share	—	**89,86**	89,62

NET ASSET VALUE

	2017	2016
Total number of net shares in issue	**172 241 569**	173 556 487
Net asset value per share (cents)	**1 415,60**	1 498,48
Net tangible asset value per share (cents)	**784,43**	779,11

SUMMARISED SEGMENT INFORMATION

FOR THE YEAR ENDED 28 FEBRUARY

	RPM R'000	M&E R'000	Structures R'000	Building R'000	Reconciling segments R'000	Total R'000
28 FEBRUARY 2017						
Contract revenue	**2 192 243**	**1 134 766**	**1 771 934**	**3 959 633**	**—**	**9 058 576**
Intersegment contract revenues	**86 172**	**33 872**	**91 112**	**—**	**—**	**211 156**
Reportable segment profit/(loss)	**99 421**	**34 357**	**31 225**	**55 263**	**(370 056)**	**(149 790)**
Reportable segment assets	**2 055 357**	**593 344**	**1 148 732**	**1 701 128**	**1 068 537**	**6 567 098**
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	19 830	34 421	11 448	(25 685)	185 881
Reportable segment assets	1 576 826	513 170	1 210 575	1 978 701	1 233 006	6 512 278

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, 1 September 2017 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, 21 July 2017

Last date to trade to be eligible to vote:
Tuesday, 22 August 2017

Record date to be eligible to vote:
Friday, 25 August 2017

Last date for lodging forms of proxy (by 12:00):
Wednesday, 30 August 2017

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, 25 August 2017.

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 28 February 2017, have been distributed as required and will be presented to shareholders.

Refer to the group's website for the annual financial statements 2017.

ORDINARY RESOLUTIONS

ORDINARY RESOLUTION 1: ADOPTION OF ANNUAL FINANCIAL STATEMENTS

"RESOLVED THAT the annual financial statements of the company for the year ended 28 February 2017, 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.

RETIREMENT BY ROTATION

In terms of the Memorandum of Incorporation, one-third of the directors shall retire by rotation at the AGM. LB Sithole and NJM Canca, independent non-executive directors, have undertaken to retire at this AGM and not offer themselves for re-election.

ME Mkwanazi retires by rotation at this AGM and offers himself for re-election.

ORDINARY RESOLUTION 2: RE-ELECTION OF DIRECTOR

"RESOLVED THAT, ME Mkwanazi, 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 ME Mkwanazi is included in Appendix 1 on page 15 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: APPOINTMENT OF AUDITORS

"RESOLVED THAT Mazars be and are hereby re-appointed as auditors of the company for the ensuing financial year with S Truter 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 4, 5, 6 AND 7: APPOINTMENT OF AUDIT, GOVERNANCE AND RISK COMMITTEE MEMBERS

Ordinary resolution numbers 4, 5, 6 and 7 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: ZJ Matlala, HJ Craig, ME Mkwanazi and J Poluta (alternate to ME Mkwanazi) all of whom are independent non-executive directors. The chairman of the committee is ZJ Matlala.

ORDINARY RESOLUTION 4: 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."

A brief curriculum vitae in respect of ZJ Matlala is included in Appendix 1 on page 15 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 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."

A brief curriculum vitae in respect of HJ Craig is included in Appendix 1 on page 15 of this report of which this notice forms part.

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

ORDINARY RESOLUTION 6: APPOINTMENT OF AUDIT, GOVERNANCE AND RISK COMMITTEE MEMBER

"RESOLVED THAT ME Mkwanazi 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."

A brief curriculum vitae in respect of ME Mkwanazi is included in Appendix 1 on page 15 of this report of which this notice forms part.

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

NOTICE OF ANNUAL GENERAL MEETING
CONTINUED

ORDINARY RESOLUTION 7: APPOINTMENT OF AUDIT, GOVERNANCE AND RISK COMMITTEE MEMBER

"RESOLVED THAT J Poluta 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."

John Poluta

John, aged 46, is an Executive Director of Mowana Investments, an empowered private equity investment company that he co-founded in 2005. Prior to starting Mowana Investments, John was employed as an investment analyst with two leading stock broking firms. His responsibilities included the writing and production of research reports including detailed financial analyses and valuations and the marketing of this research to financial institutions and pension funds globally.

