

**DENE B INVESTMENTS LIMITED**

Registration number: 2013/091290/06

(Incorporated in the Republic of South Africa)

**JSE share code:** DNB **ISIN:** ZAE000197398

("Deneb" or "the Group" or "the company")

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## Notice of annual general meeting

Notice is hereby given that the annual general meeting of Deneb will be held on Wednesday, 1 November 2017 at 09:00 at the offices of Hosken Consolidated Investments Limited, 5th Floor, e.tv Building, 4 Stirling Street, Zonnebloem 7925.

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

### General instructions and information

The board of directors of the company determined, in accordance with section 59 of the Companies Act, No 71 of 2008, as amended ("Companies Act"), that the record date for the purpose of determining which shareholders of the company were entitled to receive notice of the annual general meeting is Friday, 22 September 2017 and the record date for purposes of determining which shareholders of the company are entitled to participate in and vote at the annual general meeting is Friday, 27 October 2017, with the last day to trade being Tuesday, 24 October 2017. Accordingly, only shareholders who are registered in the register of shareholders of the company on Friday, 27 October 2017 will be entitled to participate in and vote at the annual general meeting.

All shareholders are entitled to attend, speak and vote at the annual general meeting.

Please note if you hold certificated shares (i.e. have not dematerialised your shares in the company) or are registered as an "own name" dematerialised shareholder (i.e. have specifically instructed your Central Securities Depository Participant ("CSDP") to hold your shares in your own name on the company's sub-register), then:

- you may attend and vote at the annual general meeting; alternatively; and
- you may appoint one or more proxies (who need not be shareholders of the company) to represent you at the annual general meeting by completing the attached form of proxy and returning it to the office of the transfer secretaries, to be received by no later than 24 (twenty-four) hours prior to the time appointed for the holding of the meeting provided that any form of proxy not delivered to the Transfer Secretary by this time may be handed to the chairperson of the annual general meeting prior to the commencement of the annual general meeting, at any time before the appointed proxy exercises any shareholder rights at the annual general meeting (excluding Saturdays, Sundays and public holidays).

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

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

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

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

# Notice of annual general meeting (continued)

Please note that the company intends to make provision for shareholders of the company, or their proxies, to participate in the annual general meeting by way of video conference in Durban. Should you wish to participate in the annual general meeting by way of video conference as aforesaid, you are required to give notice of such proposed participation to the company at its registered office or at the office of the Transfer Secretary by no later than 09:00 on Friday, 27 October 2017, at any time before the appointed proxy exercises any shareholder rights at the annual general meeting. In order for the notice to be valid, it must be accompanied by the following:

- if the shareholder is an individual, a certified copy of his/her identity document and/or passport;
- if the shareholder is not an individual, a certified copy of the resolution adopted by the relevant entity authorising the representative to represent the shareholder at the annual general meeting and a certified copy of the authorised representative's identity document and/or passport; and
- a valid e-mail address and/or facsimile number for the purpose of receiving details of the video conference facility that will be made available.

Upon receipt of the aforesaid notice and documents, the company shall notify you of the relevant details of the video conference facilities, available in Durban, at which you can participate in the annual general meeting by way of electronic communication.

## Voting at annual general meeting

On a poll, shareholders are entitled to 1 (one) vote per ordinary share.

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

## Details of directors, shareholders, share capital and analysis of shareholders, no-change statement and directors' responsibility statement

The Integrated Annual Report to which this notice of annual general meeting is attached provides details of:

- the directors, including brief CVs of the directors nominated for re-election, on pages 8 to 10;
- the major shareholders of the company, on page 120; and
- the stated capital of the company, in note 17 and an analysis of shareholders on page 119.

There are no material changes to the Group's financial or trading position (other than as disclosed in the accompanying Integrated Annual Report).

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

## Purpose of annual general meeting

The purpose of the annual general meeting is to transact the business set out in the agenda below.

