

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

The definitions and interpretations on pages 4 to 5 of this Circular apply to this cover page.

If you are in any doubt as to what action to take, please consult your Broker, CSDP, banker, accountant, legal advisor or other professional advisor.

**Action Required**

1. If you have disposed of all your Shares, then this Circular should be forwarded to the purchaser to whom, or the Broker, agent, CSDP or banker through whom the disposal was effected.
2. Shareholders are referred to page 2 of this Circular, which sets out the detailed actions required of them in respect of the Specific Repurchase set out in this Circular.



**RCL Foods Limited**

Incorporated in the Republic of South Africa  
Registration number: 1966/004972/06

Share code: RCL  
ISIN: ZEA000179438  
(the "Company")

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**CIRCULAR TO SHAREHOLDERS**

regarding:

- **the Specific Repurchase by the Company of 14 480 259 Shares from the Sellers, two of whom are Related Parties as defined in the JSE Limited Listings Requirements, for a consideration of R10.29 per Share in terms of section 48 of the Companies Act, 71 of 2008, as amended and paragraph 5.69 of the JSE Limited Listings Requirements; and**
- **the delisting and cancellation of such repurchased Shares**

and enclosing:

- **a notice of General Meeting of Shareholders to be held on Tuesday, 26 May 2020; and**
- **a form of proxy (*blue*) to vote at the General Meeting of Shareholders.**

Date of issue: Monday, 4 May 2020

This Circular is available in English only. Additional copies of this Circular may be obtained from the registered office of the Company at the address set out in the "Corporate Information" section on the inside front cover of this Circular during normal business hours from Monday, 4 May 2020 to Tuesday, 26 May 2020. This Circular will also be available on the Company's website at [www.rclfoods.com](http://www.rclfoods.com).

**Financial Advisor and Sponsor**



Traditional values. Innovative ideas.

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## CORPORATE INFORMATION

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### **Registered office and business address**

RCL Foods Limited  
Ten The Boulevard  
Westway Office Park  
Westville  
3629

(PO Box 2734, Westway Office Park, 3635)

### **Transfer Secretaries**

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

(Private Bag X9000, Saxonwold, 2132)

### **Sponsor**

RAND MERCHANT BANK  
(A division of FirstRand Bank Limited)  
1 Merchant Place  
Corner Fredman Drive and Rivonia Road  
Sandton  
2196

(PO Box 786273, Sandton, 2146)

### **Company Secretary**

JMJ Maher  
RCL Foods Limited  
Ten The Boulevard  
Westway Office Park  
Westville  
3629

### **Legal Advisors**

Eversheds Sutherland (KZN) Inc.  
3B The Ridge  
8 Torsvale Crescent  
La Lucia Ridge  
4019

(PO Box 5064, Torsvale, 4019)

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## ACTION REQUIRED BY SHAREHOLDERS

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The definitions and interpretations on pages 4 to 5 of this Circular apply to this section.

### **THE GENERAL MEETING**

The implementation of the Specific Repurchase is subject to, *inter alia*, Shareholders passing the requisite special and ordinary resolutions at the General Meeting of Shareholders to be held at 10:00 on Tuesday, 26 May 2020 at Ten The Boulevard, Westway Office Park, Westville, KwaZulu-Natal.

**As a result of the continued restrictions placed on public gatherings, and the social distancing requirements relating to the Covid-19 pandemic, which may continue to be in force as at the date of the General Meeting, it is anticipated that the General Meeting may be held entirely by electronic means. In such case, full details regarding electronic participation and voting in the General Meeting will be published on SENS in the week prior to the date of the General Meeting. Shareholders are therefore advised to monitor the Company's announcements. If the meeting is held entirely by electronic means, then Shareholders are strongly encouraged to submit their votes by proxy at least 48 hours before the General Meeting.**

The record date, to determine who will be eligible to participate in and vote at the General Meeting, is Friday, 15 May 2020. A notice convening the General Meeting is attached to, and forms part of, this Circular.

