

Notice of annual general meeting

BASIL READ HOLDINGS LIMITED

Incorporated in the Republic of South Africa
 (Registration number: 1984/007758/06)
 Share code: BSR ISIN: ZAE000029781
 (Basil Read or the company)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 33rd annual general meeting (AGM) of shareholders of Basil Read will be held at 10:00 on Friday, 1 June 2018 at Basil Read Campus, 7 Romeo Street, Hughes Extension, Boksburg, to consider and, if deemed fit, pass with or without modification the resolutions set out below.

If you are in any doubt on the action you should take for the following resolutions, please consult your central securities depository participant (CSDP), broker, banker, attorney, accountant or other professional adviser immediately.

The board of directors of the company has determined that, in terms of section 62(3)(a), as read with section 59 of the Companies Act 71 of 2008 (Companies Act), as amended:

- This notice has been sent to shareholders of the company who were recorded as such in the securities register on, Friday, 20 April 2018, being the notice record date for determining which shareholders are entitled to receive notice of the AGM
- The record date for determining which shareholders of the company are entitled to participate in and vote at the AGM is Friday, 25 May 2018. Accordingly, the last day to trade in Basil Read shares to be recorded in the register to be entitled to vote will be Tuesday, 22 May 2018.

PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

To present the audited annual financial statements of the company and the group, for the year ended 31 December 2017, including the directors' report, audit committee report and report of the independent auditors, and to confirm all matters and actions undertaken and discharged by the directors on behalf of the company. The annual financial statements are available on the company's website: www.basilread.co.za.

ORDINARY RESOLUTIONS

Percentage of voting rights – ordinary resolutions

Ordinary resolutions numbers 1 to 5, contained in the notice of AGM, require the approval of a minimum of 50% plus one vote of votes exercisable on resolutions by shareholders present or represented by proxy at the AGM for the resolution to be adopted.

Ordinary resolution number 5 is proposed for a non-binding advisory vote only and failure to pass this resolution will not have an effect on the company's existing arrangements, but the outcome of the vote will be considered when determining the company's remuneration policy.

Special resolutions 1 and 2 require a 75% majority of votes exercised on the resolution by shareholders present or represented by proxy at the AGM for the resolution to be adopted in terms of the Listings Requirements of the JSE Limited (JSE Listings Requirements).

I ORDINARY RESOLUTION NUMBER 1

Reappointment of independent auditors

Resolved to reappoint PricewaterhouseCoopers Inc. (PwC) as independent auditors of the company, and to appoint Mr Sizwe Masondo as designated by PwC, as the individual designated auditor; to hold office until the conclusion of the next AGM in terms of section 90(1) of the Companies Act, on recommendation of the audit committee, and to authorise the directors to determine the auditors' remuneration.

Motivation

PwC has indicated its willingness to continue in office and ordinary resolution 1 proposes reappointing the firm as Basil Read's auditor until the conclusion of the next AGM.

At the meeting on 19 March 2018, the audit committee considered the independence of PwC in accordance with section 94(8) of the Companies Act and as prescribed by the Independent Regulatory Board for Auditors established by the Auditing Profession Act and was satisfied that PwC is independent.

The audit committee nominates PwC for reappointment as registered auditor of the group.

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Furthermore, the audit committee has, in terms of paragraph 3.84(g)(iii) of the JSE Listings Requirements, considered and satisfied itself that PwC is accredited to appear on the JSE list of auditors and advisers, in compliance with section 22 of the JSE Listings Requirements.

2 ORDINARY RESOLUTION NUMBER 2

Election of directors

To elect, by way of separate resolutions, a director in terms of the provisions of article 28.2 of the memorandum of incorporation (Mol) of the company. The following director, being eligible, offers himself for election:

- 2.1 **Resolved that** SA Luvhengo be elected as a director of the company.
- 2.2 **Resolved that** DJ Castle be elected as a director of the company.
- 2.3 **Resolved that** TB Sefolo be elected as a director of the company.
- 2.4 **Resolved that** ZB Swanepoel be elected as a director of the company.
- 2.5 **Resolved that** HN Lupuwana-Pemba be elected as a director of the company.
- 2.6 **Resolved that** JPF van Buuren be elected as a director of the company.