## Agenda

1. Presentation of the audited annual financial statements of the company, including the reports of the directors and the audit committee for the year ended 31 March 2017. The Integrated Annual Report, of which this notice forms part, contains the summarised group financial statements and the aforementioned reports. The annual financial statements, including the unmodified audit opinion, are available on Deneb's website at [www.deneb.co.za](http://www.deneb.co.za), or may be requested and obtained in person, at no charge, at the registered office of Deneb during office hours.

**2. To consider and, if deemed fit, approve, with or without modification, the ordinary and special resolutions set out below.**

- For ordinary resolutions numbers 1 to 7 (inclusive) and ordinary resolution 10 to be adopted, more than 50% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof.
- For ordinary resolutions numbers 8 and 9 and for special resolutions numbers 1 to 3 (inclusive) to be adopted, at least 75% of the voting rights exercised on each such ordinary or special resolution must be exercised in favour thereof.
- Ordinary resolution number 10 is an advisory endorsement and is non-binding on the company.

**3. Retirement and re-election of directors – ordinary resolutions numbers 1 to 3**

Mr L G Govender, Ms N B Jappie and Mr Y Shaik retire as directors in accordance with the company's memorandum of incorporation but, being eligible, each offer themselves for re-election as a director of the company. For CV details, see pages 9 and 10. Accordingly, shareholders are requested to consider and if deemed fit, to re-elect Mr L G Govender, Ms N B Jappie and Mr Y Shaik by way of passing the ordinary resolutions set out below:

**3.1 Mr L G Govender – ordinary resolution number 1**

“Resolved that Mr L G Govender be and is hereby re-elected as a director of the company.”

**3.2 Ms N B Jappie – ordinary resolution number 2**

“Resolved that Ms N B Jappie be and is hereby re-elected, as a director of the company.”

**3.3 Mr Y Shaik – ordinary resolution number 3**

“Resolved that Mr Y Shaik be and is hereby re-elected as a director of the company.”

The reason for ordinary resolutions numbers 1 to 3 (inclusive) is that the memorandum of incorporation of the company, the Listings Requirements of the JSE Ltd (“JSE”) and, to the extent applicable, the Companies Act, require that a component of the non-executive directors rotate at every annual general meeting of the company and, being eligible, may offer themselves for re-election as directors.

**4. Appointment of auditor – ordinary resolution number 4**

The company's audit committee has recommended that PricewaterhouseCoopers Inc. be appointed as the auditor of the company for the ensuing year and to note that the individual registered auditor who will undertake the audit during the financial year ending 31 March 2018 is PricewaterhouseCoopers Inc. Accordingly, the directors propose that the following resolution be adopted:

“Resolved that PricewaterhouseCoopers Inc. is hereby appointed as the auditor to the company for the ensuing financial year.”

The reason for ordinary resolution number 4 is that the company, being a public listed company, must have its financial results audited and such auditor must be appointed each year at the annual general meeting of the company as required by the Companies Act.

**5. Re-appointment of audit committee members – ordinary resolutions numbers 5 to 7**

**5.1 Re-appointment of audit committee member – ordinary resolution number 5**

“Resolved that Mr M H Ahmed (see CV details on page 10) be re-appointed to the audit committee of the company for the ensuing financial year.”

**5.2 Re-appointment of audit committee member – ordinary resolution number 6**

“Resolved that Ms N B Jappie (see CV details on page 10) be re-appointed to the audit committee of the company for the ensuing financial year.”

**5.3 Re-appointment of audit committee member – ordinary resolution number 7**

“Resolved that Ms R D Watson (see CV details on page 10) be re-appointed to the audit committee of the company for the ensuing financial year.”

The reason for ordinary resolutions numbers 5 to 7 is that the company, being a public listed company, must appoint an audit committee and the Companies Act requires that the members of such audit committee be re-appointed by shareholders at each annual general meeting of a company.