### **Certificated Shareholders and Dematerialised Shareholders with "own-name registration"**

If you hold Certificated Shares or hold Dematerialised Shares with "own-name registration" (ie you specifically instructed your CSDP to hold your Shares in your own name on the Company's sub-register) you may:

- attend the meeting in person; or
- appoint a proxy to participate in, and speak and vote at, the meeting on your behalf by completing the attached form of proxy (*blue*) and delivering it to the Company's Transfer Secretaries.

Shareholders are requested, but are not obliged, to submit their completed forms of proxy to the Company's Transfer Secretaries before 10:00 on Friday, 22 May 2020, however, Shareholders will still be able to deliver their completed forms of proxy before 10:00 on Tuesday, 26 May 2020 to the Company Secretary of the Company or the Chairperson of the General Meeting.

### **Dematerialised Shareholders other than those with "own-name registration"**

If you hold Dematerialised Shares other than with "own-name registration", you may:

- instruct your CSDP or Broker to vote at the meeting on your behalf by providing your CSDP or Broker with your voting instructions in terms of the custody agreement entered into between you and your CSDP or Broker. You must not complete the attached form of proxy (*blue*); or
- attend the meeting in person by instructing your CSDP or Broker to issue you with the necessary letter of representation to attend the meeting in terms of the custody agreement entered into between you and your CSDP or Broker.

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## IMPORTANT DATES AND TIMES

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The definitions and interpretations commencing on page 4 of this Circular apply to these important dates and times:

| <b>Event</b>   | <b>2020</b>       |
|--|-------------------|
| Record date to be entitled to receive this Circular  | Friday, 24 April  |
| Announcement of publishing of Circular and notice of General Meeting released on SENS on       | Monday, 4 May     |
| Announcement of publishing of Circular and notice of General Meeting published in the press on | Monday, 4 May     |
| Circular distributed to Shareholders on  | Monday, 4 May     |
| Last day to trade in order to be eligible to participate in and vote at the General Meeting    | Tuesday, 12 May   |
| Record date in order to be eligible to participate in and vote at the General Meeting          | Friday, 15 May    |
| Last day to lodge forms of proxy, for administrative purposes, by 10:00 on                     | Friday, 22 May    |
| General Meeting of Shareholders to be held at 10:00 on   | Tuesday, 26 May   |
| Results of the General Meeting announced on SENS on  | Tuesday, 26 May   |
| Results of the General Meeting published in the press on                                       | Wednesday, 27 May |
| Effective date of the Specific Repurchase  | Friday, 29 May    |
| Delisting and cancellation of the Repurchase Shares on   | Wednesday, 3 June |

**Note:**

- All references to dates and times are to local dates and times in South Africa.*
- These dates and times are subject to amendment. Any such amendment will be released on SENS and published in the South African press.*

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## DEFINITIONS AND INTERPRETATIONS

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In this Circular, unless the context indicates the contrary, the following expressions have the meanings given to them below and an expression which denotes any gender includes the other genders, any reference to a natural person includes a juristic person and *vice versa*, and the singular includes the plural and *vice versa*.

