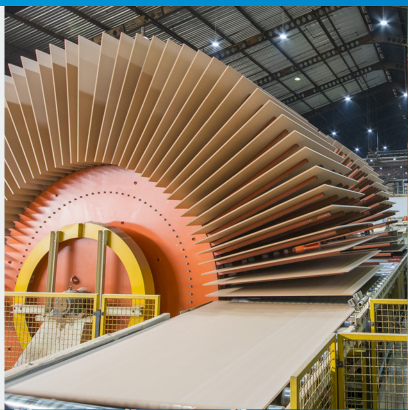
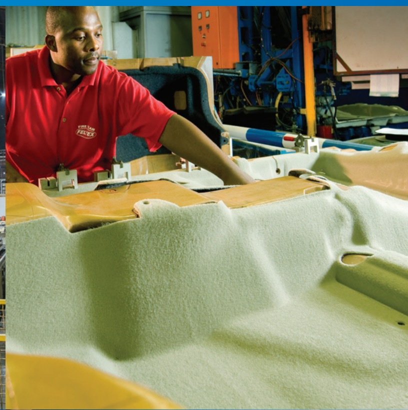
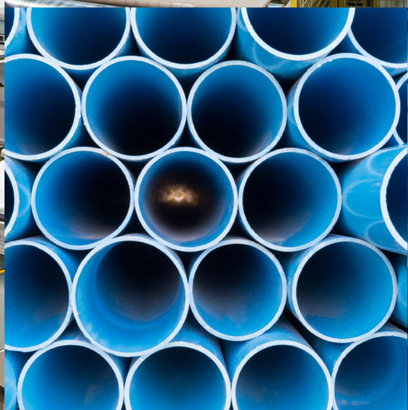
KAP.

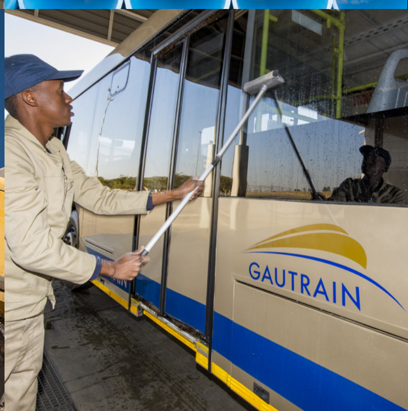
NOTICE OF ANNUAL GENERAL MEETING

for the year ended 30 June 2020









INTEGRATED INTO EVERY DAY

NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR ENDED 30 JUNE 2020

KAP INDUSTRIAL HOLDINGS LIMITED
(Registration number: 1978/000181/06)
JSE share code: KAP
ISIN: ZAE000171963
('KAP' or 'the company')

Notice and purpose of meeting

Notice is hereby given that the 42nd annual general meeting of shareholders of KAP will be held on Wednesday, 18 November 2020 at 15:30 at the Protea Hotel, Techno Avenue, Technopark in Stellenbosch ('the AGM').

The purpose of the AGM is to transact the business as set out in the agenda below and, if deemed fit, to pass with or without modification, the resolutions set out below, and to discuss other matters raised by shareholders at the meeting, provided that, in the sole discretion of the chairman of the AGM, such matters directly concern the business of the company and may lawfully be dealt with at an annual general meeting.

Only shareholders who are registered in the register of members of the company on Friday, 13 November 2020, will be entitled to vote at the AGM.

Key definitions used in this Notice of AGM

The below-mentioned words and expressions have the following meanings:
'board' – means the KAP board of directors
'company' or **'KAP'** – means KAP Industrial Holdings Limited
'Companies Act' – means the Companies Act, No. 71 of 2008 (as amended) and includes the Companies Regulations, 2011
'group' – means KAP and all its subsidiaries at the date of this Notice of AGM
'JSE LRs' – means the Listings Requirements of the JSE Limited
'King IV™' – means the King IV Report on Corporate Governance™ for South Africa, 2016*
'MOI' – means the memorandum of incorporation of KAP
'Notice of AGM' – means this notice of the annual general meeting of KAP

Important dates

Record date for shareholders to receive the Notice of AGM – Friday, 9 October 2020
Posting date of this Notice of AGM – Tuesday, 20 October 2020
Last date to trade to be eligible to attend, participate in and vote at the AGM – Tuesday, 10 November 2020
Record date to be eligible to attend, participate in and vote at the AGM – Friday, 13 November 2020
Last date to lodge Forms of Proxy – Monday, 16 November 2020 by 15:30**
Date of the AGM – Wednesday, 18 November 2020

** Copyright and trade marks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.*
***Suggested date to avert a potential administrative burden at the AGM. Forms of Proxy not received by this date must be handed to the chairman at the AGM before the appointed proxy may exercise any shareholder rights at the AGM.*

General information

Stakeholder engagement

The AGM provides an opportunity for stakeholders to engage with management, and while only eligible shareholders may vote, all stakeholders are encouraged to attend the proceedings and participate in the debates. In regard to this invitation, KAP will comply fully with the Covid-19 Lockdown restrictions in respect of gatherings relating to conferences and meetings as per the alert level applicable at the time.

Voting and resolutions

All voting at the AGM will be by way of a poll and, in this regard, each shareholder entitled to vote shall have one vote in respect of each ordinary share which that shareholder holds.

Save for ordinary resolutions numbers 5 and 7, more than 50% (fifty per cent) of the voting rights exercised on the applicable ordinary resolution must be exercised in favour thereof for the resolution to be adopted.

For special resolutions numbers 1 to 4 and ordinary resolutions numbers 5 and 7 to be adopted, the applicable resolution must be supported by at least 75% (seventy-five per cent) of the voting rights exercised thereon.

KAP may provide for electronic participation at the AGM. Shareholders who wish to participate electronically must contact The Meeting Specialist Proprietary Limited ('TMS') in writing at least 5 (five) business days prior to the date of the AGM so that arrangements can be made for participation at each shareholder's own cost. However, please note that virtual remote voting is not possible. Shareholders are encouraged to submit votes by proxy in advance of the AGM.

The directors unanimously support the proposed resolutions set out in this Notice of AGM, which promote the best interests of the company and our stakeholders, and recommend that shareholders vote in favour of all the resolutions.

Annual financial statements and integrated report

The consolidated annual financial statements of the group for the financial year ended 30 June 2020, were published on 20 August 2020, and incorporate the unmodified audit opinion. These statements are available on the KAP website at www.kap.co.za and a copy thereof may be requested and obtained in person, at no charge, at the registered office of the company during office hours.

In support of environmental initiatives and to align with the increasing trend towards online reporting, KAP's 2020 integrated report and the corporate governance report are also available on the KAP website. The integrated report contains, among others, the KAP human capital and remuneration committee report and the KAP social and ethics committee report.

Annexures

This Notice of AGM incorporates the following annexures:

- Annexure A – Summarised consolidated annual financial information of the group for the year ended 30 June 2020
- Annexure B – Curricula vitae of the directors standing for re-election
- Annexure C – The KAP remuneration policy
- Annexure D – The KAP remuneration policy implementation report, incorporating details of the directors' remuneration
- Annexure E – Major shareholders of the company as at 30 June 2020
- Annexure F – Changes to the MOI relating to discontinuation of cheque payments
- Annexure G – Changes to the MOI relating to discontinuation of the practice for executive directors to retire by rotation
- Form of Proxy

Agenda

Ordinary business

Presentation of annual financial statements of the company and various reports (non-voting agenda point)

Refer to Annexure A, containing the summarised consolidated annual financial information of the group for the year ended 30 June 2020.

The audited consolidated annual financial statements of the group for the year ended 30 June 2020, which include the independent auditor's report, the directors' report and the report of the audit and risk committee, are herewith presented to shareholders.

These documents, together with the group's integrated report, will be tabled at the meeting and copies of the statutory required documents will be made available to attendees.

1. Ordinary resolution number 1 – Re-appointment of audit firm and individual auditor

The Companies Act, the JSE LRs and the MOI stipulate that the company must each year at its annual general meeting appoint or re-appoint an eligible auditor.

Following interrogation of the suitability, accreditation, independence and eligibility status of Deloitte & Touche ('Deloitte'), the KAP audit and risk committee was satisfied that Deloitte meets all the requirements of the various relevant legislation for appointment as an auditor of a listed entity and is suitable to serve as the independent external auditor of KAP. The KAP audit and risk committee accordingly recommended that Deloitte be re-appointed as the firm to serve as the external auditor of KAP and Dr Dirk Steyn as the individual who will lead the audit for the financial year ending 30 June 2021. On appointment, this will be the 17th year that Deloitte will serve as the external auditor of KAP and Dr Steyn's fifth (and last) year of leading the KAP audit.

The board has endorsed the aforementioned recommendation and, accordingly, it is proposed that shareholders pass the following resolution:

"Resolved to and hereby re-appoint the firm Deloitte & Touche, a registered and accredited auditor ('the Firm'), as the independent auditor of the group for the ensuing financial year, and Dr Dirk Steyn, a registered and accredited auditor and member of the Firm, as the individual who will undertake the audit."

Note:
Mandatory audit firm rotation ('MAFR') becomes effective on 1 April 2023, in terms of section 10 of the Auditing Profession Act of 2005. Notwithstanding the fact that the board is satisfied with the independence, conduct and quality of audit services being rendered by Deloitte, KAP and Deloitte have amicably agreed that it would be most efficient to appoint a new independent external auditor at the same time that Dr Steyn completes his tenure as KAP's lead auditor. Since Dr Steyn completes his five-year tenure as KAP's lead auditor at conclusion of the 2021 audit, the board, through the KAP audit and risk committee, has commenced with a formal tender process in accordance with MAFR to appoint a new firm of external auditors to replace Deloitte. Progress with this initiative will be shared with stakeholders via the JSE Stock Exchange News Service ('SENS').

2. Ordinary resolution number 2 – Ratification of director appointments made by the company's board

The MOI and the Companies Act stipulate that all director appointments made by the board (so-called 'casual vacancy appointments') must be ratified at the first subsequent general or annual general meeting following such appointments.

On recommendation by the KAP nomination committee, it is proposed that shareholders pass the following separate ordinary resolutions:

"Resolved, by way of individual, stand-alone ordinary resolutions, to ratify and confirm the appointment of the following independent non-executive directors of the company:

2.1 Mr KT Hopkins (appointed on 6 December 2019);
2.2 Mrs V McMenamin (appointed on 12 December 2019); and
2.3 Ms Z Fuphe (appointed on 1 March 2020)."

A brief curriculum vitae for each of these directors is contained in Annexure B to this Notice of AGM.

3. Ordinary resolution number 3 – Re-election of directors who retire by rotation

The MOI and the JSE LRs stipulate that at least one-third of the non-executive directors of the company must retire by rotation at each annual general meeting of the company. King IV™ supports this approach, and recommends periodic and staggered rotation of directors.

In addition, the MOI stipulates that directors who have reached the age of 71 must retire on an annual basis.

Since there are nine non-executive directors on the board, the following three directors, who are eligible for re-election, and who have made themselves available for re-election, must retire by rotation:

- Mr KJ Grové has turned 71 years of age and must, accordingly, retire on an annual basis;
- Mr J de V du Toit who, among the non-executive directors, has been in office longest since his last re-election; and
- Mr SH Müller who, among the non-executive directors, has been in office second longest since his last re-election.

The directors proposed for re-election have maintained a satisfactory attendance record at all scheduled board meetings during the reporting period.

The board is of the view that the re-appointment of the aforementioned directors is imperative to maintain an appropriate balance of knowledge, skills, experience, diversity and independence among the directors of the board and its committees to enable these forums to discharge their responsibilities effectively.

It is therefore proposed that shareholders pass the following stand-alone ordinary resolutions numbers 3.1, 3.2, and 3.3:

"Resolved, by way of individual, stand-alone ordinary resolutions, to and hereby elect the following independent non-executive directors for re-appointment to the board, following their retirement by rotation and who, being eligible, offered themselves for re-election:

3.1 Mr KJ Grové;
3.2 Mr J de V du Toit; and
3.3 Mr SH Müller."

A brief curriculum vitae for each of these directors is contained in Annexure B to this Notice of AGM.

4. **Ordinary resolution number 4 – Re-election of audit and risk committee members**

The Companies Act and the JSE LRs stipulate that each public listed company must each year at its annual general meeting appoint or re-appoint, as the case may be, an audit committee, comprising at least three non-executive directors who are independent and, as a collective body, are suitably qualified, skilled and experienced.

The KAP nomination committee and the board are satisfied that the below-mentioned proposed members are suitably skilled and experienced independent non-executive directors and that they collectively meet the criteria required to fulfil their duties on the KAP audit and risk committee. It is accordingly recommended that shareholders pass the following stand-alone ordinary resolutions numbers 4.1, 4.2, 4.3 and 4.4:

"Resolved to and herewith re-elect, by way of individual, stand-alone ordinary resolutions, the following independent non-executive directors as members of the KAP audit and risk committee until the next annual general meeting:*

4.1 Mr KT Hopkins (subject to his ratification under ordinary resolution 2.1 as a director of the company);
4.2 Ms Z Fuphe (subject to her ratification under ordinary resolution 2.3 as a director of the company);
4.3 Mr SH Müller (subject to his re-election under ordinary resolution 3.3 as a director of the company); and
4.4 Mr PK Quarmby."

A brief curriculum vitae for each of these directors is contained in Annexure B to this Notice of AGM.

Note:
*For the avoidance of doubt, any reference to the 'KAP audit and risk committee' is a reference to the 'audit committee' as contemplated in section 94 of the Companies Act.

5. **Ordinary resolution number 5 – Placing of ordinary shares under the control of the directors for commercial purposes**

For this ordinary resolution number 5 to be adopted, at least 75% (seventy-five per cent) of the voting rights exercised on the resolution must be exercised in favour thereof by shareholders present or represented and entitled to vote at this AGM.

In terms of section 38 of the Companies Act and the MOI, the board has the authority to issue the unissued and authorised shares of the company at any time as consideration for a bona fide acquisition or amalgamation or merger, or for purposes of a vendor consideration placing, or as capitalisation shares, or for purposes of a rights offer.

However, the MOI and the JSE LRs restrict the powers of the directors relating to the issuing of shares for cash, which may only take place following approval thereof by shareholders at a general meeting in terms of either a specific or general mandate.

Since the board is of the view that it is in the best interests of KAP to have flexibility to issue shares for cash (to the extent authorised) for purposes of, inter alia, capital-raising, maintaining a healthy capital adequacy ratio, or for taking advantage of commercial opportunities, including any B-BBEE transaction, as and when they arise, it is proposed that shareholders pass the following ordinary resolution number 5:

"Resolved that the directors of the company be and are hereby authorised, by way of a general authority, to allot and issue for cash, as and when suitable opportunities arise, up to a maximum of 128 500 000 (one hundred and twenty eight million five hundred thousand) of KAP's ordinary shares of no par value, equating to less than 5% (five per cent)@ of the company's ordinary shares in issue at the date of this Notice of AGM, and that such shares be and they are hereby placed under the control of the directors and that the directors herewith be given a general authority to allot and issue such shares for cash at their discretion, provided, inter alia, that:

- *the board shall pass a resolution to issue such shares;*
- *this authority shall not extend beyond the next annual general meeting of the company or for a period longer than 15 (fifteen) months from the date of the passing of this resolution, whichever period is shorter;*
- *for the period from the date of the passing of this resolution until the date of the next annual general meeting or for a period of 15 (fifteen) months from the date of the passing of this resolution, whichever period is shorter, full details will be published on SENS when any shares issued under this mandate represent, on a cumulative basis, 5% (five per cent) or more of the number of ordinary shares in issue prior to such issue;*
- *the shares may only be issued to public shareholders as defined in paragraphs 4.25 to 4.27 of the JSE LRs and not to related parties;*
- *the shares to be issued shall be of a class already in issue (or securities convertible to such a class);*
- *the maximum discount at which such shares may be issued is 10% (ten per cent) of the volume-weighted average traded price ('VWAP') of such shares, measured over the 30 (thirty) business days prior to the date of pricing between the company and the party subscribing for the shares. In the event that the company's shares have not traded in the 30-day period, a ruling will be obtained from the JSE Limited;*
- *for this ordinary resolution in respect of ordinary shares to be adopted, at least 75% (seventy-five per cent) of the voting rights exercised on this resolution are exercised in favour thereof by shareholders present or represented and entitled to vote at this AGM; and*
- *all other relevant provisions regarding the issuing of shares as set out in the JSE LRs, the Companies Act and the MOI are fulfilled."*

For the avoidance of doubt:

- @the number of shares that may be issued under the collective mandates of ordinary resolutions numbers 5, 6 and 7, may not, in aggregate and on a combined basis, exceed 128 500 000 (one hundred and twenty eight million five hundred thousand) shares, which is less than 5% (five per cent) of KAP's ordinary shares in issue at the date of this Notice of AGM;
- @in determining the 5% (five per cent) threshold, treasury shares were excluded from the number of shares in issue;
- in the event of a subdivision or consolidation of issued ordinary shares, this authorisation will be adjusted accordingly to represent the same allocation ratio; and

– by their approval of this resolution, shareholders grant a waiver of any pre-emptive rights to which shareholders may be entitled in favour of the directors for the potential allotment and issue of ordinary shares for cash.