John is a qualified chartered accountant and started his career at Deloitte in Johannesburg in 1995. John acts as alternate director to ME Mkwanazi.

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

ORDINARY RESOLUTION 8: 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 4 on page 16 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.

			Current fee per meeting R	Proposed fee per meeting * R
1.1	Board	Chairman ^	**880 200/annum**	922 300/annum
1.2	Board	Member	**46 700**	48 900
1.3	Audit, Governance and Risk Committee	Chairman	**87 100**	91 300
1.4	Audit, Governance and Risk Committee	Member #	**46 700**	48 900
1.5	Remuneration and Nominations Committee	Chairman	**46 700**	48 900
1.6	Remuneration and Nominations Committee	Member #	**26 700**	28 000
1.7	Social and Ethics Committee	Chairman	**39 200**	41 100
1.8	Social and Ethics Committee	Member #	**21 000**	22 000
1.9	Any other committee to be formed	Chairman	**34 800**	36 500
1.10	Any other committee to be formed	Member #	**18 700**	19 600
1.11	Extraordinary services		**1 800/hr**	1 900

^ The board chairman receives an all-in fee and not a per meeting fee.

The fees include permanent non-executive invitees.

* Proposed fee per meeting and the board chairman's all-in fee are exclusive of value-added tax.

The proposed fee payable from AGM for financial year ended 28 February 2017 to AGM for financial year ended 28 February 2019.

SPECIAL RESOLUTIONS

SPECIAL RESOLUTIONS 1.1 TO 1.11: NON-EXECUTIVE 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 2019, as noted in the table above, as well as any tax payable on such fees by the directors be authorised.

REASON FOR AND EFFECT OF SPECIAL RESOLUTIONS 1.1 TO 1.11

The reason for special resolutions 1.1 to 1.11 is to comply with the provisions of the Companies Act. The effect of the special resolutions 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 2019, 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.

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

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 interrelated to the company or any of its subsidiaries, and/or to any member of such subsidiary or related or interrelated company or entity, for any purpose or in connection with any matter, including, but not limited to, the subscription for any option, or any securities issued or to be issued by the company or a related or interrelated company or entity, or for the purchase of any securities of the company or a related or interrelated company or entity, for such amounts and on such terms and conditions as the directors of the company may determine.

Such authority will endure until the annual general meeting of the company for the year ended 28 February 2019."

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

NOTICE OF ANNUAL GENERAL MEETING
CONTINUED

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 interrelated 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 interrelated 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 interrelated company, or for the purchase of any securities of the company or a related or interrelated 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 interrelated companies and entities to acquire or subscribe for options or securities or purchase securities of the company or another company related or interrelated 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 interrelated 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."

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

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.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors whose names appear in Appendix 3 of this report on page 15, 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 the integrated report, 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.

SPECIAL RESOLUTION 4: AMENDMENT TO THE MEMORANDUM OF INCORPORATION

"RESOLVED THAT in accordance with section 16(1)(c) of the Companies Act, the company's amended Memorandum of Incorporation produced to the meeting and initialled by the chairman of the meeting for the purposes of identification be adopted as the company's Memorandum of Incorporation in substitution for, and to the exclusion of, the company's existing Memorandum of Incorporation, with effect from the date on which this special resolution has been adopted and filed in accordance with the requirements of section 16(9) of the Companies Act.

REASON AND EFFECT OF SPECIAL RESOLUTION 4

Pursuant to recent amendments to the JSE Listings Requirements and certain legislation applicable to the company, the company determined that it was in the best interests of the company, and in line with best governance practices, to perform a review of its Memorandum of Incorporation, among other things, to ensure that its Memorandum of Incorporation complies with the JSE Listings Requirements and to ensure that any restrictions contained in its Memorandum of Incorporation are consistent with those applicable in terms of the Companies Act and the JSE Listings Requirements.