|                                     |   |
|-------------------------------------|---|
| <b>Associates</b>                   | an associate/the associates of a Related Party as defined in the JSE Limited Listings Requirements;   |
| <b>Board or Directors</b>           | the board of directors of the Company as at the Last Practicable Date, whose names are set out on page 6 of this Circular;  |
| <b>Broker</b>                       | any person registered as a “stockbroker” as defined in the Financial Markets Act;   |
| <b>Business Day</b>                 | any day other than a Saturday, Sunday or official public holiday in South Africa;   |
| <b>Certificated Shareholders</b>    | registered Shareholders of Certificated Shares;   |
| <b>Certificated Shares</b>          | Shares which have not been Dematerialised, title to which is represented by share certificates or other physical Documents of Title;  |
| <b>Circular</b>                     | this bound document dated Monday, 4 May 2020, including the notice of General Meeting and, where applicable, a form of proxy ( <i>blue</i> );   |
| <b>Companies Act</b>                | the Companies Act, No. 71 of 2008, as amended from time to time;  |
| <b>Company</b>                      | RCL Foods Limited, registration number 1966/004972/06, a public company registered and incorporated under the laws of the Republic of South Africa, the shares of which are listed on the JSE;  |
| <b>CSDP</b>                         | a central securities depository participant as defined in section 1 of the Financial Markets Act;   |
| <b>CSP</b>                          | the Company’s Conditional Share Plan;   |
| <b>CSP Rules</b>                    | the rules of the CSP, as amended from time to time;   |
| <b>Dematerialised</b>               | the process whereby securities held by Certificated Shareholders are converted or held in an electronic form as uncertificated securities and recorded in a sub-register of security holders maintained by a CSDP or Broker;  |
| <b>Dematerialised Shareholders</b>  | registered Shareholders of Dematerialised Shares;   |
| <b>Dematerialised Shares</b>        | Shares that have been Dematerialised;   |
| <b>Documents of Title</b>           | valid share certificates, certified transfer deeds, balance receipts and other documents of title to shares acceptable to the Company;  |
| <b>Exchange Control Regulations</b> | the Exchange Control Regulations, (GNR.1111 of 1961), as amended, promulgated in terms of section 9 of the Currency and Exchanges Act, No. 9 of 1933, as amended;   |
| <b>Financial Markets Act</b>        | the Financial Markets Act, No. 19 of 2012, as amended;  |
| <b>General Meeting</b>              | the general meeting of Shareholders to be held at 10:00 on Tuesday, 26 May 2020 at Ten The Boulevard, Westway Office Park, Westville, KwaZulu-Natal for the purposes of considering and, if deemed fit, approving, with or without modification, the special and ordinary resolutions contained in the notice of General Meeting attached to and forming part of this Circular; |
| <b>Group</b>                        | the Company and its subsidiaries;   |
| <b>JSE</b>                          | JSE Limited, registration number 2005/022939/06, a public company registered and incorporated under the laws of the Republic of South Africa, licensed as an exchange under the Financial Markets Act;  |

|  |   |
|--|---|
| <b>JSE Limited Listings Requirements</b> | the Listings Requirements of the JSE, as amended from time to time;   |
| <b>Last Practicable Date</b>             | the last practicable date prior to the finalisation of this Circular being Friday, 27 March 2020;   |
| <b>Related Party</b>                     | a related party as defined in the JSE Limited Listings Requirements;  |
| <b>Repurchase Agreements</b>             | the agreements entered into between the Company and each Seller in respect of the Specific Repurchase;  |
| <b>Repurchase Consideration</b>          | an aggregate amount of R149,001,865.11 (one hundred and forty-nine million, one thousand eight hundred and sixty-five Rand and eleven cents) which shall be paid by the Company to the Sellers in terms of the Specific Repurchase as the purchase consideration for the Repurchase Shares;   |
| <b>Repurchase Price</b>                  | the price of R10.29 (ten Rand and twenty-nine cents) per Share payable by the Company to the Sellers for each Repurchase Share in terms of the Specific Repurchase;   |
| <b>Repurchase Shares</b>                 | the Shares repurchased by the Company from the Sellers;   |
| <b>Sellers</b>                           | Miles Dally; Robert Hilton Field; Trevor Harding; Wayne Hoare; Chris Creed; John Du Plessis; Scott Pitman; Paul Cruickshank; Jason Livesey; Barney Khumalo; Daryl Milne; Shunmugam Pillay; David Tubb; Paul Gibbons; Ilse Gravett-Hultzer; Ebru Kaya Cook; Gary King; Deena Naicker; and Stephen Van der Merwe being the sellers in terms of the Specific Repurchase, each of whom is a "Seller"; |
| <b>SENS</b>                              | the Stock Exchange News Service operated by the JSE;  |
| <b>Shareholders</b>                      | the registered holders of the Shares;   |
| <b>Shares</b>                            | ordinary shares of no par value in the issued share capital of the Company;   |
| <b>Specific Repurchase</b>               | the proposed acquisition by the Company of the Repurchase Shares from the Sellers as set out in this Circular in terms of section 48 of the Companies Act and paragraph 5.69 of the JSE Limited Listings Requirements, and pursuant to the terms and conditions of the Repurchase Agreements;   |
| <b>Transfer Secretaries</b>              | Computershare Investor Services Proprietary Limited, registration number 2004/003647/07, full details of which are set out in the "Corporate Information" section of this Circular; and   |
| <b>VWAP</b>                              | volume weighted average price, being the total value of shares traded, divided by the total number of shares traded, over a particular period of time.  |