6. Ordinary resolution number 6 – Placing of preference shares under the control of the directors for commercial purposes

The MOI and the JSE LRs restrict the powers of the directors relating to the issuing of shares for cash, which may only take place following approval thereof by shareholders at a general meeting in terms of either a specific or general mandate.

Since the board is of the view that it is in the best interests of KAP to have flexibility to issue shares for cash (to the extent authorised) for purposes of, inter alia, taking advantage of commercial opportunities as and when they arise, it is proposed that shareholders pass the following ordinary resolution number 6:

"Resolved that the directors of the company are hereby authorised, by way of a general authority, to allot and issue for cash, as and when suitable opportunities arise, up to a maximum of 128 500 000 (one hundred and twenty eight million five hundred thousand) of KAP's cumulative non-redeemable, non-participating preference shares of no par value; or up to a maximum of 50 000 000 (fifty million) of KAP's perpetual preference shares of no par value (collectively the 'preference shares'), equating in each case to less than 5% (five per cent)@ of the company's ordinary shares in issue at the date of this Notice of AGM, and that such shares be and they are hereby placed under the control of the directors and that the directors be authorised to allot and issue such preference shares to such person(s) and on such terms and conditions as the directors may in their sole discretion determine, provided, inter alia, that:

- *the board shall pass a resolution to issue such preference shares;*
- *this authority shall not extend beyond the next annual general meeting of the company or for a period longer than 15 (fifteen) months from the date of the passing of this resolution, whichever period is shorter;*
- *more than 50% (fifty per cent) of the voting rights exercised on this resolution are exercised in favour thereof by shareholders present or represented and entitled to vote at this AGM; and*
- *all other relevant provisions regarding the issuing of preference shares as set out in the JSE LRs, the Companies Act and the MOI, are fulfilled."*

For the avoidance of doubt:

– @the number of shares that may be issued under the collective mandates of ordinary resolutions numbers 5, 6 and 7, may not, in aggregate and on a combined basis, exceed 128 500 000 (one hundred and twenty eight million five hundred thousand) shares, which is less than 5% (five per cent) of KAP's ordinary shares in issue at the date of this Notice of AGM;

– @in determining the 5% (five per cent) threshold, treasury shares were excluded from the number of shares in issue;

– in the event of a subdivision or consolidation of issued ordinary shares, this authorisation will be adjusted accordingly to represent the same allocation ratio; and

– by their approval of this resolution, shareholders grant a waiver of any pre-emptive rights to which shareholders may be entitled in favour of the directors for the potential allotment and issue of preference shares for cash.

7. Ordinary resolution number 7 – General authority to create and issue convertible instruments

For this ordinary resolution to be adopted, it must be supported by at least 75% (seventy-five per cent) of the voting rights exercised thereon.

The board is seeking a general authority from shareholders to create and issue convertible instruments subject to the applicable provisions of the Companies Act, the MOI and the JSE LRs. Consequently, it is proposed that shareholders pass the following ordinary resolution number 7:

"Resolved that the directors of KAP be and are hereby authorised to create and issue convertible debentures, debenture stock or other convertible instruments (collectively the 'convertible instruments') in the capital of KAP, and/or to issue ordinary shares of no par value in settlement of any such convertible instruments issued by a subsidiary of KAP, up to a maximum of 128 500 000 (one hundred and twenty eight million five hundred thousand) of KAP's ordinary shares of no par value, equating to less than 5% (five per cent)@ of KAP's ordinary shares in issue at the date of this Notice of AGM, provided, inter alia, that:

- *the board shall pass a resolution to create and issue such instruments;*
- *this authority shall not extend beyond the next annual general meeting of the company or for a period longer than 15 (fifteen) months from the date of the passing of this resolution, whichever period is shorter;*
- *the term of the convertible instruments shall not be less than 42 months and not more than 84 months;*
- *the conversion premium shall be not less than 20% (twenty per cent) above the VWAP of KAP for the 3 (three) trading days prior to pricing;*
- *the board may determine other/additional conditions and terms of conversion;*
- *the company complies fully with the provisions of section 41 of the Companies Act, the provisions of the JSE LRs and the prescripts of the company's MOI; and*
- *any additional ordinary shares in the capital of KAP that may arise from any adjustment to any conversion price of any convertible instrument, issued by KAP or any subsidiary, convertible into the capital of KAP, may be procured from the authority granted in terms of this ordinary resolution number 7."*

For the avoidance of doubt:

– @the number of shares that may be issued under the collective mandates of ordinary resolutions numbers 5, 6 and 7, may not in aggregate and on a combined basis, exceed 128 500 000 (one hundred and twenty eight million five hundred thousand) shares, which is less than 5% (five per cent) of KAP's ordinary shares in issue at the date of this Notice of AGM;

– @in determining the 5% (five per cent) threshold, treasury shares were excluded from the number of shares in issue;

– in the event of a subdivision or consolidation of issued ordinary shares, this authorisation will be adjusted accordingly to represent the same allocation ratio; and

– by their approval of this resolution, shareholders grant a waiver of any pre-emptive rights to which shareholders may be entitled in favour of the directors for the potential allotment and issue of shares in settlement of convertible instruments.

8. Ordinary resolution number 8 – General authority to distribute share capital and reserves

The board is seeking a general authority from shareholders to make distributions of any share capital and reserves of the company, with the authority to afford shareholders the right to receive a capitalisation award. Consequently, it is proposed that shareholders pass the following resolution as ordinary resolution number 8:

"Resolved that the directors of the company be and are hereby authorised, by way of a general authority, to distribute to shareholders of the company any share capital and reserves of the company, or to make any distribution of any nature to shareholders of the company, including the authority to afford shareholders the right to receive shares as a capitalisation award, subject to the provisions of the Companies Act, the JSE LRs and the company's MOI."

At the date of this Notice of AGM, the board does not contemplate using such authority. However, it wishes to retain flexibility to avail itself of this authority if circumstances, including the tax dispensation and a change in market conditions, warrant such a step. In the instance that the company decides to make such a distribution, it will not do so unless all the prescribed statutory solvency, liquidity and capital adequacy requirements are capable of being fulfilled.

Were the company to enter immediately into a transaction to distribute any share capital and/or reserves totalling 10% (ten per cent) of the current issued share capital and reserves of the company, then, after having considered all reasonable foreseeable financial circumstances based on financial statements and accounting records as contemplated in section 4(2) of the Companies Act, the company and the group will satisfy the solvency and liquidity test as contemplated in the Companies Act, and it appears that, for a period of 12 (twelve) months after the date of the AGM and after the date of each distribution that:

- the company and the group will be able to pay its debts as they become due in the ordinary course of business;
- the assets of the company and the group, fairly valued in accordance with International Financial Reporting Standards ('IFRS'), will be equal to or in excess of the liabilities of the company and the group, fairly valued; and
- the share capital and reserves, as well as the working capital of the company and the group, will be adequate for ordinary business purposes.

Shareholders are referred to the 'information and statement relating to this special resolution' under special resolution number 1 below and to Annexure E, which information applies mutatis mutandis to this ordinary resolution number 8.

Non-binding advisory votes

9. Ordinary resolution number 9 – Endorsement of the KAP remuneration policy and implementation report on the remuneration policy

King IV™ recommends and the JSE LRs require that the remuneration policy and the remuneration policy implementation report of a company be tabled for non-binding advisory votes by the shareholders at each annual general meeting of such company. This enables shareholders to inform themselves about how staff members and senior executives are remunerated, and to express their views as to whether they consider the entity's remuneration approach appropriate.

KAP's remuneration policy is regularly revised by the KAP human capital and remuneration committee with a specific focus on improving the efficiency of the group's remuneration practices to ensure that it is appropriately structured to drive performance and to ensure that the strategic goals are attained over the short, medium and long term. Following a peer review and engagements prior to and after the previous annual general meeting, amendments were effected to the measurement criteria of the group's incentive schemes. The amendments are detailed in the company's remuneration policy (set out in Annexure C).

On recommendation by the KAP human capital and remuneration committee, and endorsement thereof by the board, it is proposed that shareholders pass the following ordinary resolutions numbers 9.1 and 9.2 as stand-alone, non-binding advisory votes:

"Resolved to and herewith endorse, by way of stand-alone, non-binding advisory votes, KAP's:

9.1 Remuneration policy as set out in Annexure C to this Notice of AGM; and

9.2 Implementation report on the remuneration policy as set out in Annexure D to this Notice of AGM."

Note:
While voting in respect of ordinary resolutions numbers 9.1 and 9.2 above is of an advisory nature only and does not have any legal consequences relating to existing remuneration agreements, the company will nevertheless take the outcome of the votes into consideration when reviewing the group's future remuneration policy and its implementation. To this end, and if 25% (twenty-five per cent) or more of the voting rights are exercised against either resolution, or both, the company will invite those shareholders who have voted against the relevant resolution, to engage with the company.

10. Ordinary resolution number 10 – Ratification relating to personal financial interest arising from multiple intergroup directorships

Section 75 of the Companies Act prohibits a director from participating in decision-making or voting on any board resolution or entering into any agreements or signing documents relating to transactions if such a director has a 'personal financial interest' in the matter. Through the extension of the definitions of 'personal financial interest' and 'related persons', this provision of the law has a particular effect on the decision-making powers of directors intergroup as the executive directors of KAP serve on multiple subsidiary boards across the group and would thus inevitably have a 'personal financial interest' in many intergroup decisions.

While KAP's directors declare their personal financial interests with great care, the proposed resolution below is intended to ensure that decisions, agreements and signed documents remain legally binding, valid and in force in instances where an inadvertent oversight in conduct may have occurred due to multiple intergroup directorships. This resolution does not limit any other statutory or common-law duties that apply to directors, i.e. the resolution does not ratify any other actions of directors that are in contravention of section 75 of the Companies Act or any other unlawful action by executive directors, such as wilful misconduct, gross negligence and the like.

Consequently, it is proposed that shareholders pass the following resolution as ordinary resolution number 10:

"Resolved that any decisions made and resolutions passed, as well as agreements or documents signed, and actions taken by a director of the company pursuant to the aforementioned, are hereby ratified as contemplated in section 75(7)(b)(i) of the Companies Act, notwithstanding that the personal financial interest of the director or a person related to the director has not been disclosed as contemplated in section 75, but only to the extent that the director was deemed a 'related person' to another entity in the KAP Group and the relevant decisions, resolutions, agreements, documents or actions had the effect of being in the best interests of the company in each case, and fell within the ambit of section 75 of the Companies Act."

Special business

11. Special resolution number 1 – General authority to repurchase shares issued by the company and its subsidiaries

KAP or its subsidiaries may not acquire the company's shares unless the shareholders at a general meeting have, in advance, approved either a specific or general mandate for such a repurchase of shares.

Over the past financial year, 133 000 000 of the company's ordinary shares (equating to 4.92% of shares in issue at the date of the 2019 AGM) were repurchased. Included in this number, are 97 000 000 ordinary shares that were cancelled and delisted as issued shares (3.59% of shares in issue at the date of the 2019 AGM). In order to reduce the effect of dilution on shareholders resulting from the company's Share Rights Scheme, 36 000 000 shares were repurchased to fulfil the company's future obligations under the KAP Performance Share Rights Scheme. These shares are categorised as 'treasury shares'. Other than for purposes of its ongoing obligations under the KAP Performance Share Rights Scheme and in order to reduce the dilutionary effect thereof, a repurchase of shares is not contemplated at the date of this Notice of AGM. However, the board believes it to be in the best interests of KAP to have flexibility to repurchase shares as and when appropriate circumstances arise. Consequently, it is proposed that shareholders pass the following resolution as special resolution number 1:

"Resolved that the repurchase by the company of shares issued by it, on such terms and conditions as may be determined by the directors of the company, and the acquisition by any subsidiary of shares issued by the company, on such terms and conditions as may be determined by the board of directors of any such subsidiary company, be and is hereby authorised as a general approval in terms of section 48 of the Companies Act and the JSE LRs, provided that:

- *such repurchase is permitted by and is in accordance with the provisions of the Companies Act, the JSE LRs and the MOI of the company and of each relevant subsidiary (as the case may be);*
- *this general authority shall be valid until the next annual general meeting of the company or for a period of 15 (fifteen) months from the date of passing this special resolution, whichever period is shorter;*
- *this authority is limited to a maximum of 10% (ten per cent) of the shares in issue in that class in one financial year, and provided further that subsidiaries of the company may not, collectively at any time, hold more than 10% (ten per cent) in the aggregate of the number of issued shares in the company;*
- *repurchases shall not be made at a price more than 10% (ten per cent) above the VWAP of the KAP shares traded on the JSE for the 5 (five) business days immediately preceding the date on which the transaction is effected;*
- *the repurchase of shares shall be implemented through the order book operated by the JSE trading system (in the open market) and without any prior understanding or arrangement between the company and the counterparties;*
- *the company shall not appoint more than one agent to effect any repurchase on the company's behalf;*
- *the company may not effect a repurchase during any prohibited period as defined in the JSE LRs, unless implemented in accordance with a repurchase programme which was in place prior to the prohibited period and which programme has been submitted to the JSE in writing and the terms of such repurchase programme have been determined prior to the commencement of the prohibited period, and the repurchase programme will be executed by an independent third party appointed by the company prior to the commencement of the prohibited period;*
- *when 3% (three per cent) of the initial number, i.e. the number of shares in issue at the time that the general authority from shareholders is granted, is cumulatively repurchased, and for each 3% (three per cent) in aggregate of the initial number acquired thereafter, an announcement shall be made on SENS in accordance with the JSE LRs, provided that if the repurchase of shares are for purposes of the company's share incentive scheme, then the additional disclosure provisions of paragraph 3.92 of the JSE LRs shall be complied with, to the extent applicable; and*
- *the directors of the company shall have passed a resolution, authorising any repurchase and confirming that the group has satisfied the statutory solvency and liquidity test as required by the Companies Act, and that from the time when the test was performed, there have been no material changes to the financial position of the group."*

Information and statement relating to this special resolution
In accordance with paragraph 11.26 of the JSE LRs, the attention of shareholders is drawn to:

- the importance of this resolution – should shareholders be in any doubt as to which action to take, they are advised to consult appropriate independent advisors; and
- the following information:
  - the major shareholders of the company; and

– the number of authorised and issued shares in the company as at its financial year-end date;

details of which are reflected in Annexure E to this Notice of AGM.