The key changes in the amended Memorandum of Incorporation are:

- to provide flexibility to the company to the extent that the JSE Listings Requirements are amended and the provisions of the Memorandum of Incorporation no longer accord with the JSE Listings Requirements;
- to ensure that to the extent that the company ceases to be listed on the JSE or the JSE grants the company an exemption from compliance with any provision of the JSE Listings Requirements, the company will not be obliged in terms of its Memorandum of Incorporation to comply in such instance;
- to clarify that shareholder approval will be required for an issuance of securities by the company to the extent that shareholder approval is required in terms of the Companies Act or the JSE Listings Requirements;
- to clarify the instances where shares may not be issued on a pro rata basis and to make the time periods for a pre-emptive offer consistent with the JSE Listings Requirements;
- to bring the Memorandum of Incorporation in line with recent amendments made to the JSE Listings Requirements with regard to the treatment of fractional entitlements. Corporate actions that result in fractional entitlements will be rounded down to the nearest whole number, with the compensation for fractions being paid out in cash as calculated in terms of the JSE Listings Requirements;
- to bring the requirement for authorisation of a capitalisation issue in line with the Companies Act and the JSE Listings Requirements; and
- to amend the quorum requirements for board meetings to be a majority of directors, provided at least one shall be an executive director.

The company's existing Memorandum of Incorporation and the proposed amended Memorandum of Incorporation will lie open for inspection at the registered office of the company from 15 August 2017 to 1 September 2017, both days inclusive.

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

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.

NOTICE OF ANNUAL GENERAL MEETING
CONTINUED

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 to be received, for administrative reasons only, by no later than 12:00 on Wednesday, 30 August 2017.

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, for administrative reasons only, at least 48 hours prior to the meeting. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the AGM.

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

13 July 2017

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 Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank
Johannesburg
2196
P.O. Box 61051, Marshalltown, 2107
Telephone: +27 11 370 5000
Fax: +27 11 688 5238

APPENDIX 1: CURRICULUM VITAE OF DIRECTORS

ZANELE MATLALA
(53)
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 Ltd 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.

HOWARD CRAIG
(57)
Independent Non-executive Director, ARCO member, S&E member

BSc Civil Engineering, GDE
Appointed: April 2015

Howard was Technical Director and Managing Director at Fraser Alexander Tailings from 1990 to 2000, held various senior positions at Sasol from 2000 to 2009 and was Chief Executive of Rand Refinery from 2009 to 2014. He currently promotes various infrastructural projects across Africa and serves on the boards of a number of private companies.

MAFIKA MKWANAZI
(63)
Independent Non-executive Director, REMCO member

BSc (Maths), BSc (Electrical Engineering)
Appointed: April 2015

Mafika is currently the Non-executive Chairman of Hulamin Ltd and sits on the board of the Mediterranean Shipping Company South Africa. He has previously held senior positions at South African Breweries Ltd, Bristol Myers Squibb (Pty) Ltd and BMW South Africa. He has served on the boards of various companies including Nedbank Ltd, Eskom, Transnet (where he was Non-executive Chairman from 2010 to 2014), Western Areas Ltd (Non-executive Chairman), the Industrial Development Corporation, Letseng Diamonds (Non-executive Chairmanship) and Executive Director Transnet (CEO from 2001 to 2003). He was formerly an independent non-executive director of Stefanutti Stocks from 2007 to 2013 and was also Lead Independent Director.

APPENDIX 2: ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

BOARD MEMBER	BOARD	ARCO	REMCO	S&E
Chairman	**KR Eborall**	**ZJ Matlala**	**LB Sithole**	**NJM Canca**
Number of meetings	4	4	3	3
KR Eborall	4/4	4/4^	3/3	n/a
W Meyburgh (Chief Executive Officer)	4/4	4/4^	3/3^	3/3^
AV Cocciante (Chief Financial Officer)	4/4	4/4^	3/3^	3/3^
NJM Canca	4/4	4/4	n/a	3/3
HJ Craig	4/4	4/4	n/a	3/3
T Eboka	3/4	n/a	2/3	2/3
ZJ Matlala	3/4	4/4	n/a	n/a
ME Mkwanazi	4/4	n/a	3/3	n/a
LB Sithole	3/4	n/a	3/3	n/a
DG Quinn	4/4	4/4^	3/3	n/a
JWLM Fizelle (alternate to LB Sithole)	1/1+	4/4	n/a	n/a

n/a Not applicable; ^ By invitation; + Attended one meeting on behalf of LB Sithole.