Motivation

In terms of the Companies Act and clause 28.5 of the company's Mol, directors who are appointed by the board (as opposed to being elected by shareholders) serve as directors of the company temporarily until elected by shareholders at the next AGM following appointment by the board. Mr SA Luvhengo, Mr DJ Castle and Mr TB Sefolo were appointed by the board during the year ended 31 December 2017 and Mr ZB Swanepoel, Mr JPF van Buuren and Ms HN Lupuwana-Pemba were appointed by the board during the 2018 financial period and are accordingly obliged to retire at this annual general meeting. The board recommends their election. Their résumés are set out on page 63 of the integrated report 2017.

3 ORDINARY RESOLUTION NUMBER 3

Rotation of non-executive directors

To elect, by way of separate resolutions, the following non-executive directors retiring by rotation in terms of the provisions of article 28.8 of the Mol of the company:

- 3.1 **Resolved that** PC Baloyi, who retires in accordance with the company's Mol and, being eligible, offers himself for re-election, be re-elected as a director of the company with immediate effect.
- 3.2 **Resolved that** DLT Dondur, who retires in accordance with the company's Mol and, being eligible, offers herself for re-election, be re-elected as a director of the company with immediate effect.
- 3.3 **Resolved that** MSI Gani, who retires in accordance with the company's Mol and, being eligible, offers himself for re-election, be re-elected as a director of the company with immediate effect.

Motivation

In terms of the company's Mol, one-third of non-executive directors are required to retire at each AGM. There are currently 15 directors (two of whom are executives and disregarded when determining the number of directors to retire by rotation) on the board and accordingly, three directors are required to retire at the AGM.

The directors to retire are selected from those who have served longest since their last election or re-election. Mr Baloyi, Ms Dondur and Mr Gani have served longest since their election and therefore retire by rotation. They are entitled to and have offered themselves for re-election. The board recommends their re-election and their résumés appear on pages 60 and 61 of the integrated report 2017.

4 ORDINARY RESOLUTION NUMBER 4

Election of audit committee members

To elect, by way of separate resolutions, non-executive directors as members of the audit committee in terms of section 94 of the Companies Act. The board has determined that each of the members standing for appointment has the required qualifications and experience. The following non-executive directors, each being eligible, offer themselves for election:

- 4.1 **Resolved that** DLT Dondur, who offers herself for election to the audit committee, be elected as a member of the audit committee of the company with immediate effect.
- 4.2 **Resolved that** CE Manning, who offers herself for election to the audit committee, be re-elected as a member of the audit committee of the company with immediate effect.
- 4.3 **Resolved that** MSI Gani, who offers himself for election to the audit committee, be re-elected as a member of the audit committee of the company with immediate effect.
- 4.4 **Resolved that** TB Sefolo, who offers himself for election to the audit committee, be re-elected as a member of the audit committee of the company with immediate effect.

Motivation

In terms of section 94(2) of the Companies Act, the audit committee is elected by shareholders at each AGM.

The board recommends to shareholders the election of these directors (résumés are on page 61 of the integrated report 2017).

5 ORDINARY RESOLUTION NUMBER 5**Approval of remuneration policy and implementation report**

In accordance with principle 14 of the King Report on Corporate Governance for South Africa, 2016 (King IV), the company's remuneration policy and remuneration implementation report should be tabled to shareholders for separate non-binding advisory votes at the AGM.

Motivation

In terms of King IV recommendations, by tabling the company's remuneration policy for a non-binding advisory vote at the AGM, shareholders are able to express their views on these policies. The detailed remuneration policy and implementation report, for which approval is sought, is included in the remuneration report on pages 84 to 87 of the Basil Read Holdings Limited integrated report 2017 to which this notice is attached, which is available on the company's website: www.basilread.co.za.