Directors' statement
The directors, whose names are given in Annexure E to this Notice of AGM, collectively and individually accept full responsibility for the accuracy of the information given in this Notice of AGM 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;
- confirm that there have been no material changes in the financial or trading position of the group since the publication of the financial results for the year ended 30 June 2020, and the date of this Notice of AGM;
- having considered the effect of a maximum repurchase of shares, and having considered all reasonable foreseeable financial circumstances based on financial statements and accounting records as contemplated in section 4(2) of the Companies Act, the company and the group will satisfy the solvency and liquidity test as contemplated in the Companies Act, and it appears that, for a period of 12 (twelve) months after the date of the AGM and after the date of each share repurchase that:
  - the company and the group will be able to pay its debts as they become due in the ordinary course of business;
  - the assets of the company and the group, fairly valued in accordance with IFRS, will be equal to or in excess of the liabilities of the company and the group, fairly valued in accordance with IFRS; and
  - the share capital and reserves and the working capital of the company and the group will be adequate for ordinary business purposes.

12. Special resolution number 2 – Approval of fees payable to non-executive directors

Before payment of directors' fees may take place, shareholders are required, in terms of section 66(9) of the Companies Act, to authorise by way of a special resolution, the basis of compensation and the 'forward-looking' emoluments to be paid to the non-executive directors for their services to be rendered to the company as directors. (The executive directors are remunerated in terms of their respective contracts with the company and no fees are payable to them for services rendered as directors. The remuneration paid to executive directors is detailed in Annexure D.)

Given the effect of the Covid-19 Lockdown on the economy and the group, KAP's executive directors and staff made financial sacrifices in the best interests of the group's long-term sustainability. Notwithstanding the fact that payment of non-executive directors' fees is not contingent on the performance of the group, the non-executive directors selflessly opted, in line with the aforementioned stakeholder sacrifices, not to receive any inflationary increase in the year ahead on the fees paid in the preceding period. However, a fee has been proposed for the newly appointed lead independent non-executive director.

KAP's human capital and remuneration committee accordingly recommended, and the board has endorsed, the below-mentioned remuneration for approval by shareholders of the company, after which the company will be empowered to pay the below-mentioned remuneration to its non-executive directors for the period until the next annual general meeting.

Consequently, it is proposed that shareholders approve the forward-looking fees for non-executive directors by passing resolutions numbers 12.1 to 12.16 as stand-alone special resolutions:

"Resolved that the remuneration, as set out in paragraphs 12.1 to 12.16 below, payable to the non-executive directors in respect of their services as directors of the company during the period commencing from the date of the passing of this special resolution until the date of the next annual general meeting, be and is hereby authorised by way of individual, stand-alone special resolutions:

Non-executive directors' fees (excluding VAT)		Increase %	2021 R	2020 R
Board membership fees				
12.1	Independent non-executive chairman	0%	**916 000**	916 000
12.2	Non-executive deputy chairman	0%	**579 000**	579 000
12.3	Lead independent non-executive director	New	**579 000**[1]	–
12.4	Member	0%	**365 200**[2]	365 200
12.5	Additional unscheduled formal meetings (fee per formal meeting)	0%	**78 600**[3]	78 700
Audit and risk committee fees				
12.6	Chairperson	30%	**550 000**[4] **(4 meetings per annum)**	424 000 (2 meetings per annum)
12.7	Member	30%	**275 000**[4] **(4 meetings per annum)**	212 000 (2 meetings per annum)
Human capital and remuneration committee fees				
12.8	Chairperson	0%	**174 200**	174 200
12.9	Member	0%	**84 300**	84 300
Social and ethics committee fees				
12.10	Chairperson	0%	**33 700**	33 700
12.11	Member	0%	**16 900**	16 900
Nomination committee fees				
12.12	Chairperson (fee per formal meeting)	0%	**7 300**	7 300
12.13	Member (fee per formal meeting)	0%	**7 300**	7 300
Investment committee fees				
12.14	Chairperson (fee per formal meeting)	0%	**31 800**	31 800
12.15	Member (fee per formal meeting)	0%	**26 500**	26 500
Consultative meeting fees				
12.16	Approved additional consultative meetings	New	**5 000 per hour**[5]	

In view of the impact on the company and its various stakeholders of the Covid-19 pandemic and the national Lockdown imposed by the government of South Africa, the board resolved that it would not increase its fees in line with inflation for the 2021 financial year.

1 In line with King IV™, the board appointed a director in the role of lead independent non-executive director with effect from 18 November 2020.

2 This comprises an annual retainer of R50 800 (2020: R50 800) and a per meeting fee of R78 600 (2020: R78 600), based on four scheduled formal board meetings per annum.

3 The board may be required to meet formally from time to time in addition to the scheduled annual commitments. In such an event, all non-executive directors will qualify for the additional formal meeting fee upon attendance.

4 In light of the escalating regulatory responsibilities and obligations of audit committees, and in order to enhance oversight of specific elements of the combined assurance framework, formal audit and risk committee meetings have been increased from two to four meetings per annum. The increased fee reflects the larger workload, more onerous obligations and greater time commitment of audit and risk committee members.

5 Should non-executive directors be required to meet for consultative purposes from time to time, independent of formal board and committee meetings and relevant preparation therefore, the participating non-executive directors will qualify for a consultative fee for such meetings and time commitment. Any such meetings and time commitments will require pre-approval of the board chairman.

All reasonable travel and accommodation expenses to attend board and committee meetings are paid by the company.

13. Special resolution number 3 – General authority to provide financial assistance

On an ongoing basis, KAP provides direct or indirect financial assistance to its subsidiaries and to related and interrelated companies for commercial purposes, as well as for purposes of broad-based black economic empowerment ('B-BBEE'). Financial assistance includes, inter alia, the granting of loans, providing security, guaranteeing of debt and for subscription of securities of any nature. In order to achieve its strategic goals, it is essential for the company to continue with this practice.

Financial assistance will not be given to prescribed officers and directors of the company, or of subsidiaries of the company or of any related or interrelated entity within the group, unless it is essential for concluding a B-BBEE transaction in the best interest of the group.

To this end, shareholders are requested to authorise the board to provide financial assistance as contemplated in sections 44 and 45 of the Companies Act, which mandate shall empower the directors to provide financial assistance to a general category of recipients that includes persons, the company's subsidiaries, as well as related and interrelated entities within the group, for the purpose of, inter alia, acquiring any option, or right or security, or any convertible instrument (as contemplated in section 44 of the Companies Act), and for granting loans, providing security, guaranteeing debt and subordinating its claims on shareholders' loan accounts (as contemplated in section 45 of the Companies Act), but excludes the provision of financial assistance to prescribed officers and directors of the company, and of subsidiaries of the company and of any related or of any interrelated entity within the group, unless the provision of the financial assistance would be essential for concluding a B-BBEE transaction in the best interest of the group.

Consequently, it is proposed that shareholders pass the following resolution as special resolution number 3:

"Resolved that the company be and is hereby authorised, by way of a general authority and to the extent required and for a period of 24 (twenty-four) months from the date of this resolution, to provide direct or indirect financial assistance in favour of any person, or any holding company, or any subsidiary or any related or interrelated company, including joint venture companies, related trusts, associated companies and any other entity within the group ('the entities'), being a category of recipients as contemplated in sections 44(3)(a)(ii) and 45(3)(a)(ii) of the Companies Act, generally for the purpose of funding or assisting with any capital or operational expenditure of such entity, by way of, among others:

- *subordinating the company's claims held on shareholders' and/or intercompany loan account;*
- *entering into funding and facility agreements and debt capital and domestic medium-term note programmes with financing, banking and investment institutions and other funders in respect of facilities and funding afforded to the group, the company and/or any of the entities;*
- *providing a loan, a guarantee, the provision of security or otherwise for the purpose of, or in connection with, the subscription, issue or purchase of any option, right, security or convertible instrument issued or to be issued by the company or by any of the entities;*
- *for any other purpose that would require financial assistance as contemplated in the Companies Act;*

provided that in each instance:

- *the directors of the company shall adopt a resolution approving the provision of financial assistance and confirm that the company has satisfied the statutory solvency and liquidity test as contemplated in the Companies Act and, where necessary, shall conduct such further tests as may be required;*
- *the terms under which the financial assistance is to be given to any entity shall be fair and reasonable to the company;*
- *the company shall fulfil all conditions and restrictions in respect of the granting of financial assistance as set out in its MOI; and*
- *financial assistance may be given to prescribed officers and directors of the company, and of subsidiaries of the company and of any entity only if it is essential for concluding a B-BBEE transaction in the best interest of the group."*

14. Special resolution number 4 – Amendment to the company's memorandum of incorporation

14.1 Cheque payments

Several of the major banks in South Africa have notified clients that they will be discontinuing the provision of cheque services, and most importantly, the use of cheques as a means of payment. It is anticipated that this arrangement will become the norm for all banks by 2021. The cheque process involves the handling and movement of physical cheques between individuals, and thereafter between the drawing and drawee banks. The cheque-clearing process poses unacceptable risks, including fraud and theft. As a result of a consumer shift towards the safety and convenience of digital payment solutions, there has been a significant drop in cheque usage in recent years (cheque transactions currently make up less than 1% of total payments). Furthermore, the Payments Association of South Africa plans to reduce the maximum value to be written on a cheque to R50 000 in support of the 'Vision 2025' objective of the National Payment System ('NPS') to safer, cost-effective and efficient electronic payments via the NPS.

The board supports the initiative to minimise and ultimately eliminate cheques. Against this background, it is proposed that the use of cheques as a means of payment in respect of distributions (dividends) be discontinued with effect from 1 July 2021 and that the company's MOI be amended accordingly.

Note:
The discontinuation notice period of more than six months is regarded as reasonable for all shareholders who still rely on receiving dividends by cheque payments. It allows sufficient time for such shareholders to negotiate and implement alternative payment arrangements with their banks and the transfer secretary.

14.2 Retirement of executive directors by rotation

In anticipation of the implementation of the new Companies Act in 2011, the MOIs of listed companies were re-drafted to align with the provisions of the Companies Act. During this process, there was uncertainty as to how the staggered retirement by rotation of directors at annual general meetings should be interpreted. KAP followed the most conservative approach in its MOI and inadvertently included executive directors as office bearers that should retire in terms of this approach.

The principle that executive directors should not be subjected to retirement by rotation has since been confirmed by a King Committee Practice Note issued in January 2013 and also by paragraph 10.16(g) of Schedule 10 of the JSE LRs. Both these Codes make it clear that only non-executive directors should retire by rotation.

The JSE LRs state in paragraph 10.16 (g) of Schedule 10 that: *"In a new company, all the directors are to retire at the first annual general meeting. Thereafter, at least one-third of non-executive directors must retire at the company's annual general meeting ..."*

The King Practice Note states that: *"The insistence by some shareholders that MOIs that are tabled for adoption at the annual general meeting include the requirement that executive directors are subjected to retirement by rotation is not a reflection of South African legal or regulatory requirements, nor of King III … Staggered director rotation is a necessary and* *beneficial corporate governance practice ... It balances retention of experience and knowledge about the company's operations and business affairs with bringing new thinking and fresh perspectives to board decision-making. … However, director rotation as contemplated for non-executive directors is inappropriate and serves no purpose insofar as executives are concerned … As a matter of sound governance, executive rotation is a matter for the board. The above recommendations do not in any way affect a shareholder's unfettered right to remove any director."*

King then quoted five unintended adverse consequences that may follow from a practice to subject executive directors to retirement by rotation, including the erosion of the relationship between management and the board; a perception that executives are primarily accountable to shareholders; that shareholders therefore have indirect 'control' over operations through the appointment of executive directors, putting them in a position to direct the company to their own advantage to the detriment of other stakeholders; and exposing the company to the consequences of losing a key employee at short notice and most likely contrary to the terms of the individual's employment contract.

The Companies Act is silent on the matter of staggered rotation. However, section 7*(i)* states as one of its objectives, the balancing of the rights and obligations of shareholders and directors within companies. Shareholders (in terms of section 71) have the right to remove any director (subject to following the appropriate process), thus effectively giving them a voice on the appointment of an executive director. However, if shareholders are allowed through this further and additional mechanism of re-election by rotation to intervene for the purpose of removing an executive director, it would be in conflict with the objectives of section 7*(i)* and also improper from a governance perspective, as it would disturb the balance of power between shareholders and the board vis-à-vis the company. While there is no distinction in law between executive and non-executive directors, in terms of directors' duties and liability, there are distinct differences in the respective functions and roles from a governance perspective.

Against this background, and on a recommendation by the board, it is proposed that shareholders pass the following two special resolutions numbers 14.1 and 14.2 as stand-alone special resolutions, to amend the company's MOI to respectively discontinue the use of cheques as a payment mechanism and to discontinue the practice that requires executive directors to retire by rotation:

"14.1 Resolved, as a special resolution, to amend the various relevant clauses in the company's MOI, as set out below in Annexure F, in order to discontinue, with effect from 1 July 2021, the use of cheques as a payment mechanism in line with market practice in this regard." and

"14.2 Resolved, as a special resolution, to amend the following clauses in the company's MOI, as set out below in Annexure G, in order to align KAP's practices with the requirements of the JSE Listings Requirements and those of the King Commission in respect of director rotation, by discontinuing the KAP practice that requires executive directors to retire by rotation."

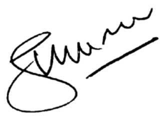
General business

To transact such other business as may be transacted at an annual general meeting or raised by shareholders with or without advance notice to the company, provided that no voting may take place on such matters.

Authority

Any director or secretary of KAP, for the time being, be and is hereby authorised to take all such steps, sign all such documents and do all acts, matters and things on behalf of KAP as may be necessary to give effect to the special and ordinary resolutions passed at this AGM.

By order of the board



JMWR Pieterse

for **KAP Secretarial Services Proprietary Limited**
Company secretary

20 October 2020

Record dates and other important notices

1. The date of the meeting is Wednesday, 18 November 2020.
2. The date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries of the company ('the share register') for purposes of being entitled to receive this Notice of AGM is Friday, 9 October 2020.
3. The date on which shareholders must be recorded in the share register for purposes of being entitled to attend, participate in and vote at this AGM is Friday, 13 November 2020, with the last day to trade being Tuesday, 10 November 2020.
4. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the AGM and must, accordingly, present their driver's licence, identity document or passport in order to participate at the AGM. If in any doubt as to whether any document will be accepted as satisfactory proof of identity, participants should contact the transfer secretaries or The Meeting Specialist Proprietary Limited ('TMS') in advance for guidance.
5. A shareholder entitled to attend and vote at the AGM may appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a shareholder of the company.
6. A Form of Proxy, with relevant instructions for its completion, is enclosed for use by a certificated or dematerialised shareholder with 'own-name registration' who wishes to be represented at the AGM. Completion of a Form of Proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the AGM.
7. Central Securities Depository Participants ('CSDP'), brokers or their nominees, as the case may be, who hold dematerialised shares on behalf of an investor/beneficial owner, should, when authorised in terms of their custody agreement mandate from the shareholder, or when instructed to do so by the owner on behalf of whom they hold dematerialised shares in the company, vote by either appointing a duly authorised representative to attend and vote at the AGM or by completing the attached Form of Proxy in accordance with the instructions thereon.
8. Duly completed Forms of Proxy, together with the documents conferring the authority to the signatory and under which it is signed (if any), must be forwarded to TMS to the address stated below. In the interest of efficient administration, Forms of Proxy must reach TMS by 15:30 on Monday, 16 November 2020. Forms of Proxy will, however, be accepted by the chairman of the AGM until voting on each agenda item commences at the AGM.
9. A shareholder who has dematerialised his/her shares (other than those with 'own-name registration'), who wishes to attend the AGM, should instruct his/her CSDP/broker to issue him/her with the necessary written authority to attend the AGM in terms of the custody agreement between the shareholder and his/her CSDP/broker.
10. A shareholder who has dematerialised his/her shares (other than those with 'own-name registration'), who is unable to attend the AGM, but wishes to be represented at the AGM, must provide his/her CSDP/broker with his/her voting instructions in terms of the relevant custody agreement between him/her and the CSDP/broker.
11. A shareholder present in person, by proxy or by authorised representation shall, on a show of hands, have one vote, and on a poll, shall have one vote in respect of each KAP share held. However, please note that it is the intent, from a corporate governance perspective, that all voting at the AGM would take place by way of a poll.
12. Shareholders of the company wishing to participate in the AGM by means of electronic participation must make application in writing to the company secretary, with a copy to TMS (at the respective addresses stated below), at least 5 (five) business days prior to the date of the AGM so that arrangements can be made for their potential participation in the AGM. Shareholders will have to provide details as to how they or their representatives envisage participating electronically and must further provide reasonably satisfactory identification for verification in terms of section 63(1) of the Companies Act. The costs of accessing any means of electronic participation will be borne by the shareholder so accessing the electronic participation. Shareholders participating via electronic communication must still submit completed Forms of Proxy or voting instructions to their CSDP/broker in order for their votes to be counted, as the electronic participation facilities do not accommodate remote voting. The company reserves the right not to provide for electronic participation at the AGM in the event that it may be impractical to do so and the company cannot guarantee that there will not be a break in communication. Shareholders making use of electronic communication acknowledge that the telecommunication lines are provided by a third party and indemnify the company against any loss, injury, damage, penalty or claim arising in any way from the use of the electronic communication, whether or not the problem is caused by any act or omission on the part of the shareholder or anyone else. In particular, but not exclusively, the shareholder acknowledges that he/she will have no claim against the company, whether for consequential damages or otherwise, arising from the use of the electronic communication or any defect in or from any failure in respect of the electronic communication, including any lines, connections or other electronic components providing a telecommunication link to the AGM.