ARCO — Audit, Governance and Risk Committee; REMCO — Remuneration Committee and Nominations Committee; S&E — Social and Ethics Committee.

APPENDIX 3: DIRECTORS OF STEFANUTTI STOCKS HOLDINGS LIMITED

NON-EXECUTIVE DIRECTORS

KR Eborall* (Chairman)
NJM Canca*
ZJ Matlala*
T Eboka*
LB Sithole*
HJ Craig*
ME Mkwanazi*
JWLM Fizelle* (alternate to LB Sithole)
DG Quinn

* Independent.

EXECUTIVE DIRECTORS

W Meyburgh (CEO)
AV Cocciante (CFO)

APPENDIX 4: REMUNERATION REPORT

INTRODUCTION

The remuneration report 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 2017 (FYE 2017). The matters raised at the annual general meeting in September 2016 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)	— independent non-executive director
T Eboka	— independent non-executive director
KR Eborall	— independent non-executive director
ME Mkwanazi	— independent non-executive director
DG Quinn	— non-executive director

As per King III, the majority of members, are independent non-executive members. In addition, 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 board has satisfied itself that the members are suitably skilled, independent and qualified to fulfil their duties. Abridged biographies of the members are published on page 22 of the integrated report.

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.

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, with the principles of King III and the Companies Act.

The REMCO's role and responsibilities include:

› Ensuring that an adequate succession plan is in place for all senior management positions;
› Recommending to the board the annual total fixed package (TFP), comprising basic salary plus post-employment and other benefits, as well as short- and long-term incentives, paid to the executive directors;
› Reviewing and approving the annual TFP short- and long-term incentives paid to the EXCO members;
› Reviewing short- and long-term incentive pay structures for qualifying staff;
› Reviewing and approving the annual TFP increases for company and operational directors and monthly paid employees;
› Reviewing and approving the executive directors service contracts;
› Recommending of the Board Gender Diversity policy to the board; and
› Ensuring the policy of equal pay for equal work is applied into the workplace.

The chairman of the committee reports to the board on the committee's recommendations and decisions.

The Nominations Committee's role and responsibilities include:

› Reviewing the induction and training policy and processes for new board members;
› 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 and due diligence processes are performed on any proposed new director);
› Reviewing directors' independence annually and establishing those directors standing for re-election at the annual general meeting;
› Identifying and recommending non-executive directors with greater than nine years' service to the board for the appropriate review and approval;
› Reviewing and approving 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); and
› Ensuring that an adequate succession plan is in place for all non-executive directors.

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 continues to evaluate the company's remuneration practices, and is currently reviewing the short-term incentivisation parameters for executive directors made under the executive directors' incentive scheme (EDIS), to ensure executive directors' remain motivated as well as aligned to shareholder interests.

Retirement age for non-executive directors is 70 years.

The committee confirms that it has executed its duties in accordance with its terms of reference.

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 (AGM);
› Revision of the EDIS and recommendation for approval by the board;
› Review and recommendation to the board of the short-term incentive payments made to executive directors in terms of key performance areas (KPA) achievement;
› Review and approval of the succession plans and principles for the executive directors and the EXCO;
› Recommendation to the board of the long-term incentive payments were made to the executive directors relating to FYE 2016 (under the former EDIS metrics);
› Approval of the short-term incentives payments for company, operational and all other directors, made under the directors short-term incentive scheme (DPSIS);
› No long-term incentive payments were made to company, operational directors and all other directors under the forfeitable share scheme (FSP);
› Review and approval of the executive directors' performance measured against the KPAs;