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## CIRCULAR TO SHAREHOLDERS

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### Board of Directors

#### Executive:

Miles Dally

Robert Hilton Field

#### Non-Executive:

Hendrik Johannes Carse

Jan Jonathan Durand

Cindy Joy Hess\*

Pieter Rudolf Louw

Nkateko Peter Mageza\*

Penelope Mpho Moumakwa\*

Derrick Thembinkosi Vusumuzi Msibi\*

Manana Margaret Nhlanhla\*

Roy Vaughan Smither\*

George Murray Steyn\*

Gcina Cecil Zondi

Paul Johannes Neethling (*Alternate Director to JJ Durand*)

*\*Independent*

### 1. INTRODUCTION AND RATIONALE

- 1.1 Shareholders are referred to the announcement released on SENS on Thursday, 26 March 2020 in which they were advised of the Company's intention to repurchase the Repurchase Shares from the Sellers at the Repurchase Price, subject, *inter alia*, to Shareholders' approval of the special and ordinary resolutions necessary to authorise and implement the Specific Repurchase.
- 1.2 The purpose of this Circular is to furnish to Shareholders information relating to the Specific Repurchase to be proposed at the General Meeting as set out in the notice of General Meeting attached to this Circular, at which Shareholders can vote on the special and ordinary resolutions required to implement the Specific Repurchase.
- 1.3 The Company has in place a long-term share incentive scheme known as the CSP. The purpose of the CSP is to attract individuals, or retain employees of the Company or the Company's subsidiaries with an award of shares in the Company, and to encourage their continued service to the Company or the Company's subsidiaries (as the case may be).
- 1.4 In terms of the CSP, the Sellers were awarded conditional shares in the Company on 1 March 2017, subject to specific performance conditions and a three-year vesting period. These conditional shares have now vested, and the Sellers are entitled to receive the relevant number of ordinary shares in the Company, which were transferred to them on or before Wednesday, 1 April 2020.
- 1.5 The Company's extremely limited free float, low trading volumes and lack of tradability severely restricts the ability of the Sellers to trade in these shares.
- 1.6 Shareholders are advised that the Company has entered into Repurchase Agreements in terms of which the Company will, subject to the conditions precedent, which are stipulated at clause 2.4 below, repurchase from the Sellers a number of Repurchase Shares representing in aggregate 1.5% of the issued Share capital of the Company.
- 1.7 In terms of the JSE Limited Listings Requirements, the Sellers and their Associates, will be excluded from voting on the Special Resolution required to authorise the Specific Repurchase.
- 1.8 The Specific Repurchase includes the repurchase of Shares from Miles Dally and Robert Hilton Field who, as directors of the Company, are Related Parties. However, notwithstanding that the Specific Repurchase includes Related Parties, a fairness opinion is not required as the price per Repurchase Share is not at a premium to the 30 (thirty) Business Day VWAP as contemplated in



paragraph 5.69(e) of the JSE Limited Listings Requirements.

| <b>Seller</b>              | <b>Number of Repurchase Shares</b> |
|----------------------------|------------------------------------|
| Miles Dally                | 3 620 565                          |
| Robert Hilton Field        | 500 000                            |
| Other non-director Sellers | 10 359 694                         |
| <b>Total</b>               | <b>14 480 259</b>                  |

- 1.9 As announced in an Update regarding the Specific Repurchase on 14 April 2020, the Company's largest shareholder, Remgro Limited, has indicated that it will abstain from voting on the special and ordinary resolutions required to give effect to the Specific Repurchase. The Shares held by Remgro Limited, representing 70,3% of the Company's issued share capital (as at the Last Practicable Date), will therefore not be taken into account in determining whether the special and ordinary resolutions to be proposed at the General Meeting are passed by the requisite number of votes. Notwithstanding any abstention from voting, should Remgro Limited attend the meeting, it shall be regarded as being present at the meeting for purposes of determining if a quorum is present for the meeting to begin and for a matter to be considered.