Company's registered address
3rd Floor, Building 2, The Views, Founders Hill Office Park
18 Centenary Street, Modderfontein, Johannesburg 1645
PO Box 2766
Edenvale 1610

Tel: +27 10 005 3000

info@kap.co.za

Transfer secretaries' address
Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank 2196

Private Bag X9000
Saxonwold
2132

Tel: +27 11 370 5000 or 086 11 00 933

The Meeting Specialists ('TMS') physical address
JSE Building
One Exchange Square
Gwen Lane
Sandown
2196
South Africa

TMS postal address
PO Box 62043
Marshalltown
2107
South Africa

Forms of Proxy must be e-mailed to proxy@tmsmeetings.co.za to be received by TMS by no later than at 15:30 on Monday, 16 November 2020. However, Forms of Proxy may also be handed to the chairman of the AGM on the day of the AGM before commencement of voting on each agenda item.

Annexure A

Summarised consolidated annual financial information of the group for the year ended 30 June 2020

Refer to agenda point 1

Summarised consolidated income statement

	Notes	Year ended 30 Jun 2020 Audited Rm	Year ended 30 Jun 2019 Audited Rm	% change
Revenue	1	**22 166**	25 602	(13)
Operating profit before depreciation, amortisation, B-BBEE cost and capital items		**2 710**	3 909	(31)
Depreciation and amortisation		**(1 363)**	(1 186)	
Operating profit before B-BBEE cost and capital items		**1 347**	2 723	(51)
B-BBEE cost		**(3)**	(196)	
Capital items	2	**(3 284)**	(144)	
Operating (loss)/profit		**(1 940)**	2 383	(181)
Net finance costs		**(676)**	(707)	
Share of profit of associate and joint venture companies		**21**	30	
(Loss)/profit before taxation		**(2 595)**	1 706	(252)
Taxation		**471**	(533)	
(Loss)/profit for the year from continuing operations		**(2 124)**	1 173	(281)
Loss for the year from discontinued operations	3	**(21)**	(83)	
(Loss)/profit for the year		**(2 145)**	1 090	(297)
(Loss)/profit attributable to:				
Owners of the parent		**(2 190)**	1 033	(312)
Non-controlling interests		**45**	57	
(Loss)/profit for the year		**(2 145)**	1 090	(297)
Headline earnings attributable to ordinary shareholders				
(Loss)/earnings attributable to owners of the parent		**(2 190)**	1 033	(312)
Adjusted for:				
Capital items	2	**3 276**	149	
Taxation effects of capital items		**(724)**	(26)	
Non-controlling interests' portion of capital items (net of taxation)		**(1)**	–	
Headline earnings		**361**	1 156	(69)
B-BBEE cost (net of taxation)		**3**	196	
Core headline earnings		**364**	1 352	(73)

(Loss)/earnings from continuing operations per ordinary share	Cents	Cents	% change
Basic (loss)/earnings	**(82.5)**	41.4	(299)
Basic (loss)/earnings – diluted	**(82.4)**	41.3	(300)

Summarised consolidated statement of financial position

	30 Jun 2020 Audited Rm	30 Jun 2019 Audited Rm
Assets		
Non-current assets		
Goodwill and intangible assets	**2 687**	5 242
Property, plant and equipment and investment property	**12 630**	12 536
Right-of-use assets	**438**	–
Consumable biological assets	**1 754**	1 900
Investments in associate and joint venture companies	**77**	75
Investments and loans	**1**	2
Deferred taxation assets	**49**	46
Inventories	**35**	62
	17 671	19 863
Current assets		
Inventories	**2 262**	2 376
Trade and other receivables	**3 367**	3 950
Loans receivable	**2**	13
Taxation receivable	**58**	49
Cash and cash equivalents	**1 001**	1 785
	6 690	8 173
Assets held for sale	**–**	68
	6 690	8 241
Total assets	**24 361**	28 104
Equity and liabilities		
Capital and reserves		
Stated share capital	**8 364**	8 908
Reserves	**1 202**	3 917
Total equity attributable to owners of the parent	**9 566**	12 825
Non-controlling interests	**204**	217
Total equity	**9 770**	13 042
Non-current liabilities		
Loans and borrowings	**5 309**	5 013
Lease liabilities	**363**	–
Deferred taxation liabilities	**2 715**	3 389
Other liabilities and provisions	**32**	66
	8 419	8 468
Current liabilities		
Loans and borrowings	**2 295**	1 298
Lease liabilities	**103**	–
Trade and other payables	**3 476**	4 809
Other liabilities and provisions	**245**	381
Taxation payable	**36**	60
Bank overdrafts and short-term facilities	**17**	–
	6 172	6 548
Liabilities held for sale	**–**	46
	6 172	6 594
Total equity and liabilities	**24 361**	28 104

Summarised consolidated statement of cash flows

	Year ended 30 Jun 2020 Audited Rm	Year ended 30 Jun 2019 Audited Rm
Operating profit before capital items	**1 344**	2 527
Depreciation and amortisation	**1 363**	1 186
B-BBEE cost	**3**	196
Operating loss before depreciation, amortisation and capital items from discontinued operations	**(28)**	(78)
Net fair value adjustments of consumable biological assets[1]	**149**	20
Other non-cash adjustments	**(14)**	24
Cash generated before working capital changes	**2 817**	3 875
Decrease/(increase) in inventories	**170**	(315)
Decrease in trade and other receivables	**649**	37
(Decrease)/increase in trade and other payables	**(1 560)**	436
Changes in working capital	**(741)**	158
Cash generated from operations	**2 076**	4 033
Dividends received	**16**	18
Dividends paid	**(674)**	(656)
Net finance costs	**(685)**	(717)
Taxation paid	**(259)**	(209)
Net cash inflow from operating activities	**474**	2 469
Additions to property, plant and equipment and investment property[2]	**(1 912)**	(1 231)
Additions to intangible assets	**(14)**	(14)
Additions to consumable biological assets	**(3)**	(1)
Net cash (outflow)/inflow on acquisition/disposal of subsidiaries and businesses	**(13)**	101
Other investing activities	**3**	3
Net cash outflow from investing activities	**(1 939)**	(1 142)
Net cash (outflow)/inflow from operating and investing activities	**(1 465)**	1 327
Shares repurchased	**(544)**	–
Transactions with non-controlling interests	**–**	(82)
Increase/(decrease) in loans and borrowings	**1 284**	(1 610)
Decrease in lease liabilities	**(101)**	–
Increase in bank overdrafts and short-term facilities	**17**	–
Net cash inflow/(outflow) from financing activities	**656**	(1 692)
Net decrease in cash and cash equivalents	**(809)**	(365)
Cash and cash equivalents at beginning of the year	**1 785**	2 151
Effects of exchange rate translations on cash and cash equivalents	**25**	(1)
Cash and cash equivalents at end of the year	**1 001**	1 785

[1] *Includes decrease due to harvesting and sale of livestock.*
[2] *Net of proceeds on disposal of property, plant and equipment and investment property, government grants received and insurance proceeds.*

Summarised consolidated statement of comprehensive income

	Year ended 30 Jun 2020 Audited Rm	Year ended 30 Jun 2019 Audited Rm
(Loss)/profit for the year	**(2 145)**	1 090
Other comprehensive income/(loss)		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**119**	(9)
Total other comprehensive income/(loss) for the year	**119**	(9)
Total comprehensive (loss)/ income for the year	**(2 026)**	1 081
Total comprehensive (loss)/income attributable to:		
Owners of the parent	**(2 074)**	1 024
Non-controlling interests	**48**	57
Total comprehensive (loss)/income for the year	**(2 026)**	1 081

Summarised consolidated statement of changes in equity

	Year ended 30 Jun 2020 Audited Rm	Year ended 30 Jun 2019 Audited Rm
Balance at beginning of the year	**13 042**	12 477
Recognition of leases under IFRS 16	**–**	–
Recognition of expected credit losses under IFRS 9	**–**	(23)
Adjusted balance at beginning of the year	**13 042**	12 454
Changes in stated share capital		
Net shares (repurchased)/issued	**(544)**	117
Changes in reserves		
Total comprehensive (loss)/income for the year attributable to owners of the parent	**(2 074)**	1 024
Dividends paid	**(619)**	(618)
Share-based payments	**(30)**	5
B-BBEE cost	**3**	196
Other reserve movements	**5**	(31)
Changes in non-controlling interests		
Total comprehensive income for the year attributable to non-controlling interests	**48**	57
Dividends paid	**(55)**	(38)
Shares purchased from non-controlling interests	**(9)**	(124)
Other non-controlling interests movements	**3**	–
Balance at end of the year	**9 770**	13 042
Comprising:		
Stated share capital	**8 364**	8 908
Distributable reserves	**4 493**	7 297
Share-based payment reserve	**457**	484
Reverse acquisition reserve	**(3 952)**	(3 952)
Other reserves	**204**	88
Non-controlling interests	**204**	217
	9 770	13 042

Segmental analysis of continuing operations

	Note	Year ended 30 Jun 2020 Audited Rm	Year ended 30 Jun 2019 Audited Rm	% change
Revenue				
Diversified industrial		**6 205**	7 777	(20)
Integrated Timber		**3 208**	4 031	(20)
Automotive Components		**1 725**	2 202	(22)
Integrated Bedding		**1 286**	1 551	(17)
Interdivisional revenue eliminations		**(14)**	(7)	
Diversified chemical		**7 301**	8 690	(16)
Polymers		**7 301**	8 690	(16)
Diversified logistics		**8 967**	9 433	(5)
Contractual Logistics – South Africa		**4 954**	5 144	(4)
Contractual Logistics – Africa		**1 865**	2 011	(7)
Passenger Transport		**2 179**	2 382	(9)
Interdivisional revenue eliminations		**(31)**	(104)	
		22 473	25 900	(13)
Intersegmental revenue eliminations		**(307)**	(298)	
	1	**22 166**	25 602	(13)
Operating profit before depreciation, amortisation and capital items				
Diversified industrial		**894**	1 574	(43)
Integrated Timber		**488**	962	(49)
Automotive Components		**184**	336	(45)
Integrated Bedding		**222**	276	(20)
Diversified chemical		**344**	910	(62)
Polymers		**344**	910	(62)
Diversified logistics		**1 467**	1 424	3
Contractual Logistics – South Africa		**654**	560	17
Contractual Logistics – Africa		**444**	465	(5)
Passenger Transport		**369**	399	(8)
Corporate, consolidation and elimination		**5**	1	
		2 710	3 909	(31)
B-BBEE cost		**(3)**	(196)	
		2 707	3 713	(27)
Operating profit before capital items				
Diversified industrial		**582**	1 311	(56)
Integrated Timber		**323**	806	(60)
Automotive Components		**88**	266	(67)
Integrated Bedding		**171**	239	(28)
Diversified chemical		**160**	751	(79)
Polymers		**160**	751	(79)
Diversified logistics		**605**	661	(8)
Contractual Logistics – South Africa		**225**	161	40
Contractual Logistics – Africa		**214**	283	(24)
Passenger Transport		**166**	217	(24)
		1 347	2 723	(51)
B-BBEE cost		**(3)**	(196)	
		1 344	2 527	(47)

Segmental analysis of continuing operations (continued)

	Notes	Year ended 30 Jun 2020 Audited Rm	Year ended 30 Jun 2019 Audited Rm	% change
Operating assets				
Diversified industrial		**9 176**	9 686	(5)
Integrated Timber		**6 382**	6 481	(2)
Automotive Components		**1 304**	1 695	(23)
Integrated Bedding		**1 491**	1 511	(1)
Interdivisional eliminations		**(1)**	(1)	
Diversified chemical		**5 935**	8 873	(33)
Polymers		**5 935**	8 873	(33)
Diversified logistics		**8 153**	7 549	8
Contractual Logistics – South Africa		**4 452**	4 015	11
Contractual Logistics – Africa		**2 413**	2 143	13
Passenger Transport		**1 320**	1 423	(7)
Interdivisional eliminations		**(32)**	(32)	
Corporate, consolidation and elimination		**(91)**	(42)	
	6	**23 173**	26 066	(11)
Operating liabilities				
Diversified industrial		**1 039**	1 575	(34)
Integrated Timber		**561**	822	(32)
Automotive Components		**293**	479	(39)
Integrated Bedding		**186**	275	(32)
Interdivisional eliminations		**(1)**	(1)	
Diversified chemical		**1 474**	2 140	(31)
Polymers		**1 474**	2 140	(31)
Diversified logistics		**1 121**	1 474	(24)
Contractual Logistics – South Africa		**678**	866	(22)
Contractual Logistics – Africa		**249**	289	(14)
Passenger Transport		**226**	351	(36)
Interdivisional eliminations		**(32)**	(32)	
Corporate, consolidation and elimination		**119**	67	
	7	**3 753**	5 256	(29)
Net operating assets				
Diversified industrial		**8 137**	8 111	–
Integrated Timber		**5 821**	5 659	3
Automotive Components		**1 011**	1 216	(17)
Integrated Bedding		**1 305**	1 236	6
Diversified chemical		**4 461**	6 733	(34)
Polymers		**4 461**	6 733	(34)
Diversified logistics		**7 032**	6 075	16
Contractual Logistics – South Africa		**3 774**	3 149	20
Contractual Logistics – Africa		**2 164**	1 854	17
Passenger Transport		**1 094**	1 072	2
Corporate, consolidation and elimination		**(210)**	(109)	
		19 420	20 810	(7)

Additional information

	Goods Rm	Services Rm	Total Rm
Note 1: Revenue			
30 June 2020			
Integrated Timber	**3 617**	**–**	**3 617**
Automotive Components	**1 725**	**–**	**1 725**
Integrated Bedding	**1 446**	**–**	**1 446**
Polymers	**7 381**	**–**	**7 381**
Contractual Logistics – South Africa	**98**	**4 856**	**4 954**
Contractual Logistics – Africa	**–**	**1 865**	**1 865**
Passenger Transport	**–**	**2 179**	**2 179**
Gross revenue	**14 267**	**8 900**	**23 167**
Variable consideration	**(649)**	**–**	**(649)**
Intergroup elimination	**(30)**	**(322)**	**(352)**
	13 588	**8 578**	**22 166**
30 June 2019			
Integrated Timber	4 511	–	4 511
Automotive Components	2 203	–	2 203
Integrated Bedding	1 734	–	1 734
Polymers	8 764	–	8 764
Contractual Logistics – South Africa	90	5 054	5 144
Contractual Logistics – Africa	–	2 011	2 011
Passenger Transport	–	2 382	2 382
Gross revenue	17 302	9 447	26 749
Variable consideration	(738)	–	(738)
Intergroup elimination	(27)	(382)	(409)
	16 537	9 065	25 602

	Year ended 30 Jun 2020 Audited Rm	Year ended 30 Jun 2019 Audited Rm
South Africa	**18 590**	21 036
Rest of Africa	**2 838**	2 916
Europe	**126**	194
Middle East	**94**	174
Americas	**509**	1 065
Other	**9**	217
	22 166	25 602

	Year ended 30 Jun 2020 Audited Rm	Year ended 30 Jun 2019 Audited Rm
Note 2: Capital items		
From continuing operations:		
Loss on disposal of property, plant and equipment and investment property	**(34)**	(21)
Impairments[1]	**(3 255)**	(132)
Other	**5**	9
	(3 284)	(144)
From discontinued operations:		
Profit on disposal of property, plant and equipment and investment property	**2**	2
Profit on disposal of subsidiaries and businesses	**–**	25
Impairments[1]	**5**	(32)
Other	**1**	–
	8	(5)
	(3 276)	(149)

[1] Impairment of goodwill, intangible assets and property, plant and equipment.