# Notice of annual general meeting (continued)

## 6. General authority to issue shares and options for cash – ordinary resolution number 8

“Resolved that the directors of the company be and are hereby authorised, by way of a general authority, to issue (which shall for the purposes of the JSE Listings Requirements include the sale of treasury shares) for cash (as contemplated in the JSE Listings Requirements) all or any of the authorised but unissued shares in the capital of the company, including options, as and when they in their discretion deem fit, subject to the Companies Act, the memorandum of incorporation of the company and the JSE Listings Requirements as presently constituted and which may be amended from time to time.”

The reason for ordinary resolution number 8 is to obtain a general authority from shareholders to issue shares for cash in compliance with the JSE Listings Requirements and the memorandum of incorporation of the company.

For listed entities wishing to issue shares for cash (other than issues by way of rights offers, in consideration for acquisitions), it is necessary for the board of the company to obtain the prior authority of the shareholders in accordance with the JSE Listings Requirements and the memorandum of incorporation of the company. Accordingly, the reason for ordinary resolution number 8 is to obtain a general authority from shareholders to issue shares for cash in compliance with the JSE Listings Requirements and the memorandum of incorporation of the company.

Although this is an ordinary resolution, the minimum percentage of voting rights that is required for this resolution to be adopted is 75% (seventy-five per cent) of the voting rights to be cast on the resolution.

### Additional requirements imposed by the JSE Listings Requirements

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

- the shares which are the subject of the issue for cash, must be of a class already in issue, or where this is not the case, must be limited to such equity securities or rights that are convertible into a class already in issue;

- the general authority shall only be valid until the company's next annual general meeting or for 15 (fifteen) months from the date of passing of this ordinary resolution, whichever period is shorter;
- an announcement will be published on SENS giving full details, including the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 (thirty) days prior to the date that the price of the issue was agreed in writing between the company and party/ies subscribing for such shares and the expected effect on the net asset value per share, net tangible asset value per share, earnings per share and headline earnings per share at the time of any issue representing, on a cumulative basis within 1 (one) financial year, 5% (five per cent) of the number of shares in issue prior to that issue;
- that issues in the aggregate in any 1 (one) financial year may not exceed 15% (fifteen per cent) of the number of the shares of the company in issue of that class of shares before such issue, taking into account the dilution effect of convertible equity securities and options in accordance with the JSE Listings Requirements;
- as at the date of this notice, 15% of the company's shares in issue amounts to 64 349 320;
- in determining the price at which an issue of shares may be made in terms of this general authority, the maximum discount permitted will be 10% (ten per cent) of the weighted average traded price on the JSE of those shares measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed to between the company and the party/ies subscribing for the shares; and
- any issue will only be made to “public shareholders” as defined by the JSE Listings Requirements and not to related parties.

## 7. Approval of The Deneb Investments Employee Share Scheme (“the Scheme”) – ordinary resolution number 9

“Resolved that: a) the Scheme, the salient terms of which have been summarised in the explanatory statement included in this Integrated Annual Report and which Scheme document has been tabled at this meeting and initialled by the chairperson for purposes of identification, be and is hereby

approved; and b) 42 862 171 (forty-two million, eight hundred and sixty-two thousand and one hundred and seventy-one) ordinary shares of no par value each in the capital of the company be and are hereby placed under the control of the directors of the company, who are specifically authorised in terms of section 38, read with section 41(2)(d) of the Act, to allot and issue all or any of such shares in accordance with the terms and conditions of the scheme and any amendments thereto.”

**Reason for and effect of ordinary resolution number 9**

The purpose of the Scheme is to provide selected employees with the opportunity to acquire Shares, thereby ensuring that such employees are encouraged and motivated to pursue continued growth and profitability of their employer companies and to contribute to the growth and profitability of the employer company and the Group as a whole. This resolution empowers the board to grant options to selected employees in accordance with the terms of the Scheme.

Although this is an ordinary resolution, the minimum percentage of voting rights that is required for this resolution to be adopted is 75% (seventy-five per cent) of the voting rights to be cast on the resolution.