APPENDIX 4: REMUNERATION REPORT
CONTINUED

- Approval of the following TFP increases, effective 1 March 2017:
  - General salaried staff — 6,5%
  - Company and operational directors — 6,0%
  - EXCO (including CEO and CFO) — 6,0%
- Review and recommendation to the board of the non-executive directors fees for submission to shareholders at the next AGM;
- Recommendation to the board to approve certain projects to be undertaken by Mr DG Quinn, at an approved hourly rate. The projects and hourly rate are reviewed and preapproved on an annual basis;
- The following non-executive directors are retiring at the September 2017 AGM — Mr LB Sithole, Ms NJM Canca and Mr ME Mkwanazi. Mr ME Mkwanazi has offered himself for re-election;
- The recommendation to the board 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 and approval of the role and function of the Board Chairman;
- Review and approval of the succession plan for the Board Chairman; and
- Recommendation that Mr KR Eborall remain as chairman for a further year, noting his age of 72 years.

Attendance at committee meetings is shown in the table set out in Appendix 2 on page 15 of this report.

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.

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:

- Paying a market competitive TFP which includes a base salary, retirement fund contributions and certain other benefits;
- Paying a total remuneration which is targeted to be within the upper quartile of relevant industry benchmarks, but in light of prevailing market conditions, is currently paying at the median of this benchmark;
- Paying an appropriate mix between TFP and short- and long-term incentives;
- Paying an appropriate annual short-term incentive designed to achieve group objectives in the short and medium term;
- 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 long-term share incentive participation is designed to align the executive directors' performance with shareholder expectations and ensure sustainable future company performance; and
- 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.

When evaluating executives' performance, REMCO also considers internal and external factors that may have contributed to thresholds not being met.

IMPLEMENTATION

GUARANTEED REMUNERATION

When structuring guaranteed packages, the group applies a TFP approach. The policy is to currently 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 plans and risk cover benefits for it members.

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 (LDC) employees.

VARIABLE REMUNERATION

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.

SHORT-TERM INCENTIVES (STI)

EXECUTIVE DIRECTORS INCENTIVE SCHEME (EDIS)

Main board executive directors' variable remuneration falls under the EDIS.

The STI plan is designed to align the short-term interests of the executives with group strategy and the interests of the shareholders, using both financial performance measures and personal objectives under individual KPAs.

For both FYE 2016 and FYE 2017, the two financial performance measures are:

1. Operating profit (OP); and
2. Return on equity (ROE)

However, two changes to the STI under EDIS have been approved for reported results FYE 2017.

The first change is that the board has recognised the increasing importance being placed upon the KPAs of the executives. Consequently, the weighting attributed to KPAs under the STI has increased from 20% to 30%, with a corresponding reduction in the financial performances measurables from 80% to 70%.

This amendment is in line with the changing global view on executive remuneration, whereby it is believed that remuneration strategies need to incorporate wider goals that relate to environmental, social and economic objectives at the expense of more than just purely financial measures.

The weighting applicable to the (30%) KPAs for the executives is as follows:

CEO	
Operations	25%
Sustainability and compliance	35%
Stakeholders relationships	25%
Financial	15%
CFO	
Governance	45%
Stakeholders relationships	40%
Financial	15%

APPENDIX 4: REMUNERATION REPORT CONTINUED

CALCULATION OF EXECUTIVES' STIs

R'000	TFP	Financial performance scorecard 108,75%	Financial weighing 80%	Personal weighting 20%	Final STI	% of TFP	Max STI % of TFP
W Meyburgh (CEO)	4 848	5 272	4 218	702	4 920	101,5	250
A Cocciante (CFO)	3 024	3 289	2 631	478	3 109	102,8	250

The financial and personal performance awards earned under STIs are cash-based annual awards.

The second change is that the maximum STI payable to executive directors for reported results FYE 2017 increases from 250% (FYE 2016) to 300% of TFP, with a minimum of nil.

FINANCIAL PERFORMANCE MEASURES

Financial performance measures account for 70% (FYE 2016: 80%) of possible short-term incentives payable to executive directors.