Additional information (continued)

	Year ended 30 Jun 2020 Audited Rm	Year ended 30 Jun 2019 Audited Rm
Note 3: Loss for the year from discontinued operations		
Revenue	**60**	197
Operating loss before depreciation, amortisation and capital items	**(28)**	(78)
Depreciation and amortisation	**(2)**	(4)
Operating loss before capital items	**(30)**	(82)
Capital items	**8**	(5)
Operating loss	**(22)**	(87)
Net finance costs	**(2)**	(7)
Loss before taxation	**(24)**	(94)
Taxation	**3**	11
Loss for the year from discontinued operations	**(21)**	(83)

	Year ended 30 Jun 2020 Audited Cents	Year ended 30 Jun 2019 Audited Cents
Note 4: (Loss)/earnings and headline earnings per ordinary share		
From continuing and discontinued operations:		
Basic (loss)/earnings	**(83.3)**	38.3
Basic (loss)/earnings – diluted	**(83.2)**	38.2
Headline earnings	**13.7**	42.9
Headline earnings – diluted	**13.7**	42.8
From continuing operations:		
Basic (loss)/earnings	**(82.5)**	41.4
Basic (loss)/earnings – diluted	**(82.4)**	41.3
Headline earnings	**14.8**	45.9
Headline earnings – diluted	**14.7**	45.8
Headline earnings – core[1]	**14.9**	53.2

[1] *Core headline earnings per share exclude the effect of the B-BBEE cost. This measure of earnings is specific to the group and is not required in terms of International Financial Reporting Standards or the JSE Listings Requirements.*

	Number of shares m	Number of shares m
Ordinary shares in issue at beginning of the year	**2 704**	2 678
Shares issued	**–**	26
Shares repurchased and held as treasury shares	**(36)**	–
Shares repurchased and cancelled	**(97)**	–
Ordinary shares in issue	**2 571**	2 704
Weighted average ordinary shares in issue	**2 630**	2 696

	Fair value hierarchy	Fair value as at 30 Jun 2020 Audited Rm	Fair value as at 30 Jun 2019 Audited Rm
Note 5: Fair values of financial instruments			
Derivative financial assets	Level 2	**32**	10
Derivative financial liabilities	Level 2	**(23)**	(33)

Level 2 financial instruments consist of foreign exchange contracts that are valued using techniques where all of the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data. These inputs include foreign exchange rates.

	30 Jun 2020 Audited Rm	30 Jun 2019 Audited Rm
Note 6: Operating assets per segmental analysis		
Goodwill and intangible assets	**2 687**	5 242
Property, plant and equipment and investment property	**12 630**	12 536
Right-of-use assets	**438**	–
Consumable biological assets	**1 754**	1 900
Inventories	**2 297**	2 438
Trade and other receivables	**3 367**	3 950
	23 173	26 066
Note 7: Operating liabilities per segmental analysis		
Trade and other payables	**3 476**	4 809
Other liabilities and provisions	**277**	447
	3 753	5 256

Selected explanatory notes

Statement of compliance

The summarised consolidated financial information has been prepared and presented in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ('IFRS'), the SAICA *Financial Reporting Guides* as issued by the Accounting Practices Committee, the financial pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE Limited, the information as required by IAS 34 – *Interim Financial Reporting* and the requirements of the South African Companies Act, No. 71 of 2008. The summarised consolidated financial information has been prepared using accounting policies that comply with IFRS, which are consistent with those applied in the consolidated financial statements for the year ended 30 June 2019.

Basis of preparation

The abridged summarised consolidated financial statements are prepared in millions of South African rand (Rm) on the historical-cost basis, except for certain assets and liabilities, which are carried at amortised cost, and derivative financial instruments and consumable biological assets, which are stated at their fair values. The preparation of the summarised consolidated financial statements for the year ended 30 June 2020 was supervised by Frans Olivier CA(SA), the group's chief financial officer.

Accounting policies

The accounting policies and methods of computation of the group have been consistently applied to periods presented in the summarised consolidated financial statements.

During the current year, the group adopted all the new and revised standards issued by the IASB that are relevant to its operations and effective for annual reporting periods beginning on 1 July 2019.

New IFRS standards applied with a material effect on the summarised financial statements are as follows:

IFRS 16 – *Leases*

IFRS 16 – *Leases* sets out the principles for the recognition, measurement, presentation and disclosures of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor').

IFRS 16 replaces existing leases guidance, including IAS 17 – *Leases*, IFRIC 4 – *Determining Whether an Arrangement Contains a Lease,* SIC-15 – *Operating Leases – Incentives and* SIC-27 – *Evaluating the Substance of Transactions Involving the Legal Form of a Lease.*

The group has elected to apply IFRS 16 using the modified retrospective approach whereby the cumulative effect of initial application is recognised in retained earnings at 1 July 2019, with no restatement of comparative information. There was no adjustment to the group's opening retained earnings balance on 1 July 2019. The group has reassessed all leases to determine if it meets the definition of a lease in terms of IFRS 16.

At transition, the group recognised a lease liability and a corresponding right-of-use asset for leases that were previously classified as operating leases under IAS 17. The lease liabilities were measured at the present value of the remaining lease payments discounted at the incremental borrowing rate as at 1 July 2019. The weighted average incremental borrowing rates applied to lease liabilities on 1 July 2019 ranged between 8.50% and 12.25%. In addition, the transition option to recognise the right-of-use asset as equal to the lease liability at 1 July 2019, adjusted by any prepaid or accrued lease payments recognised in the statement of financial position immediately before the date of initial application, has been applied.

In applying IFRS 16 for the first time, the group has elected the following practical expedients permitted by the standard:

- Leases with lease terms ending within 12 months have been accounted for in the same way as short-term leases.
- Leases of low-value items have not been capitalised.
- Reliance was placed on the assessment for onerous lease contracts instead of performing an impairment assessment, and right-of-use assets were adjusted with any onerous lease provisions recognised in the statement of financial position immediately before the date of initial application.
- Initial direct costs have been excluded from the measurement of the right-of-use asset at the date of initial application.
- Hindsight was applied in determining the lease terms where contracts contain options to extend or terminate the lease.
- The group does not separate lease and non-lease components, and accounts for both as a single lease component.

For short-term leases (lease term of 12 months or less) and leases of low-value assets, the group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36 – *Impairment of Assets*.

Until 30 June 2019, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the lease. From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date when the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period, which results in a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Selected explanatory notes (continued)

The following tables provide a summary of the effect of the adoption of IFRS 16 on the summarised financial statements:

	30 Jun 2019 Rm	IFRS 16 Rm	1 Jul 2019 Rm
Non-current assets			
Right-of-use assets	–	395	**395**
Non-current liabilities			
Lease liabilities	–	322	**322**
Operating lease liabilities	5	(5)	**–**
Provisions	16	(1)	**15**
Current liabilities			
Provisions	94	(1)	**93**
Trade and other payables	4 809	(4)	**4 805**
Lease liabilities	–	84	**84**

In applying IFRS 16 to all leases, the group:

- recognised right-of-use assets and the related lease liabilities;
- derecognised the operating lease liabilities of R9 million, of which R4 million was included in trade and other payables; and
- derecognised the onerous lease provisions of R2 million related to the leases capitalised.

The adoption of IFRS 16 had no impact on the group's ability to comply with financial covenants.

Lessor accounting remains unchanged following the adoption of IFRS 16.

The right-of-use asset recognised on 1 July 2019 per class of asset and segment is presented below:

	Land and buildings Rm	Plant and machinery Rm	Total 1 Jul 2019 Rm
Diversified industrial	**45**	**12**	**57**
Integrated Timber	**1**	**8**	**9**
Automotive Components	**32**	**2**	**34**
Integrated Bedding	**12**	**2**	**14**
Diversified chemical	**51**	**133**	**184**
Polymers	**51**	**133**	**184**
Diversified logistics	**126**	**11**	**137**
Contractual Logistics – South Africa	**57**	**11**	**68**
Contractual Logistics – Africa	**10**	**–**	**10**
Passenger Transport	**59**	**–**	**59**
Corporate, consolidation and elimination	**17**	**–**	**17**
	239	**156**	**395**

The following table provides a reconciliation of the undiscounted operating lease commitments as at 30 June 2019 to the lease liabilities recognised on 1 July 2019 in terms of IFRS 16:

	1 Jul 2019 Rm
Operating lease commitments disclosed at 30 June 2019	**731**
Discounted using the incremental borrowing rate as at 1 July 2019	**532**
Less: short-term leases	**(31)**
Less: low value leases	**(1)**
Add: non-lease components	**10**
Less: adjustments related to the treatment of extension or termination options	**(41)**
Less: adjustments relating to changes in the index or rate affecting variable payments	**(63)**
Lease liabilities recognised as at 1 July 2019	**406**
Current portion of lease liabilities	**84**
Non-current portion of lease liabilities	**322**

Annexure B

Curricula vitae of the directors standing for re-election

Ratification of director appointments:

Refer to agenda point 2 – Ordinary resolutions numbers 2.1 – 2.3

KT (Ken) Hopkins (65)

BCom (Hons), CA(SA)

Ken obtained his BCom (Hons) from the University of Cape Town and became a CA(SA) in 1978. He was a partner at Deloitte & Touche and KPMG for more than 30 years, where he specialised in auditing and advising financial institutions. Ken is technically up to date with IFRS, the Companies Act, King IV™ and taxation.

As a retired auditor and full-time professional director, Ken chairs the board of Ewandle Properties Proprietary Limited and serves in a non-executive capacity on the boards of Old Mutual Finance RF Proprietary Limited, Real People Investment Holdings Limited, Infiniti Holdings Limited and 27Four Holdings Limited, where he also chairs the audit and risk committees. Ken is also a member of the social and ethics and remuneration committees of some of these companies. Ken was appointed as an independent non-executive director of KAP Industrial Holdings Limited on 6 December 2019.

Member of the audit and risk committee

* *From 1 September 2020, Ken serves as the chairperson of the audit and risk committee.*

V (Viv) McMenamin (57)

MSc (Economics) (London)

Viv obtained her undergraduate degree from the University of Cape Town, and an MSc Economics degree and a Banking and Finance diploma from the University of London. She completed the Advanced High-Performance Leadership Executive Programme at the International Institute for Management Development in Switzerland. In her early career, Viv served as the secretary general of NUSAS. In mid-2000, she served on the President's Economic Advisory Panel and on the Anglo American Plc Transformation Committee. In 1992, she received the Helen Suzman Award for Leadership. She has been a member of various not-for-profit boards, including serving as the deputy chair of the South African Association for Marine Biological Research for the protection of the East Indian Ocean for more than a decade. In 2012, she was elected as South Africa's Most Influential Woman in Business and Government in the Environment, Waste, Forestry and Paper category.

Viv is the chief executive officer of Mondi South Africa, where she earlier held a number of executive positions over a 17-year period. She is a member of the Mondi Plc Executive Committee. She has experience in the industrial and forestry sectors. Viv was appointed as an independent non-executive director of KAP Industrial Holdings Limited on 12 December 2019.

Member of the social and ethics committee

Z (Zellah) Fuphe (52)

BSocSci

Zellah obtained a Bachelors' degree in Social Sciences from the University of Cape Town and completed the GIBS Global Executive Development Programme in 2015, as well as various other leadership and finance programmes. She is also certified as a Chartered Director (SA) by the Institute of Directors in South Africa. She started her career with Engen Limited ('Engen'), where she served the company in various roles. Zellah served in various executive positions, including as managing director of Plessey South Africa Proprietary Limited, managing director of the then Worldwide African Investment Holdings Proprietary Limited and as the chief executive officer of Afric Oil Proprietary Limited. She is the executive director of corporate governance for Dimension Data Middle East and Africa ('Dimension Data') and is responsible for legal services, risk, compliance, company secretariat, governance and ethics. She is a member of the Dimension Data board and represents the company on a number of its subsidiary boards across the region.

Until recently, Zellah served on the board of AECI Limited and was a member of the company's risk committee and chaired its social and ethics committee. She also previously served as a non-executive director on the boards of Engen (chairperson of its social and ethics committee), Afric Oil (chairperson), Oceana Group Limited (chairperson of its transformation committee), 18th World Petroleum Council 2005 (chairperson), Worldwide Coal Carolina (chairperson) and the Unisa School of Business Leadership. Zellah was appointed as an independent non-executive director of KAP Industrial Holdings Limited on 1 March 2020.

Member of the social and ethics committee
Member of the audit and risk committee

Re-election of directors who retire by rotation

Refer to agenda point 3 – Ordinary resolutions numbers 3.1 – 3.3

KJ (Jo) Grové (71)

AMP (Oxford)
Independent non-executive deputy chairman

Jo has more than 20 years' experience in the financial and banking industry. In 1976, he founded Medical Leasing Services – a company providing specialised financial services to medical doctors. In 1987, the business was sold to the Absa Group, the name was changed to MLS Bank, and Jo was appointed chief executive officer – a position he held until 1995. Jo established Imperial Bank and served on the main board of Imperial Holdings until he joined Unitrans Limited as chief executive officer in September 1998. Following the approval and implementation of Steinhoff's acquisition of the majority shareholding in Unitrans Limited, he was appointed as a non-executive director of Steinhoff International Holdings Limited ('Steinhoff'). Subsequently, he became a non-executive alternative director on the Steinhoff board from December 2007, until he resigned from this position in December 2015. In 2012, Jo was appointed as chief executive officer of KAP Industrial Holdings Limited. He stepped down from this position and was appointed executive chairman in November 2014. From January 2017, he fulfilled the role of non-executive deputy chairman until February 2020, when he was recategorised as an independent non-executive director, following an appropriate cooling-off period.

Member of the human capital and remuneration committee
Member of the investment committee

J de V (Jaap) du Toit (66)

BAcc, CA(SA), CTA, CFA
Independent non-executive chairman

Jaap was appointed as senior general manager of the Trust Building Society in 1984, financial director at SMK Securities Proprietary Limited in 1988, and as their portfolio director in 1990. He was a founder member of PSG Group Limited in 1996, and acted as a director until mid-2016. He acted as chairman of PSG Konsult from its formation in 1998 until 2013, and is still a director of that board. In August 2012, Jaap was appointed as the lead independent non-executive director for PSG Group Limited (until mid-2016). Jaap has served, and currently serves, as chairman of various national committees and boards. He was appointed as chairperson of KAP Industrial Holdings Limited in 2012, and in 2013, as chairperson of the nomination committee.