## 2. DETAILS OF THE SPECIFIC REPURCHASE

- 2.1 The Company is authorised to undertake the Specific Repurchase in terms of its Memorandum of Incorporation.
- 2.2 In terms of the Specific Repurchase, the Company will purchase from the Sellers, 14 480 259 (fourteen million, four hundred and eighty thousand, two hundred and fifty-nine) Shares at the Repurchase Price.
- 2.3 The total Repurchase Consideration for the Repurchase Shares will amount to R149 001 865.11 (one hundred and forty-nine million, one thousand eight hundred and sixty-five Rand and eleven cents).
- 2.4 The Repurchase Agreements remain subject to the fulfilment of the following conditions precedent:
- 2.4.1 the Shareholders pass the special resolution authorising the Specific Repurchase; and
- 2.4.2 the Company provides written confirmation that all approvals that may be required in terms of any contractual agreements entered into by the Company, or any company of the Group, have been obtained.

## 3. SOURCE OF FUNDS

The payment of the Repurchase Consideration will be funded from existing cash resources.

## 4. FINANCIAL EFFECTS

The Company's cash balances will decrease by the amount of the Repurchase Consideration as a result of the Specific Repurchase and, on delisting and cancellation of the Repurchase Shares, its share capital and share premium will reduce by the same amount.

## 5. SHARE CAPITAL

The authorised and issued Share capital, before and after the Specific Repurchase and the delisting and cancellation of the Repurchase Shares, is as follows:

|  | <b>Before</b>      | <b>After</b>       |
|--|--------------------|--------------------|
| Authorised share capital (no par value)          | 2 000 000 000      | 2 000 000 000      |
| Issued share capital (excluding treasury shares) | 888 245 746        | 873 765 487        |
| Held as treasury shares                          | 70 758 637         | 70 758 637         |
| <b>Total issued capital</b>                      | <b>959 004 383</b> | <b>944 524 124</b> |

## 6. MAJOR SHAREHOLDERS OF THE COMPANY

As at the Last Practicable Date, to the knowledge of the Company, the names of the Company's Shareholders other than directors who are directly or indirectly beneficially interested in 5% (five percent) or more of the issued Shares are set out below:

| <b>Shareholder</b>   | <b>Number of Shares</b> | <b>% of issued Share Capital</b> |
|--|-------------------------|----------------------------------|
| Remgro Limited   | 674 543 674             | 70,3%                            |
| Oasis Asset Management Limited                                   | 71 261 328              | 7,4%                             |
| Prudential Portfolio Managers (South Africa) Proprietary Limited | 50 791 189              | 5,3%                             |

## 7. MATERIAL CHANGES

The directors are not aware of any material changes in the financial or trading position of the Company or its subsidiaries subsequent to the latest published financial results for the 6 (six) month period ended December 2019 and the date of this Circular.

## 8. DIRECTORS' INTEREST IN SHARES

8.1 The direct and indirect beneficial interests of the directors and their associates' holdings in the issued Share capital of the Company as at the Last Practicable Date and any changes thereto, is set out below:

| <b>Name of director</b> | <b>Direct beneficial</b> | <b>Indirect beneficial</b> |
|-------------------------|--------------------------|----------------------------|
| Miles Dally             | 4 871 302                | –                          |
| Robert Hilton Field     | 2 110 030                | 28 013                     |
| <b>Total</b>            | <b>6 981 332</b>         | <b>28 013</b>              |