Ordinary resolution 5.1

Resolved that the company's remuneration policy be and is hereby approved by way of non-binding advisory vote, as recommended in King IV.

Ordinary resolution 5.2

Resolved that the company's implementation of the remuneration policy be and is hereby approved by way of non-binding advisory vote, as recommended in King IV.

SPECIAL BUSINESS**Percentage of voting rights**

Special resolutions numbers 1 and 2 in this notice of AGM require approval of a minimum of 75% of the votes exercised on the resolution by shareholders present or represented by proxy at the AGM for the resolution to be adopted.

6 SPECIAL RESOLUTION NUMBER 1**Remuneration of non-executive directors**

Resolved that, in terms of the provisions of sections 66(8) and (9) of the Companies Act, and on the recommendation of the remuneration committee of the company, the annual remuneration payable to non-executive directors of the company with effect from 1 June 2018 be and is hereby approved as set out on page 87 of the integrated report to which this notice is attached.

Motivation

In terms of section 66(8) and (9) of the Companies Act, the company is required to obtain approval of shareholders by way of special resolution to remunerate its non-executive directors for services rendered.

Given prevailing market conditions, the board has decided not to increase directors' fees.

SPECIAL RESOLUTION NUMBER 2**Financial assistance to related or inter-related companies and others**

Resolved that: the company be and is hereby authorised, in terms of a general authority contemplated in section 45(3)(a)(ii) of the Companies Act for a period of two years from the date of this resolution, to provide direct or indirect financial assistance (as defined in section 45(1) of the Companies Act) (financial assistance) to the following categories of persons:

- Related or inter-related company or corporation and/or
- Member of a related or inter-related corporation.

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Subject to, in relation to each grant of financial assistance to the categories of persons of such financial assistance, the board of directors of the company being satisfied that:

- Pursuant to section 45(3)(b)(i) of the Companies Act, immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test (as defined in section 4(1) of the Companies Act) and
- Pursuant to section 45(3)(b)(ii) of the Companies Act, the terms under which the financial assistance is proposed to be given are fair and reasonable to the company.

Motivation

The reason for special resolution number 2 is to grant the board authority to permit the company to provide financial assistance as contemplated in section 45 of the Companies Act to any one or more related or inter-related companies or corporations of the company and/or to any one or more members of any such related or inter-related company or corporation and/or to any one or more persons related to any such company or corporation.

The board will pass a resolution every time it considers providing financial assistance to a related or inter-related party provided it is satisfied that: (i) immediately after providing such financial assistance, the company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Companies Act; and that (ii) the terms under which such financial assistance is to be given are fair and reasonable to the company as referred to in section 45(3)(b)(ii).

7 ANY OTHER BUSINESS

To transact such other business as may be transacted at the AGM of the company.

VOTING AND PROXIES

A shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy or proxies to attend and act in their stead. A proxy need not be a member of the company. For the convenience of registered members of the company, a form of proxy is attached.

The form of proxy is only to be completed by those ordinary shareholders who:

- Hold ordinary shares in certificated form or
- Are recorded on the subregister in "own name" dematerialised form.

Ordinary shareholders who have dematerialised their ordinary shares through a CSDP/broker without "own-name" registration and who wish to attend the AGM, must instruct their CSDP/broker to provide them with the relevant letter of representation to attend the meeting in person or by proxy and vote. If they do not wish to attend in person or by proxy, they must provide the CSDP/broker with their voting instructions in terms of their custody agreement with the CSDP/broker.

Proxy forms should be forwarded to reach the transfer secretaries, Link Market Services South Africa Proprietary Limited, at least 48 hours, excluding Saturdays, Sundays and public holidays, before the time of the meeting.

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.