Chairman of the board
Chairperson of the nomination committee

SH (Steve) Müller (59)

BAcc (Hons), CA(SA), Sanlam EDP

Steve qualified as a chartered accountant and worked at KPMG from 1983 to 1992. In 1992, he was appointed as senior credit manager at Rand Merchant Bank and, in 1995, joined Genbel Investments. Over the next 13 years, Steve functioned in various capacities within the group, including chief operating officer: Equities of Genbel Securities Limited, as well as executive director of Gensec Bank Limited. He also served as a non-executive director and member of the audit and remuneration committees of various investee companies within the Genbel Securities Group. In 2008, he left the group to pursue his own interests. Steve served as an independent non-executive director and chairman of the audit committee of SACOIL Limited from 2013 to 2016. In January 2018, he was appointed as an independent non-executive director of the Phumelela Gaming and Leisure Limited board and as chairman of the company's audit committee. In August 2017, Steve became an independent non-executive director of Pepkor Holdings Limited, serving as chairman of the human resources and remuneration committee and as a member of the audit committee. In 2012, Steve was appointed as an independent non-executive director of KAP Industrial Holdings Limited and, in 2014, as chairperson of the KAP human capital and remuneration committee.

Chairperson of the human capital and remuneration committee
Member of the social and ethics committee
Member of the audit and risk committee
Member of the investment committee

Re-election of KAP audit and risk committee members

Refer to agenda point 4 – Ordinary resolutions numbers 4.1 – 4.4

KT (Ken) Hopkins (65)

Please refer to CV above.

Z (Zellah) Fuphe (52)

Please refer to CV above.

SH (Steve) Müller (59)

Please refer to CV above.

PK (Patrick) Quarmby (66)

CA(SA) (Hons)

Patrick was a partner at Ernst & Young until he relocated overseas in 1987. During his time abroad, he was employed in the Corporate Finance Department of Schroders in London. Patrick became one of the founding directors of Standard Bank in London and established Standard Bank's presence in Hong Kong. On his return to South Africa in 1996, Patrick was appointed as director of Dimension Data Holdings Limited, responsible for the global expansion of the group. He retired from this position in 2014. Patrick acted as non-executive chairman of Datacraft Asia, an IT services company listed in Singapore, until it delisted in 2008, and as independent non-executive director of Unitrans Limited until the Steinhoff acquisition in 2007. He was appointed as an independent non-executive director of KAP Industrial Holdings Limited in 2012.

Chairperson of the audit and risk committee
Chairperson of the investment committee
Member of the nomination committee

* *Patrick served as the chairperson of the audit and risk committee until 31 August 2020.*

With effect from 18 November 2020, he will assume the role of KAP's lead independent non-executive director.

Annexure C

Remuneration report

Refer to agenda point 9 – Ordinary resolution number 9.1 (non-binding advisory votes)

KAP's remuneration philosophy is to remunerate employees fairly and responsibly in a balanced approach, in order to attract, retain and motivate competent individuals, who can contribute meaningfully to the sustainable growth of the company.

KAP applies the recommendations of the King IV Report on Corporate Governance™ for South Africa, 2016 ('King IV™') and endorses King IV™'s inclusive, interconnected approach to corporate governance and its recognition of the importance of ensuring sustainability over the longer term. Fair, responsible and balanced remuneration is viewed as a key factor in ensuring the sustainability of the company.

Human capital and remuneration committee

KAP's human capital and remuneration committee ('the committee') operates within defined terms of reference and with authority granted to it by the KAP board. The board therefore oversees the implementation and execution of the remuneration policy through the committee. The committee comprises three independent non-executive directors, one of whom is appointed as chairperson. The chief executive officer and certain executive managers attend parts of the meetings by invitation.

In terms of the recommendation by King IV™, board committees should have cross membership to ensure a balanced distribution of power and to enhance effective collaboration. In line with this, SH Müller, the chairperson of the committee, is also a member of the social and ethics committee, the audit and risk committee and the investment committee. Of the two remaining members of the committee, IN Mkhari is also a member of the social and ethics committee and the nomination committee, while KJ Grové is also a member of the investment committee.

This committee meets formally at least once a year and more often on an ad hoc basis, should this be required. During the year under review, the committee met formally on 13 August 2019 and all the members were present.

The committee is satisfied that it has fulfilled its responsibilities during the year under review. Key areas of focus of the committee during the past year included:

- a review of the strategic drivers of human capital and remuneration and the alignment thereof to the vision and strategy of the company;
- a review of the remuneration policy, which is presented annually for a non-binding advisory vote by shareholders;
- a review of the measurement criteria in relation to the annual and long-term incentive schemes in order to ensure that they remain appropriate and act as drivers of the business strategy;
- a review and approval of the remuneration packages of executives, including annual and long-term incentives schemes;
- a review of the group's initiatives and progress in relation to gender diversity and employment equity;
- the fulfilment of delegated responsibilities in relation to the share-based incentive scheme;
- a review of the human capital management practices in place across the group to ensure fairness, responsibility, transparency, alignment with King IV™ and compliance with the specific requirements of the relevant labour legislation; and
- as recommended by King IV™, a 'reflection' by the committee on its prior year self-assessment outcomes, to determine whether the identified shortcomings from the assessments have been addressed appropriately.

After year-end, the committee met formally as scheduled on 13 August 2020. In addition to the above-mentioned points, it considered the group's approach to the Covid-19 pandemic and Lockdown, and its impact on our employees in terms of remuneration and restructuring. All members were present at this meeting.

Divisional human capital and remuneration committees

Due to the group's decentralised management structures, the committee has established divisional human capital and remuneration subcommittees ('the divisional subcommittees'). The divisional subcommittees are responsible for all human capital management and employee remuneration matters at divisional level, within the parameters set by the group's remuneration policy.

The divisional subcommittees are supported by established human capital practitioners at group, divisional and business unit level and hold the responsibility for the implementation and management of human capital and remuneration strategies, policies and practices in line with those set by the committee. The divisional subcommittees comprise the KAP chief executive officer ('CEO'), chief financial officer ('CFO') and human capital executive, and the divisional CEO and human capital executive. The KAP CEO chairs these subcommittees.

Key considerations of the divisional subcommittees include a review of the divisional:

- talent management and succession planning;
- leadership development and training;
- performance management systems and processes;
- employment equity;
- employee relations management;
- pay structures and equitable base salary increases for all employees;
- performance incentive schemes; and
- long-term incentive schemes.

Due to the Covid-19 Lockdown imposed by the South African government on 27 March 2020, the divisional subcommittees did not meet formally as scheduled during May 2020, and will only meet formally during October/November 2020.

Alignment with strategy

KAP's strategic objective is to be an industry leader in our chosen markets, which requires us to invest consistently in industry-leading products, processes, systems and equipment. This implies a requirement to attract and retain the best people in the industry, and to improve their skills consistently as markets and technologies evolve.

As KAP has grown into industry-leading positions, we have become increasingly exposed to and are benchmarked against global best practice. Although KAP is a South Africa-based company, we earn approximately 16% of our revenue outside South Africa. We trade with 32 different countries, and we import a significant proportion of our inputs from outside South Africa, with a significant proportion of our inputs globally indexed in foreign currencies. We have international shareholders of certain business units who actively participate in the relevant businesses, and we have several technology agreements with international companies. At a listed level, 19% of our shareholding is owned by foreigners.

As a result, we expect our executives to have knowledge and experience across international borders and to be internationally mobile. KAP therefore competes for management and specialist skills and succession talent in a challenging global marketplace. As a result, our approach to remuneration needs to remain competitive and encourage retention. The sustainable success of our business is critically dependent on our people in order to maintain quality products and high standards of service to customers in very competitive sectors.

Service contracts

Executives' contracts are subject to terms and conditions of employment as governed by the Labour Relations Act of South Africa. The contracts of the top executives or any other executive directors do not contain termination packages or excessive notice periods. In view of the scarcity of executive skills in South Africa, and in order to make provision for an orderly hand over to successors, the committee recommended that the CEO and CFO's notice periods be extended to six calendar months, while the rest of the executive committee's notice periods be extended to three months. These changes were implemented during the year and provide the company with a degree of protection in the event of the resignation of any senior executives.

Non-executive directors' remuneration

Independent surveys are obtained from expert consultants to assist the committee with its annual review of non-executive directors' fees. The committee submitted its proposals to the board for the forward-looking fees payable for the period from the date of the forthcoming annual general meeting ('AGM') in November 2020 to the 2021 AGM. The proposed fee structure includes a principle amendment to provide for an hourly compensation to non-executives for their input required on an ad hoc basis, outside formal meetings, from time to time. In addition, in view of the escalating regulatory obligations on listed companies, the audit and risk committee will now meet four times per annum, previously it met twice per annum, and the fees proposed for audit and risk committee members have been increased accordingly. The position of lead independent non-executive director has been filled with effect from the November 2020 AGM with appropriate fees proposed for this role. In view of management's decision not to provide for inflationary increases for FY21 for all non-bargaining unit staff as a result of the Covid-19 Lockdown, the committee recommended that the non-executive directors' fees for FY21 also do not provide for an inflationary increase.

The non-executive directors receive fees for services rendered to the company. Their remuneration is not linked to the company's share price, its share performance or its results. Non-executive directors are not participants in and therefore do not qualify for shares in terms of the KAP Performance Share Rights Scheme and do not hold share rights under this scheme.

Non-binding advisory vote and shareholder engagement

Following the introduction of King IV™, in addition to the statutory requirement to obtain shareholder approval for the payment of fees to the non-executive directors, the remuneration policy and implementation report will be tabled each year for separate non-binding advisory votes by shareholders at the AGM. In the event that shareholders vote against either the remuneration policy or the implementation report by 25% or more of the total voting rights exercised at the AGM, the committee will issue an invitation to dissenting shareholders to engage with them in order to address legitimate and reasonable concerns.

At the AGM on 13 November 2019, the remuneration policy received support of 68.54% and the implementation report received support of 58.01% by way of separate non-binding advisory votes by shareholders. As a result of receiving less than 75% support, the company provided a platform to engage with dissenting shareholders. This engagement was via an invitation released on the Stock Exchange News Service ('SENS') on 29 November 2019, inviting dissenting shareholders to submit recommendations in writing in relation to the remuneration policy and implementation report, for consideration by the committee.

Changes to the remuneration policy

Following the company's AGM and engagement with shareholders, the committee conducted a peer comparison in relation to remuneration policies and incentive schemes. In line with these peer comparisons, and taking into account the recommendations of shareholders, the committee recommended significant changes to the company's incentive schemes, which were accepted by the board and implemented for FY21.

The changes made to the incentive schemes were primarily to provide transparency in terms of executive targets, to better align these targets with those criteria which will drive shareholder value creation and to incentivise the various levels of management on factors under their control. While the previous incentive schemes were based primarily on the performance against budget and contained a high proportion of non-financial measures, the amendments made to the incentives schemes provide for measurement against transparent targets of earnings growth, returns and cash generation, with a lower proportion of non-financial measures and the removal of 'retention' as a criterion for incentive vesting. These measurement criteria are fully documented in the remuneration policy.

The KAP remuneration policy

The KAP Industrial Holdings Limited ('KAP' or 'the company') board of directors ('the board') carries ultimate responsibility for the remuneration policy. The human capital and remuneration committee ('the committee') operates in terms of a board-approved mandate. The committee therefore functions as a subcommittee of the board in terms of an agreed mandate and evaluates and monitors the company's remuneration philosophy and practices to ensure consistency with governance principles and corporate strategy.

The committee implements a remuneration policy, which is approved by the board, to assist in the achievement of the company's strategy and objectives. The remuneration policy is reviewed on an annual basis and is aligned with the recommendations of the King IV Report on Corporate Governance™ for South Africa, 2016 ('King IV™'), based on the following principles:

Remuneration practices throughout the company are aligned with the applicable business vision and strategy.

Remuneration is set at levels that are competitive and appropriate within the specific markets, geographic areas and industries in which the company operates.

Incentive-based remuneration, which is applicable to management involved in determining and implementing the strategy of the company and/or divisions of the company, is determined with reference to financial performance targets, strategy execution, broad-based black economic empowerment targets, environment, social and governance ('ESG') targets, internal control and compliance measures, as well as individual key performance indicators ('KPIs').

Executive remuneration is fair, responsible and transparent in the context of the overall remuneration of the company.

Elements of remuneration

Benchmarking of the remuneration of executive managers and executive directors is undertaken annually, utilising the services of independent experts, in order to ensure that remuneration in all forms accruing to employees at all levels is market-related and equitably awarded under the remuneration systems and practices in place.

The committee will seek to ensure an appropriate balance between the guaranteed and performance-related elements of managerial remuneration, and also between short-term performance and long-term sustainable stakeholder value creation. The committee will consider each element of remuneration relative to the market and, in determining its quantum, will take into account the performance of the company and/or division, the management team and the individual concerned.

The remuneration policy covers two elements of remuneration:

Guaranteed salary ('salary')

The salary element of remuneration incorporates all guaranteed cash benefits on a total cost to company ('CTC') basis and is intended to provide employees with a competitive level of remuneration. The salary is subject to annual review and is intended to be competitive, with reference to market practice in companies comparable in size, market sector, business complexity and geographic location, as well as equally graded positions. A global grading system is applied across the group in order to ensure uniform employee grading. Company performance, individual performance, general inflation and changes in responsibilities are also taken into consideration when determining annual base salaries.

The amount of the salary package is determined, with effect from 1 July each year, based on parameters approved by the board. Pay levels are based on individual and market factors, as follows:

Job profiles are compiled for each approved position in the company and these are graded using the global grading system.

A competency profile is also determined for each approved position.

Performance reviews of employees against these profiles may lead to an employee receiving merit increments from time to time, which may result in an individual earning remuneration above the market median, but within market norms.

The remuneration levels of key management categories are benchmarked annually, using the market median of independent salary surveys as reference.

Inflationary remuneration adjustments are considered annually, taking into account relevant consumer price inflation indices.

The remuneration of employees, other than union and other bargaining structure represented employees, is contracted on a 'total cost to company package' basis, which includes basic salary, allowances and contributions by the company to retirement savings, risk insurance and medical schemes. In terms of this arrangement, a minimum level of healthcare cover is a condition of employment at certain levels. The company does not provide post-retirement healthcare benefits for employees. Employees throughout the group are able to contribute to various independently administered defined contribution retirement schemes.

The company encourages union membership and collective bargaining among its employees in order to provide for responsible and structured engagement. In relation to employees represented by trade unions or similar bargaining structures and similarly graded positions, their wages and substantive conditions of employment are negotiated from time to time with the applicable bargaining structures, preferably via collective bargaining processes. Changes to remuneration and benefits are negotiated in one, two or three-year arrangements. Multi-year arrangements are favoured in terms of promoting stability and consistency in industrial relations. Access by these employees to suitable medical, retirement and associated insured benefits is also facilitated by the company where appropriate.

Payments on termination of employment, sign-on, retention or restraint payments, commissions and allowances are limited to contractual, legal and/or negotiated obligations and any deviations from this policy in relation to senior executives requires appropriate motivation and the specific approval of the committee.

Variable performance-related incentives ('incentives')

A principle underlying this policy is that senior executives and managers of the company are required to assume more business risk in relation to corporate returns and sustainable performance than their subordinates, and to place more of their remuneration at risk in relation to the achievement of certain targets. Consequently, they are offered a combination of guaranteed and variable pay to incentivise performance on a sustainable long-term basis.