**8. Advisory endorsement of remuneration report for the year ended 31 March 2017 – ordinary resolution number 10 (non-binding)**

“To endorse, on an advisory basis, the company’s remuneration report and policies as set out on pages 30 to 34 of the Integrated Annual Report (excluding the remuneration of the non-executive directors for their services as directors and members of board committees).”

**Motivation for advisory endorsement**

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

**9. Approval of annual fees to be paid to non-executive directors – special resolution number 1**

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

Category of fee	Proposed fee excluding VAT R
Board member	126 000
Member of the audit committee	52 000
Member of the remuneration committee	52 000

**Reason for and effect of special resolution number 1**

This resolution is proposed in order to comply with the requirements of the Companies Act. In terms of section 65(11)(h) of the Companies Act read with sections 66(8) and 66(9) of the Companies Act, remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by the holders within the previous 2 (two) years and only if this is not prohibited in terms of the company’s memorandum of incorporation.

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

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

# Notice of annual general meeting (continued)

## 10. General authority to repurchase company shares – special resolution number 2

“Resolved that the company hereby approves, as a general approval contemplated in paragraph 5.72 of the JSE Listings Requirements, the acquisition by the company or any of its subsidiaries, from time to time, of the issued shares of the company, upon such terms and conditions and in such amounts as the directors of the company may from time to time determine, but subject to the provisions of the Companies Act and the JSE Listings Requirements as presently constituted and which may be amended from time to time, and provided that:

- acquisitions by the company and its subsidiaries of shares in the capital of the company may not, in the aggregate, exceed in any one financial year 20% (twenty per cent) (or 10% (ten per cent) where such acquisitions relate to the acquisition by a subsidiary) of the company’s issued share capital of the class of the repurchased shares from the date of the grant of this general authority;
- any such acquisition of shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited);
- the company (or any subsidiary) is authorised to do so in terms of its memorandum of incorporation;
- this general authority shall only be valid until the company’s next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;
- in determining the price at which the company’s shares are acquired by the company or its subsidiaries in terms of this general authority, the maximum premium at which such shares may be acquired may not be greater than 10% (ten per cent) above the weighted average of the market price at which such shares are traded on the JSE for the 5 (five) business days immediately preceding the date the repurchase is effected;
- at any point in time, the company may only appoint one agent to effect any repurchase(s) on the company’s behalf;
- the company or its subsidiaries may not repurchase shares during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless there is a repurchase programme in place and the dates and quantities of shares to be repurchased during the prohibited period are fixed, which repurchase programme has been submitted to the JSE in writing and executed by an independent third party;

- in the case of a derivative (as contemplated in the JSE Listings Requirements) the price of the derivative shall be subject to the limits set out in paragraph 5.84(a) of the JSE Listings Requirements; and
- an announcement will be published on SENS as soon as the company and/or its subsidiaries has/have acquired shares constituting, on a cumulative basis 3% (three per cent) of the number of shares of the class of shares repurchased in issue at the time of granting of this general authority, and each time the company acquires a further 3% (three per cent) of such shares thereafter, which announcement shall contain full details of such acquisitions.”

The reason for special resolution number 2 is to grant the company a general authority in terms of the JSE Listings Requirements for the acquisition by the company, or any of its subsidiaries, of shares issued by the company, which authority shall be valid until the next annual general meeting of the company. The passing of this special resolution will have the effect of authorising the company or any of its subsidiaries to acquire shares issued by the company.

### Statement by the board of directors of the company

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

- (a) it is their intention to utilise the general authority to acquire shares in the company if at some future date the cash resources of the company are in excess of its requirements or there are good grounds for doing so. In this regard the directors will take account of, inter alia, an appropriate capitalisation structure for the company, the long-term cash needs of the company, and the interests of the company;
- (b) in determining the method by which the company intends to acquire its shares, the maximum number of shares to be acquired and the date on which such acquisition will take place, the directors of the company will only make the acquisition if, at the time of the acquisition, they are of the opinion that:
  - the company and its subsidiaries would, after the repurchase, be able to pay their debts as they become due in the ordinary course of business for the next 12 (twelve) months after the date of this notice of annual general meeting;