By order of the board

Andiswa Ndoni

Company secretary

28 March 2018

Johannesburg

Form of proxy

BASIL READ HOLDINGS LIMITED

Incorporated in the Republic of South Africa
(Registration number: 1984/007758/06
Share code: BSR ISIN: ZAE000029781
(Basil Read or the company)

For use only by ordinary shareholders who:

- Hold ordinary shares in certificated form (certificated ordinary shareholders) or
- Have dematerialised their ordinary shares and are registered with "own-name" registration at the 33rd annual general meeting (AGM) of shareholders of the company to be held at Basil Read Campus, 7 Romeo Street, Hughes Extension, Boksburg, at 10:00 on Friday, 1 June 2018 and any adjournment.

Dematerialised ordinary shareholders holding ordinary shares other than with "own-name" registration who wish to attend the AGM must inform their central securities depository participant (CSDP) or broker of their intention to attend the AGM and request their CSDP/broker to issue them with the relevant letter of representation to attend the AGM in person or by proxy and vote. If they do not wish to attend the AGM in person or by proxy, they must provide their CSDP/broker with their voting instructions in terms of the custody agreement with their CSDP/broker. **These ordinary shareholders must not use this form of proxy.**

Name of beneficial shareholder

Name of registered shareholder

Address

Telephone work

Telephone home

Cell

being the holder/custodian of

ordinary shares in the company, hereby appoint (see note):

1 _____ or failing him/her

2 _____ or failing him/her

3 the chairperson of the meeting as my/our proxy to attend and act for me/us on my/our behalf at the AGM of the company convened to consider and, if deemed fit, pass with or without modification the special and ordinary resolutions to be proposed at that meeting and at each postponement or adjournment, and to vote for/against such resolutions, and/or abstain from voting, in respect of the ordinary shares in the issued share capital of the company registered in my/our name/s in accordance with the following instructions:

	Number of ordinary shares		
	For	Against	Abstain
1 Ordinary resolution number 1 To reappoint PricewaterhouseCoopers Inc. as auditors of the company together with Mr Sizwe Masondo as the registered auditor for the ensuing financial year			
2 Ordinary resolution number 2			
2.1 To elect SA Luvhengo as a director of the company in terms of clause 28.5 of the MoI			
2.2 To elect DJ Castle as a director of the company in terms of clause 28.5 of the MoI			
2.3 To elect TB Sefolo as a director of the company in terms of clause 28.5 of the MoI			
2.4 To elect ZB Swanepoel as a director of the company in terms of clause 28.5 of the MoI			
2.5 To elect HN Lupuwana-Pemba as a director of the company in terms of clause 28.5 of the MoI			
2.6 To elect JPF van Buuren as a director of the company in terms of clause 28.5 of the MoI			
3 Ordinary resolution number 3			
3.1 To approve the re-election of PC Baloyi who retires by rotation			
3.2 To approve the re-election of DLT Dondur who retires by rotation			
3.3 To approve the re-election of MSI Gani who retires by rotation			
4 Ordinary resolution number 4			
4.1 To approve the re-election of DLT Dondur to the audit committee			
4.2 To approve the re-election of CE Manning to the audit committee			
4.3 To approve the re-election of MSI Gani to the audit committee			
4.4 To approve the re-election of TB Sefolo to the audit committee			
5 Ordinary resolution number 5			
5.1 Approval of remuneration policy			
5.2 Approval of the implementation of the remuneration policy			
6 Special resolution number 1 Non-executive directors' remuneration			
7 Special resolution number 2 Financial assistance to related or inter-related companies and others			

Please indicate instructions to proxy in the space provided above by inserting the relevant number of exercisable votes.

A member entitled to attend and vote at the AGM may appoint one or more proxies to attend and act in their stead. A proxy so appointed need not be a member of the company.