OPERATING PROFIT MARGIN (OP)

- An annual expected operating profit margin 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.
- This OP is based on normalised OP excluding all extraordinary and non-trading items, and was set at 3,0% for FYE 2017 (FYE 2016: 3,0%).
  - On achievement of the targeted OP of 3,0%, an award of 100% (multiplied by 70%) of the TFP is made;
  - If the OP achieved is below a minimum threshold of 1,0%, no award of the financial portion of the STI is made; and
  - If the OP achieved is at or above a maximum stretch threshold of 5,0%, a maximum of 200% (multiplied by 70%) of the TFP is made;
  - A linear sliding scale apportionment is applied between threshold and stretch targets.

The OP awards earned by the CEO and CFO, based upon the FYE 2016 reported results and a normalised operating margin of 3,9%, amounted to 145% 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 between these.
  - On achievement of the targeted ROE meeting WACC, 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 150% (FYE 2016: 125%) is applied to the amount calculated under the OP metric.

The impact of the company's ROE not achieving the company's WACC for the FYE2016 reported results produced a dilutory factor of 75% of the OP award to the CEO and CFO.

The net STI for the executive directors for FYE 2016 was 108,75% (145% x 75%).

PERSONAL PERFORMANCE MEASURES

Personal performance measures account for 30% (FYE 2016: 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 to the executives for FYE 2016, and achievement under these for the CEO and CFO were 66,7% and 72,7% respectively.

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 based upon the annual budgets and thereafter provided for on a monthly basis as required, 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; and
- This scheme targets a maximum award of 200% of TFP, with a minimum of nil where no profits are generated.

LONG-TERM INCENTIVES (LTI)

LTIs are applicable to those directors who contribute to the company's long-term objectives, and whose services should be retained to that end. These LTIs are designed to align the interests of both the executive and other directors, with those of the 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, 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, for any one year, 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

APPENDIX 4: REMUNERATION REPORT CONTINUED

LTI PERFORMANCE MEASURES FOR FYE 2017

	METRIC	WEIGHTING	PERFORMANCE CRITERIA — TARGET	VESTING
1.	HEPS growth (%HEPS)	25%	Growth in (HEPS) equals CPI plus 1%.	100% of TFP vests upon achievement of target, whereas 50% vests upon achievement of threshold (CPI plus 0%) and 200% vests upon achievement of stretch target (CPI plus 2%).
2.	Total shareholder return (TSR)	25%	A total shareholder return placement in position number three or four out of the specified peer group.	100% of TFP vests upon achievement of target, whereas 20% to 80% vests (proportionately) upon achievement between positions number seven to five. 200% vests on achievement of positions one or two, i.e. stretch target.
3.	Return on capital employed (ROCE)	20%	A return on capital employed equals WACC plus 2%.	100% of TFP vests upon achievement of target, with 50% vesting upon achievement of threshold (WACC plus 0%) and 200% vesting upon achievement of stretch target (WACC plus 4 %).
4.	Free cash flow (FCF)	30%	A 20% year-on-year improvement in FCF.	100% of TFP vests upon achievement of target. 80% vests upon achievement of threshold set at 10% year-on-year improvement, while 200% vests upon a 30% year-on-year improvement, i.e. stretch target.

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 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.

LONG-TERM INCENTIVE (LTI)

In addition to the changes proposed under the EDIS in respect of STI, the company has also implemented the following changes to the LTI plan under the EDIS, commencing FYE 2017.

Previously (FYE 2016) the amounts earned under the LTI portion of EDIS were a product of the amounts earned by executives under the STI, multiplied by an approved factor. However, in order for the EDIS to be more robust and align long-term executive performance with long-term shareholders returns, the long-term portion of the EDIS has been de-linked from STI for FYE 2017.

The revised LTI has been formulated to reward sustainable financial performance measured by using four metrics, the applicable targets of which are set by the board, at the commencement of each financial year:

METRIC

1. HEPS growth (% HEPS)
2. TSR
3. ROCE
4. FCF

The maximum allocation limit upon achievement of each stretch target for all LTI measurables mentioned above is 200% of TFP, while measurables falling below threshold result in no award being generated for that measurable.

Payment for achievement of LTIs is made by way of forfeitable shares, which vest on the third anniversary of the award, but only to the extent that the annual performance measures above have been met over a three-year performance period. The performance measures are averaged over the three-year period to determine final measure and award. Cliff vesting occurs at the end of the three-year period.