Variable pay is designed to incentivise and reward both team and individual effort and serves as a tool to attract, motivate and retain staff of the calibre required to achieve the objectives of the business. This policy is also intended to ensure that top management are duly motivated to achieve organisational goals and strategic objectives to ensure the long-term sustainability of the company in a balanced and socially and environmentally responsible manner.

Annual incentive bonus ('AIB') scheme

The AIB is intended to incentivise short-term performance on an annual basis and is summarised as follows in terms of the measurement criteria, the weightings of these criteria and the participation levels of executives and senior management.

The following criteria are applicable to KAP Corporate Services executives and senior management and are based on the performance of KAP:

	Measurement	Proportion		Participation levels
KAP Corporate	Core HEPS growth > GDP growth+CPI*	**15%**	Applied on a linear basis to participation levels	
	Core HEPS growth > GDP growth+CPI+1%*	**15%**		CEO and CFO at 200% CTC capped
	Core HEPS growth > GDP growth+CPI+2%*	**15%**		Executives at 75 – 100% CTC capped
	Core HEPS growth > GDP growth+CPI+3%*	**15%**		Management at 50% CTC capped
	EBITDA cash flow conversion ≥ 90%	**20%**		Staff at 25% CTC capped
	B-BBEE score against budget	**10%**		
	Internal audit and compliance	**10%**		
		100%		
	*A polymer index is included together with GDP growth and CPI requirements in relation to Polymers proportion of HEPS			

The following criteria are applicable for divisional executives and are based on the performance of the divisions, independent from the performance of KAP:

	Measurement	Proportion		Participation levels
KAP Divisional	Core operating profit growth > GDP growth+CPI*	**15%**	Applied on a linear basis to participation levels	
	Core operating profit growth > GDP growth+CPI+1%*	**15%**		Divisional CEO 150% CTC capped
	Core operating profit growth > GDP growth+CPI+2%*	**15%**		Divisional CFO/COO at 100% CTC capped
	Core operating profit growth > GDP growth+CPI+3%*	**15%**		Divisional Exco at 50 – 75% capped
	EBITDA cash flow conversion ≥ 90% (Logistics ≥ 95%)	**20%**		
	B-BBEE score against budget#	**10%**		
	Internal audit and compliance	**10%**		
		100%		
	*Polymers division includes a relevant polymer index together with GDP growth and CPI requirements			
	#Contractual Logistics – Africa will replace B-BBEE measurement with the following: 'New revenue contracts secured > 8% of annual revenue'			

The inclusion of a polymer index in the measurement criteria is to protect shareholders from excessive management incentives during a polymer up-cycle and to protect management from forfeiting incentives in a polymer down-cycle, thereby rewarding management only for factors under their control. The polymer index eliminates the effect of movements in specific dollar-based raw material margins and exchange rates.

At operational level, each division will have incentive schemes applicable to middle and junior management, which are aimed at achieving project, production, sales and similar operational targets.

Incentives are determined and paid in the financial year following that to which the performance relates and are disclosed in the company's remuneration policy implementation report with the applicable performance targets.

The committee retains discretion in terms of the award of all AIB incentives, which will only be exercised in exceptional circumstances and will accordingly be reported in the annual remuneration policy implementation report.

Long-term incentive schemes

KAP competes for management skills and talent and our approach to remuneration takes into account the need to retain key management over the long term. Long-term incentives are awarded with the primary aim of promoting the sustainability of the company through business cycles, aligning performance of key management with the interests of stakeholders, and retaining key management over the long term.

The long-term incentives are achieved through a shareholder-approved share rights scheme ('SRS'). Participation in the SRS is determined by the committee on an annual basis in terms of the rules of the scheme. It applies to individuals who are key to determining and implementing the long-term vision and strategy of the company and/or its divisions.

The measurement criteria, the weightings of these criteria and the participation levels of executives and senior management in the SRS are summarised as follows in relation to KAP Corporate Services staff:

	Measurement	Proportion		Participation levels
KAP Corporate	Core HEPS growth > GDP growth+CPI*	**37.5%**	Applied on a linear basis to participation levels	
	ROE > KAP WACC	**37.5%**		CEO and CFO at 167% CTC
	Achievement of individual KPIs	**25.0%**		Executives at 133% CTC
		100.0%		Management at 33% – 67% CTC
	*A polymer index is included together with GDP growth and CPI requirements in relation to Polymers proportion of HEPS			

The measurement criteria, the weightings of these criteria and the participation levels of executives and senior management in the SRS are summarised as follows in relation to divisional staff:

	Measurement	Proportion		Participation levels
KAP Divisional	Core operating profit growth > GDP growth+CPI*	**37.5%**	Applied on a linear basis to participation levels	
	ROCE ≥ KAP WACC + 30%	**37.5%**		Divisional CEO 133% CTC
	Achievement of individual KPIs	**25.0%**		Divisional Exco at 67 – 100% CTC
		100.0%		Divisional management at 33% – 67% CTC
	*Polymers division includes a relevant polymer index together with GDP growth and CPI requirements			

The inclusion of a polymer index into the measurement criteria is intended to protect shareholders from excessive management incentives during a polymer up-cycle and to protect management from forfeiting incentives in a polymer down-cycle, thereby rewarding management only for factors under their control. The polymer index eliminates the effect of movements in specific dollar-based raw material margins and exchange rates.

The performance criteria in relation to the SRS are measured over a three-year period, on a cumulative basis.

Minimum shareholding requirements

In order to promote the long-term alignment of executives with the vision and strategy of the company and the interests of shareholders, executives who participate in the SRS will be required to maintain a minimum shareholding of KAP shares as a condition of participation in the scheme. Participants will be required to retain any shares that vest in terms of the KPI measurement criteria of the scheme until such time as the following minimum shareholdings are met:

- KAP CEO: three times annual CTC
- KAP CFO and divisional CEOs: twice annual CTC
- Other executives: once annual CTC

Malus and clawback

To the extent that the measurement criteria of either the AIB or SRS are achieved as a result of intentional fraud, misstatement, misrepresentation or non-compliance with relevant legislation by any participant of these schemes, the effect of this fraud, misstatement, misrepresentation or non-compliance will be reversed in the consideration of whether the relevant qualifying criteria have been achieved. In addition, any participant directly involved in the fraud, misstatement, misrepresentation or non-compliance will not qualify for an incentive.

The company will pursue legal action for the recovery of any incentives paid as a result of intentional fraud, misstatement, misrepresentation or non-compliance with relevant legislation by any participant of these schemes. In addition, the company will pursue disciplinary action.

Annexure D

The KAP remuneration policy implementation report, incorporating details of directors' remuneration

Refer to agenda point 9 – Ordinary resolution number 9.2 (non-binding advisory vote)

The remuneration policy was applied without deviation during the 2020 financial year.

Guaranteed salary ('salary')

The salaries of executive management were benchmarked by an external service provider, with reference to market practice by companies comparable in size, market sector, business complexity and geographic location, in order to ensure that they provide a competitive level of remuneration. Salary increases were awarded based on inflation, except where changes in responsibilities and roles warranted higher adjustments. Due to the impact of the Covid-19 pandemic and the related Lockdown on the company, management recommended and the board approved a 20% salary reduction for all non-bargaining unit employees for a period of three months during the year. Salary adjustments for executive directors and management are therefore reflected as follows:

Executive directors	Covid-19 adjusted actual salary R	Approved guaranteed salary FY20 R	Guaranteed salary FY19 R	Increase in guaranteed salary %
GN Chaplin	**7 451 799**	**7 844 000**	7 400 000	6
FH Olivier	**4 531 500**	**4 770 000**	4 500 000	6
Total	**11 983 299**	**12 614 000**	11 900 000	

The increase in salaries paid to other executive committee ('Exco') members is based on inflation, additional responsibilities, market benchmarks and an increase in the number of Exco members. There were changes in the executive structure during the year.

	Covid-19 adjusted actual salary R	Approved guaranteed salary FY20 R	Guaranteed salary FY19 R	Increase in guaranteed salary %
Other executive committee members	**34 519 277**	**36 469 017**	35 138 882	4

Salary increases were awarded to all non-bargaining unit employees based on inflation, except where changes in responsibilities and roles warranted higher increases. Salary increases were determined for bargaining unit and similarly graded employees through the relevant bargaining structures.

Management further recommended and the board approved that, as a result of the Covid-19 Lockdown, no inflationary salary increases would be granted to non-bargaining unit employees for FY21.

Annual incentive bonus ('AIB')

FY19

AIBs paid during FY20 were determined in line with the remuneration policy in place for FY19 and were awarded based on the following criteria in relation to FY19:

	Measurement	Proportion	Participation levels
KAP Divisional	Core HEPS vs budget Cash from operations, less net cash finance cost, less cash taxation, (less)/add any capex and investment (over)/underspend vs budget	**75%**	Participation starts at 90% of budget up to the following limits:
	B-BBEE against budget	**15%**	CEO and CFO at 50% CTC
	Internal audit and compliance	**10%**	Executive at 50% CTC
			Management at 25 – 50% CTC
		100%	Staff at 25% CTC
			Executives share in 20% of HEPS over budget in proportion to CTC, uncapped

The group did not meet its financial budget for the year ended 30 June 2019. As a result, executives did not earn incentives related to these measures. The group did, however, achieve its B-BBEE budget, which represents 15% of the incentive weighting, and received an acceptable rating in terms of internal audit and compliance, which represents 10% of the incentive weighting. As such, the executive directors received incentives of 25% of their respective participation levels, strictly in terms of the rules of the scheme.

Certain divisions of the group achieved their financial targets. In view of the outstanding performance of these specific divisions, the committee applied its discretion to increase the incentive payments to the relevant divisional CEOs, from those determined by a strict application of the measurement criteria of the AIB schemes. Executives of those divisions which did not achieve their financial budgets received incentives only in relation to achievement of either the B-BBEE targets, or internal and audit compliance targets, or both.

The incentives paid on this basis in relation to FY19 are reflected as follows:

Executive directors	Total bonuses FY20 R
GN Chaplin	**925 000**
FH Olivier	**562 500**
	1 487 500
Other executive committee members	**8 106 143**

FY20

In relation to the year ended 30 June 2020, the committee and the board accepted a recommendation by management that, as a result of the effects of the Covid-19 Lockdown on the company, no AIBs would be paid to any employees in relation to FY20.

Long-term incentives

FY19

The committee reviewed the performance of the company and individuals against the measurement criteria of the long-term incentive schemes for the December 2016 grant and determined that the measurement criteria were not met. The rights relating to these incentives lapsed and were cancelled. As such, the long-term incentives did not vest and the relevant provisions and reserves related thereto were released through the income statement at 30 June 2019.

FY20

In addition, in relation to FY20, the committee and the board accepted a recommendation by management that, as a result of the effects of the Covid-19 Lockdown on the company, no long-term incentives would be paid to any employees in relation to FY20. As such, the relevant provisions and reserves related thereto were released through the income statement at 30 June 2020.

Long-term incentives were awarded during the year in line with the remuneration policy and stipulated allocation levels. Outstanding share rights of the executive directors at 30 June 2020 are reflected as follows:

Executive directors	Offer date	Vesting date	Number of rights as at 30 June 2019	Number of rights (exercised)/ (expired)/ awarded during the year	Number of rights as at 30 June 2020	Market value of rights at grant date	Market value of rights on vesting	Market value of rights at 30 June 2020
GN Chaplin	Dec-17	Dec-20	1 198 565	(1 198 565)	**–**	–	–	**–**
	Nov-18	Nov-21	1 578 289	(789 145)	**789 144**	6 352 609	–	**1 964 969**
	Dec-19	Dec-22	–	1 013 892	**1 013 892**	4 207 652	–	**2 524 591**
			2 776 854	(973 818)	**1 803 036**	10 560 261	–	**4 489 560**
FH Olivier	Dec-17	Dec-20	588 636	(588 636)	**–**	–	–	**–**
	Nov-18	Nov-21	959 770	(479 885)	**479 885**	3 863 074	–	**1 194 914**
	Dec-19	Dec-22	–	616 556	**616 556**	2 558 707	–	**1 535 224**
			1 548 406	(451 965)	**1 096 441**	6 421 781	–	**2 730 138**
			4 325 260	(1 425 783)	**2 899 477**	16 982 042	–	**7 219 698**

Non-executive directors' fees

Non-executive directors' fees were paid in line with the approvals granted by shareholders at the relevant AGMs, with the exception of fees paid for board and subcommittee meetings held during April, May and June 2020. Due to the impact of the Covid-19 Lockdown on the company, the board implemented a 20% reduction in fees for meetings during this period. This was in line with the 20% reduction in non-bargaining unit salaries, which was implemented across the company for the same period.

Non-executive directors' fees (excluding VAT)	FY20 R	FY19 R
TLR de Klerk[1, 2]	**–**	319 270
LJ du Preez[1, 2]	**–**	319 270
J de V du Toit	**936 581**	1 060 225
Z Fuphe	**284 082**	–
KJ Grové	**956 679**	855 178
KT Hopkins	**576 476**	–
V McMenamin	**317 046**	–
IN Mkhari	**532 127**	700 040
SH Müller	**1 056 791**	1 086 966
SH Nomvete	**538 491**	660 307
PK Quarmby	**1 092 270**	1 091 481
DM van der Merwe[2, 3]	**–**	159 547
CJH van Niekerk[3]	**–**	226 644
	6 290 543	6 478 928

[1] *On 3 April 2019, TLR de Klerk and LJ du Preez resigned from the board as non-executive directors.*
[2] *Paid to subsidiary companies of Steinhoff International Holdings N.V.*
[3] *DM van der Merwe and CJH van Niekerk did not make themselves available for re-election at the company's AGM on 13 November 2018. They were consequently not re-appointed to the board.*

As a result of the effects of the Covid-19 Lockdown on the company, the committee recommended and the board endorsed that the fees of the non-executive directors to be approved at the AGM in November 2020, should not be increased for inflation when compared to the fees paid to them in the prior period.

Annexure E

Major shareholders of the company as at 30 June 2020

Refer to agenda points 8 and 11, relating to ordinary resolution number 8 and special resolution number 11

Disclosure of beneficial interest of major shareholders

Shareholders with a beneficial interest above 5%	2020 %	2019 %
Allan Gray	**19.01**	17.68
Government Employees Pension Fund	**11.42**	10.28
Old Mutual Limited	**6.60**	9.19

	2020			
Shareholder spread	**Number of shareholders**	**%**	**Number of shares**	**%**
1 – 1 000 shares	**5 641**	**55.80**	**748 422**	**0.03**
1 001 – 10 000 shares	**2 474**	**24.47**	**10 782 000**	**0.42**
10 001 – 100 000 shares	**1 257**	**12.43**	**41 142 072**	**1.60**
100 001 – 1 000 000 shares	**450**	**4.45**	**160 340 378**	**6.24**
1 000 001 – 10 000 000 shares	**242**	**2.40**	**689 929 835**	**26.83**
10 000 001 shares and over	**45**	**0.45**	**1 668 194 531**	**64.88**
	10 109	**100.00**	**2 571 137 238**	**100.00**
Resident/non-resident split				
Resident	**9 911**	**98.04**	**2 077 915 098**	**80.82**
Non-resident	**198**	**1.96**	**493 222 140**	**19.18**
	10 109	**100.00**	**2 571 137 238**	**100.00**

Shares held by directors of the company	2020 Number of shares	%	2019 Number of shares	%
GN Chaplin[1]	**3 063 010**	**0.119**	2 511 110	0.093
FH Olivier[2]	**1 050 000**	**0.041**	1 050 000	0.039
KJ Grové	**4 862 828**	**0.189**	4 862 828	0.180
J de V du Toit	**540 368**	**0.021**	540 368	0.020
SH Müller	**225 004**	**0.009**	225 004	0.008
	9 741 210	**0.379**	9 189 310	0.340
Shares held by directors of group subsidiaries	**58 442 069**	**2.274**	61 487 794	2.274
Shares held by management of the company and its group subsidiaries	**3 348 662**	**0.130**	5 706 136	0.211
	71 531 941	**2.783**	76 383 240	2.825
Public/non-public shareholdings				
Allan Gray[3]	**488 806 200**	**19.01**	478 135 864	17.68
Directors (and associates) of the company and its subsidiaries	**68 183 279**	**2.65**	70 677 104	2.61
Management of the company and its subsidiaries	**3 348 662**	**0.13**	5 706 136	0.21
Non-public shareholders[4]	**560 338 141**	**21.79**	554 519 104	20.51
Public shareholders[5]	**2 010 799 097**	**78.21**	2 149 618 134	79.49
	2 571 137 238	**100.00**	2 704 137 238	100.00

[1] On 17 March 2020, an associate of GN Chaplin acquired 551 900 shares.
[2] These shares have been pledged as security for funding transactions (591 003 shares for a transaction maturing on 28 September 2020 and 458 997 shares for a transaction maturing on 16 February 2021).
[3] Allan Gray is a beneficial shareholder holding more than 10% of the shares of the company at year-end.
[4] There were 31 (2019: 66) non-public shareholders at year-end.
[5] There were 10 078 (2019: 11 773) public shareholders at year-end.