Signed at

on

2018

Signature

Assisted by (if applicable)

Notes to the form of proxy

- 1 The form of proxy must only be completed by shareholders who hold shares in certificated form or who are recorded on the subregister in electronic form in "own name".
- 2 All other beneficial owners who have dematerialised their shares through a CSDP or broker and wish to attend the AGM must provide the CSDP/broker with their voting instructions in terms of their custody agreement with the CSDP/broker.
- 3 A shareholder entitled to attend and vote at the AGM may insert the name of a proxy or the names of two alternate proxies (none of whom need be a shareholder of the company) of the shareholder's choice in the space provided, with or without deleting "the chairperson of the meeting". The person whose name is first on this form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow. Should this space be left blank, the proxy will be exercised by the chairperson of the meeting.
- 4 A shareholder is entitled to one vote on a show of hands and, on a poll, one vote for each ordinary share held. A shareholder's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by that shareholder in the space provided. If an X has been inserted in one of the blocks to a particular resolution, it will indicate voting of all shares held by that shareholder. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as deemed fit in respect of the shareholder's entire exercisable votes. A shareholder or proxy is not obliged to use all the votes exercisable by the shareholder or proxy, but the total of votes cast and for which abstention is recorded may not exceed the total of votes exercisable by the shareholder or proxy.
- 5 A vote given in terms of an instrument of proxy will be valid for the AGM despite the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the ordinary shares for which the proxy is given, unless notice of any of these matters has been received by the transfer secretaries not less than 48 hours before the start of the AGM.
- 6 If a shareholder does not indicate on this form that their proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) that may properly be put before the AGM be proposed, such proxy will be entitled to vote as they think fit.
- 7 The chairperson of the AGM may reject or accept any form of proxy that is completed and/or received other than in compliance with these notes.
- 8 A shareholder's authorisation to the proxy, including the chairperson of the AGM, to vote on their behalf will be deemed to include the authority to vote on procedural matters at the AGM.
- 9 The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the AGM and speaking and voting in person to the exclusion of any proxy appointed.
- 10 Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached, unless previously recorded by the company's transfer secretaries or waived by the chairperson of the AGM.
- 11 A minor or any other person under legal incapacity must be assisted by a parent or guardian, as applicable, unless the relevant documents establishing their capacity are produced or have been registered by the transfer secretaries of the company.
- 12 Where there are joint holders of ordinary shares:
 - Any one holder may sign the form of proxy
 - The vote(s) of the senior ordinary shareholders (for that purpose seniority will be determined by the order in which names of ordinary shareholders appear in the company's register of ordinary shareholders) who tender a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
- 13 Forms of proxy should be lodged with or mailed to Link Market Services South Africa (Pty) Ltd:

Hand deliveries to:	Postal deliveries to:
13th Floor	PO Box 4844
Rennie House	Johannesburg
19 Ameshoff Street	2000
Braamfontein	

to be received by no later than 10:00 on Thursday, 31 May 2018 (or 48 hours before any adjournment of the AGM which date, if necessary, will be notified on SENS).
- 14 A deletion of any printed matter and the completion of any blank space need not be signed or initialled. Any alteration or correction must be signed and not merely initialled.

Summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Companies Act

A proxy appointment must be in writing, dated and signed by the shareholder appointing the proxy, and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the relevant shareholders' meeting.

A proxy may delegate their authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.

The appointment of a proxy is suspended at any time and to the extent that the shareholder who appointed such proxy chooses to act directly and in person in exercising any rights as a shareholder.

The appointment of a proxy is revocable by the shareholder in question cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of (a) the date stated in the revocation instrument, if any; and (b) the date on which the revocation instrument is delivered to the company as required in the first sentence of this paragraph.

If the instrument appointing the proxy or proxies has been delivered to the company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the company's memorandum of incorporation to be delivered by the company to the shareholder, must be delivered by the company to (a) the shareholder, or (b) the proxy or proxies, if the shareholder has directed the company to do so in writing, and paid any reasonable fee charged by the company for doing so.

Attention is also drawn to the notes to the proxy.

Completing a form of proxy does not preclude any shareholder from attending the AGM.