- the consolidated assets of the company and its subsidiaries, fairly valued in accordance with International Financial Reporting Standards and recognised and measured in accordance with the accounting policies used in the latest audited financial statements, would, after the repurchase, be in excess of the consolidated liabilities of the company and its subsidiaries for the next 12 (twelve) months after date of this notice of annual general meeting;
  - the issued share capital and reserves of the company and its subsidiaries would, after the repurchase, be adequate for the ordinary business purposes of the company or any acquiring subsidiary for the next 12 (twelve) months after the date of approval of this notice of the annual general meeting;
  - the working capital available to the company and its subsidiaries would, after the repurchase, be adequate for the ordinary business purposes of the company for the next 12 (twelve) months after the date of approval of this notice of annual general meeting; and
  - the company and its subsidiaries pass the solvency and liquidity test and that, from the time that the test is done, there are no material changes to the financial position of the company or any acquiring subsidiary; and
- (c) they will not make any repurchase until such time as the company's sponsors have provided the JSE with a letter in relation to the working capital statement set out above (as required in terms of the JSE Listings Requirements).

**11. General authority to provide financial assistance in terms of sections 44 and 45 of the Companies Act – special resolution number 3**

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

- the company's present or future subsidiaries and/or any other company or corporation that is or becomes related or inter-related to the company, or any person wishing to

subscribe for any option, or any securities issued or to be issued by the company's present or future subsidiaries and/or any other company or corporation that is or becomes related or inter-related to the company, for the purpose of, or in connection with, the subscription of any option, or any securities issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities issued or to be issued by the company, or for the purchase of any securities of the company or inter-related company; or

- any one or more related or inter-related companies or corporations, or to a member of any related or inter-related company or corporation, or to a person related or inter-related to any such companies or corporations (related or inter-related will herein have the meaning attributed to such terms in section 2 of the Companies Act), on the terms and conditions and for the amounts that the board of directors may determine, and that any of such financial assistance may be provided at any time during the period commencing on the date of the adoption of this resolution and ending two years after such date.”

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

As part of the normal conduct of the business of the company and its subsidiaries from time to time, the company, where necessary, provides financial assistance to its related and inter-related companies and entities (as contemplated in the Companies Act) including the provision of guarantees and other forms of security to third parties which provide funding to the company's subsidiaries, whether by way of loans, subscribing for shares (including preference shares) or otherwise. In the circumstances and in order to ensure that, among other things, the company and its subsidiaries and other related and inter-related companies and entities continue to have access to, and are able to appropriately structure their financing for purposes of funding their corporate and working capital requirements, it is necessary that the company obtains the approval of shareholders in terms of this special resolution number 3.

Sections 44 and 45 of the Companies Act provide that the financial assistance required can only be provided pursuant to a special resolution of the shareholders, adopted within the previous two years, which resolution must have approved such financial assistance either for the specific recipient,

# Notice of annual general meeting (continued)

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or generally for a category of potential recipients (and the specific recipient falls within that category), and the directors must be satisfied that:

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

The passing of this special resolution number 3 will have the effect of authorising the company to provide direct or indirect financial assistance in accordance with sections 44 and 45 of the Companies Act, for a period of two years after the adoption of this resolution. This special resolution does not authorise the provision of financial assistance to a director or prescribed officer of the company.

## 12. Other business

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

General information in respect of major shareholders, material changes and the share capital of the company is contained in the Integrated Annual Report of which this notice forms part, as well as the full set of annual financial statements, being available on Deneb's website at [www.deneb.co.za](http://www.deneb.co.za) or which may be requested and obtained in person, at no charge, at the registered office of Deneb during office hours.

The directors, whose names appear on pages 8 to 10 of the Integrated Annual Report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this notice of annual general meeting contains all information required by the JSE Listings Requirements.

By order of the board



Company secretary

**Ms C Philip**

Cape Town

4 September 2017