Shares of the company as at 30 June 2020

Stated share capital	2020 Number of shares	2019 Number of shares	2020 Rm	2019 Rm
Share capital	**2 607 137 238**	2 704 137 238	**8 540**	8 908
Treasury shares	**(36 000 000)**	–	**(176)**	–
	2 571 137 238	2 704 137 238	**8 364**	8 908
Share capital				
Authorised				
Ordinary shares of no par value	**6 000 000 000**	6 000 000 000	**–**	–
Cumulative, non-redeemable, non-participating preference shares of no par value	**1 000 000 000**	1 000 000 000	**–**	–
Perpetual preference shares of no par value	**50 000 000**	50 000 000	**–**	–
Issued				
Ordinary shares in issue at beginning of the year	**2 704 137 238**	2 677 874 340	**8 908**	8 791
Ordinary shares issued during the year	**–**	26 262 898	**–**	117
Ordinary share repurchased and cancelled during the year[1]	**(97 000 000)**	–	**(368)**	–
Ordinary shares in issue at end of the year	**2 607 137 238**	2 704 137 238	**8 540**	8 908
Treasury shares				
Treasury shares in issue at beginning of the year	**–**	–	**–**	–
Ordinary shares purchased during the year and retained as treasury shares[2]	**(36 000 000)**	–	**(176)**	–
Treasury shares in issue at end of the year	**(36 000 000)**	–	**(176)**	–

[1] Shares were repurchased during the current financial year at an average price of R3.79 per share, including costs.
[2] Shares were repurchased during the current financial year at an average price of R4.88 per share, including costs.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meetings of the company. Dividends received on treasury shares are eliminated on consolidation.

Directors of the company as at the date of the AGM

Executive directors

1. GN Chaplin (Chief executive officer)
2. FH Olivier (Chief financial officer)

Independent non-executive directors

1. J de V du Toit (Chairman of the board)
2. KJ Grové (Independent non-executive deputy chairman)
3. Z Fuphe
4. KT Hopkins
5. V McMenamin
6. IN Mkhari
7. SH Müller
8. SH Nomvete
9. PK Quarmby (Lead independent non-executive director)

Annexure F

Changes to the MOI in order to discontinue the use of cheques as a payment mechanism from 1 July 2021

Refer to agenda point 14.1 – Special resolution number 4.1

Key: ~~abc~~ = deletions and abc = insertions

"Clause 25.4.3 Save as otherwise expressly provided herein, all ~~cheques~~, promissory notes, bills of exchange and other negotiable or transferable instruments, and all documents to be executed by the Company, shall be signed, drawn, accepted, endorsed or executed, as the case may be, in such manner as the Directors shall from time to time determine.

Clause 35.6 Any distribution, interest or other sum payable in cash to the holder of a Share ~~may~~ shall be paid ~~by cheque or warrant sent by post and addressed~~ to the holder of the Share, as recorded in the register of shareholders:

35.6.1 to the holder's ~~at his registered address~~ commercial bank, which has been nominated in writing, for credit to an account nominated in writing by such holder; or

35.6.2 in the case of joint holders, the holder whose name appears first in the Securities Register in respect of the share, ~~at his registered address~~ to his commercial bank, which has been nominated in writing, for credit to an account nominated in writing by such holder; or

35.6.3 to such person and ~~at such address~~ to such commercial bank for credit to such an account as the holder or joint holders may in writing ~~direct~~ have nominated.

Clause 35.7 Every such ~~cheque or warrant~~ payment shall:

35.7.1 be made payable to the order of the person to whom it is addressed; and

35.7.2 be ~~sent at the risk of the~~ made to the commercial bank, which has been nominated in writing, for credit to an account nominated in writing by the holder or joint holders.

Clause 35.8 The Company shall not be responsible for ~~the~~ any loss or damage, provided the correct amount due was credited ~~in transmission of any cheque or warrant or of any document (whether similar to a cheque or warrant or not) sent by post as aforesaid~~ to the correct account at the correct commercial bank, as was nominated in writing by the holder or joint holders.

Clause 35.10 When such ~~cheque or warrant is paid~~ payment has been made, it shall discharge the Company of any further liability in respect of the amount concerned.

Clause 35.17 ~~All entitlements payable to shareholders~~Shareholders who hold shares in certificated form or who have not complied with the requirement to effect payments electronically, must nominate a commercial bank and an account in writing to which proven entitlements ~~are payable in cash or by cheque amounting to R5 (five Rand) or more, but less than R75 (seventy five Rand) will not be paid unless requested in writing, but will be suppressed and retained in the company's~~ in respect of unclaimed dividends or distributions may be credited ~~(entitlement) account and, once the accumulated amount in respect of such shareholder exceeds R75 (seventy five Rand), such payments may be claimed by the shareholder by submitting~~ once a written claim, in the form prescribed by the directors, has been received from the shareholder, who is entitled to such unclaimed dividends or distributions.

The terms and conditions of the cumulative, non-redeemable, non-participating preference shares, incorporated into the Company's MOI as Schedule 1a:

Clause 1.2.7: Payment of any preference dividend and/or accumulated outstanding preference dividend due by the Company shall be made ~~by cheque sent by the Company by registered post at the risk of~~ to the holder of the preference share concerned, as recorded in the register of shareholders, ~~or at the option of the registered holder,~~ to that holder's commercial bank, which has been nominated in writing, for credit to an account nominated in writing by such holder … "

Annexure G

Changes to the MOI relating to discontinuation of the practice for executive directors to retire by rotation

Refer to agenda point 14.2 – Special resolution number 4.2

Key: ~~abc~~ = deletions and abc = insertions

"Clause 25.3.2 No Director shall be appointed for life or for an indefinite period and the Directors shall rotate in accordance with the ~~following~~ provisions of this clause 25.3.2 read together with clauses 25.1 and 25.2, to ensure that Directors who have filled casual vacancies and Directors who have been added to the board since the previous annual general meeting, shall participate in and be taken into account in determining the number for calculating the rotation or retirement of Directors.

25.3.2.1.2 [if] a Director is appointed as an executive Director or as an employee of the Company in any other capacity, he or she shall, while he or she continues to hold that position or office, not be subject to retirement by rotation in terms of this clause 25.3.2 ~~at the end of every fifth year of approval by Shareholders in general meeting~~ and he or she shall not~~, in such case,~~ be taken into account in determining the number of Directors to retire by rotation on an annual basis ~~or retirement of Directors~~;"

KAP INDUSTRIAL HOLDINGS LIMITED
(Registration number: 1978/000181/06) | JSE share code: KAP | ISIN: ZAE000171963 | ('KAP' or 'the company')

Form of Proxy

For use at the 42nd annual general meeting ('AGM') of KAP to be held at 15:30 on Wednesday, 18 November 2020, at the Protea Hotel, Techno Avenue, Technopark in Stellenbosch and/or via electronic means, and at any adjournment thereof.

Only shareholders who hold shares in certificated form and shareholders who have dematerialised their shares but hold them in 'own-name registration' must complete this Form of Proxy.

I/We (Full name(s) in block letters) ______

of (address) ______

being the registered holder(s) of ______ ordinary shares, hereby appoint:

1 ______ of ______ or failing him/her

2 ______ of ______ or failing him/her

3 the chairman of the AGM, as my/our proxy, to vote for me/us and on my/our behalf at the AGM, and at each adjournment thereof, on all resolutions proposed below. My/our proxy may vote in favour of and/or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name(s) in accordance with the following instructions (see Notes on the reverse hereof):

Voting instructions in respect of all/ ______ shares held (number)			NUMBER OF VOTES (ONE VOTE PER SHARE)		
			In favour of	**Against**	**Abstain**
Presentation of annual financial statements			Non-voting agenda point		
1.	Ordinary resolution number 1: Re-appointment of audit firm and individual auditor				
2.	Ordinary resolution number 2: Ratification of director appointments:				
	2.1	Mr KT Hopkins			
	2.2	Mrs V McMenamin			
	2.3	Ms Z Fuphe			
3.	Ordinary resolution number 3: Re-election of directors who retire by rotation:				
	3.1	Mr KJ Grové			
	3.2	Mr J de V du Toit			
	3.3	Mr SH Müller			
4.	Ordinary resolution number 4: Re-election of audit and risk committee members:				
	4.1	Mr KT Hopkins			
	4.2	Ms Z Fuphe			
	4.3	Mr SH Müller			
	4.4	Mr PK Quarmby			
5.	Ordinary resolution number 5: Placing of ordinary shares under the control of the directors for commercial purposes				
6.	Ordinary resolution number 6: Placing of preference shares under the control of the directors for commercial purposes				
7.	Ordinary resolution number 7: General authority to create and issue convertible instruments				
8.	Ordinary resolution number 8: General authority to distribute share capital and reserves				
9.	Ordinary resolution number 9: Non-binding advisory votes to endorse KAP's:		Non-binding advisory vote		
	9.1	Remuneration policy			
	9.2	Implementation report on the remuneration policy			
10.	Ordinary resolution number 10: Ratification relating to personal financial interest arising from multiple intergroup directorships				
11.	Special resolution number 1: General authority to repurchase shares issued by the company and its subsidiaries				
12.	Special resolution number 2: Approval of fees payable to non-executive directors:				
	12.1	Independent non-executive chairman			
	12.2	Non-executive deputy chairman			
	12.3	Lead independent non-executive director			
	12.4	Member			
	12.5	Additional unscheduled formal meetings (fee per formal meeting)			
	12.6	Audit and risk committee chairperson			
	12.7	Audit and risk committee member			
	12.8	Human capital and remuneration committee chairperson			
	12.9	Human capital and remuneration committee member			
	12.10	Social and ethics committee chairperson			
	12.11	Social and ethics committee member			
	12.12	Nomination committee chairperson (fee per formal meeting)			
	12.13	Nomination committee member (fee per formal meeting)			
	12.14	Investment committee chairperson (fee per formal meeting)			
	12.15	Investment committee member (fee per formal meeting)			
	12.16	Approved additional consultative meetings			
13.	Special resolution number 3: General authority to provide financial assistance				
14.	Special resolution number 4: Amendment to the company's memorandum of incorporation:				
	14.1	Discontinuation of cheque payments			
	14.2	Discontinuation of practice for executive directors to retire by rotation			
15.	General		Non-voting agenda point		

Shareholders must insert an 'X' in the appropriate block if they wish to vote all their shares in the same manner. If not, insert the number of votes in the appropriate block. The total number of votes may not exceed the total to which the shareholder is entitled. Unless otherwise instructed, a shareholder's proxy may vote as he/she thinks fit.

Signed at ______ this ______ day of ______ 2020

Signature ______

Any power of attorney and any instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of the power of attorney, must be forwarded to TMS at the address stated overleaf to reach them by 15:30 on Monday, 16 November 2020, or may be handed to the chairman of the AGM before voting commences.

Notes to Form of Proxy

1. This Form of Proxy should be used only by certificated shareholders or shareholders who have dematerialised their shares with 'own-name' registration.
2. All other shareholders who wish to attend the AGM must arrange with their CSDP or broker to provide them with the necessary written authorisation (letter of representation) to attend the AGM. If they elect not to attend the AGM, and wish their votes be recorded, they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.
3. A shareholder may insert the name(s) of one or more proxies, none of whom need to be a shareholder of the company, in the space provided. The person whose name appears first on the 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. In the event that no names are indicated, the proxy shall be exercised by the chairman of the AGM.
4. A shareholder's instruction on the Form of Proxy must be indicated by the insertion of a number of shares in the appropriate space provided, or an 'X' if the shareholder wishes to vote all the shares. Failure to comply with the above will be deemed to authorise the chairman of the AGM (if he is the authorised proxy), or any other appointed proxy, to vote all the shareholder's exercisable votes as he/she deems fit. In general, a shareholder or his/her proxy is not obliged to use all the votes exercisable, but the total of the votes cast, together with any abstentions recorded, may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.
5. The completion and lodging of this Form of Proxy shall not preclude the shareholder from attending, speaking and voting in person at the AGM to the exclusion of any proxy appointed in terms hereof.
6. Should this Form of Proxy not be completed and/or received in accordance with these directives, the chairman of the AGM may accept or reject it, provided that, in the case of acceptance, the chairman is satisfied as to the manner in which the shareholder's votes are to be recorded.
7. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by TMS or by the transfer secretaries at an earlier stage.
8. Documentary evidence establishing the authority of the person signing this Form of Proxy in a representative or other legal capacity must be attached to this Form of Proxy unless previously recorded by the transfer secretaries or waived by the chairman of the AGM.
9. The chairman of the AGM shall be entitled to reject the authority of a person signing this Form of Proxy:

   9.1 under a power of attorney; or

   9.2 on behalf of a company or on behalf of another entity,

   unless that person's power of attorney or authority has been deposited with and registered by TMS at the address stated below before the time fixed for commencement of the AGM.
10. Where shares are held jointly, all joint holders are required to sign the Form of Proxy.
11. Any alterations of or correction to this Form of Proxy must be initialled by the signatory(ies).
12. On a show of hands, every shareholder present in person or represented by proxy shall have only one vote, irrespective of the number of KAP shares he/she holds or represents. On a poll, every shareholder present in person or represented by proxy shall have one vote for every KAP share held by such shareholder. It is the intent that all voting at the AGM will take place by way of a poll.
13. Shareholders may participate electronically in the AGM. However, KAP reserves the right not to provide for electronic participation in the event that it may be impractical to do so. Shareholders who wish to participate electronically must:

    13.1 make application in writing to be received by TMS at least 5 (five) business days prior to the date of the AGM so that arrangements can be made for their electronic participation in the AGM;

    13.2 provide reasonably satisfactory identification;

    13.3 make arrangements with their own service provider to be billed separately for their participation; and

    13.4 submit their Forms of Proxy or voting instructions to their CSDP/broker in order for their votes to be counted, as electronic participation does not accommodate remote voting.
14. To avert a potential administrative burden at the AGM, completed Forms of Proxy must be e-mailed to proxy@tmsmeetings.co.za to be received by TMS by no later than 15:30 on Monday, 16 November 2020. In the alternative, Forms of Proxy may be handed to the chairman at the AGM before commencement of voting on each agenda item.

Important addresses and contact particulars

Transfer secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
2196

Private Bag X9000
Saxonwold
2132
South Africa

Tel: +27 11 370 5000

TMS

The Meeting Specialist Proprietary Limited
JSE Building
One Exchange Square
Gwen Lane
Sandown
2196

PO Box 62043
Marshalltown
2107
South Africa

Tel:+27 11 520 7952/0/1

proxy@tmsmeetings.co.za

KAP

www.kap.co.za