The forfeitable shares to be awarded to executives on vesting are acquired in the market, or from shares held in the treasury account, or from the share trust account.

The committee has the authority to cash settle LTI awards in exceptional circumstances.

For FYE 2016, the long-term incentive award of forfeitable shares was based upon the previous EDIS scheme, being 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 LTI awards earned by the CEO and CFO based upon the FYE 2016 reported results amounted to 75,5% and 85,0% of their TFPs respectively.

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 28 February 2017 and 29 February 2016 are set out in note 23 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, short- and long-term incentive plans.

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

APPENDIX 4: REMUNERATION REPORT
CONTINUED

› 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 are compensated based on attendance fees, which are dependent upon the size and complexity of the group. Their remuneration is compared to the company's industry peer group on an annual basis, and also take into account industry practices and independent fee surveys provided to the committee by external service providers.

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 AGM.

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 or exceeded the maximum period of service of nine years with the company. It will further consider the continued services of any non-executive director who has exceeded the age of 70 years.

The fees paid to non-executive directors for the financial year ending 28 February 2017 and 29 February 2016 are reflected in note 23 of 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 AGM of shareholders scheduled for 1 September 2017, the remuneration policy contained in this report will be put to shareholders for a non-binding vote. Shareholders will also be asked to pass a special resolution, to take effect from 2 September 2017, approving the proposed changes in non-executive director's fees. Details of these fees are also set out in the Notice of Annual General Meeting commencing on page 10.

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. Normal retirement age is set at 65 years.

DIRECTORS' SHAREHOLDING

The aggregate beneficial holdings at 28 February 2017 and 29 February 2016, held by the directors of the company in the issued shares of the company are detailed in note 23 to 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 consults 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.

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 28 February 2017 to date.

Information regarding related-party transactions is set out in note 23 to 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.

On behalf of the REMCO

LB Sithole
Chairman

13 July 2017

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, 1 September 2017 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 28 February 2017, including the directors' report and the report of the Audit, Governance and Risk Committee			
2. To re-elect ME Mkwanazi as a director of the company			
3. To re-appoint the auditors			
4. To appoint ZJ Matlala as a member of the Audit, Governance and Risk Committee			
5. To appoint HJ Craig as a member of the Audit, Governance and Risk Committee			
6. To appoint ME Mkwanazi as a member of the Audit, Governance and Risk Committee			
7. To appoint J Poluta as a member of the Audit, Governance and Risk Committee			
8. To approve the company's remuneration policy			
SPECIAL RESOLUTIONS			
1. To approve non-executive directors' fees — Special Resolutions 1.1 to 1.11			
1.1 Board Chairman			
1.2 Board Member			
1.3 Audit, Governance and Risk Committee Chairman			
1.4 Audit, Governance and Risk Committee Member			
1.5 Remuneration and Nominations Committee Chairman			
1.6 Remuneration and Nominations Committee Member			
1.7 Social and Ethics Committee Chairman			
1.8 Social and Ethics Committee Member			
1.9 Any other committee to be formed — Chairman			
1.10 Any other committee to be formed — Member			
1.11 Extraordinary services			
2. To approve financial assistance			
3. General authority to repurchase company shares			
4. To approve amendments to the MOI			

* 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) 2017

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, for administrative reasons only, at least 48 hours prior to the annual general meeting (see address below), provided that the chairman of the annual general meeting may accept proxies that have been delivered after the expiry of the aforementioned period up and until the time of commencement of the annual general meeting.

    Computershare Investor Services Proprietary Limited

    Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196

    P.O. Box 61051, Marshalltown, 2107

    Telephone: +27 11 370 5000

    Fax: +27 11 688 5238

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 13 July 2017: 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 Coccianté (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
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
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
Emirates NBD
First Gulf Bank
HSBC Middle East
Banco Unico
Banco Comercial e de Investimentos
Banco Internacional de Moçambique
Standard Bank Mozambique
United Bank for Africa

WEBSITE

www.stefanuttistocks.com

excellence in execution