8.2 The direct and indirect beneficial interests of the directors and their associates' holdings in the issued Share capital of the Company after the Specific Repurchase is set out below:

| <b>Name of director</b> | <b>Direct beneficial</b> | <b>Indirect beneficial</b> |
|-------------------------|--------------------------|----------------------------|
| Miles Dally             | 1 250 737                | –                          |
| Robert Hilton Field     | 1 610 030                | 28 013                     |
| <b>Total</b>            | <b>2 860 767</b>         | <b>28 013</b>              |

## 9. WORKING CAPITAL STATEMENT

9.1 The Specific Repurchase is subject to the provisions of the Memorandum of Incorporation of the Company, the Companies Act and the JSE Limited Listings Requirements, where applicable. The directors, whose names are set out on page 6 of this Circular, are of the opinion that, after considering the effect of the Specific Repurchase:

- 9.1.1 the Company and the Group will be able in the ordinary course of business to pay its debts for a period of 12 (twelve) months after the date of approval of this Circular;
- 9.1.2 assets of the Company and the Group will be in excess of the liabilities of the Company and the Group for a period of 12 (twelve) months after the date of approval of this Circular, where for this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements;
- 9.1.3 share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of approval of this Circular; and
- 9.1.4 working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of approval of this Circular.

9.2 In addition, a resolution by the Board has been adopted, stating that the Board has authorised the Specific Repurchase, that the Company has passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Company and the Group.

#### 10. **DIRECTORS' RESPONSIBILITY STATEMENT**

The directors, whose names are set out on page 6 of this Circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief, there are no other facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by the JSE Limited Listings Requirements.

#### 11. **COSTS OF THE SPECIFIC REPURCHASE**

The costs (exclusive of Value-Added Tax) of the Specific Repurchase are anticipated to be:

| <b>Description</b>                              | <b>Name</b>                     | <b>Rand</b>       |
|---|---------------------------------|-------------------|
| Documentation fee                               | JSE Limited                     | 23 364.82         |
| Legal fees                                      | Eversheds Sutherland (KZN) Inc. | 200 000.00        |
| Sponsor fees                                    | Rand Merchant Bank              | 250 000.00        |
| Printing, publication and distribution expenses | Ince                            | 78 224.40         |
| <b>Total</b>                                    |                                 | <b>551 589.22</b> |

#### 12. **CONSENTS**

The legal advisors, sponsor and Transfer Secretaries have consented in writing to act in the capacity stated and to their names being stated in this Circular and have not withdrawn their consent prior to the issue of this Circular.

#### 13. **EXCHANGE CONTROL REGULATIONS**

The Sellers are all residents of the Republic of South Africa.

#### 14. **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents, or copies thereof, will be available for inspection by Shareholders at the registered office of the Company during normal business hours from Monday, 4 May 2020 up to and including the date of the General Meeting:

14.1 the notice of General Meeting;

14.2 copies of the Repurchase Agreements;

14.3 the CSP Rules;

14.4 the Annual Financial Statements of the Company for the years ended June 2019, 2018 and 2017; and

14.5 the Memorandum of Incorporation of the Company.

In the event that the Government lockdown means that a Shareholder is unable to access the registered office of the Company, electronic copies may be requested from the Company Secretary by way of email to John.Maher@rcffoods.com.

Signed in Durban by JMJ Maher on behalf of all of the directors on 4 May 2020.

**JMJ Maher**  
*Company Secretary*

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## NOTICE OF GENERAL MEETING

---



### RCL Foods Limited

Incorporated in the Republic of South Africa  
 Registration number: 1966/004972/06  
 Share code: RCL  
 ISIN: ZEA000179438  
 (the "Company")

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All terms defined in the Circular, to which this notice of General Meeting is attached, shall have the same meanings when used in this notice of General Meeting.

Notice is hereby given that a General Meeting of Shareholders will be held at Ten The Boulevard, Westway Office Park, Westville, KwaZulu-Natal at 10:00 on Tuesday, 26 May 2020, for the purpose of considering and, if deemed fit, passing with or without modification, the special and ordinary resolutions set out below.

**As a result of the continued restrictions placed on public gatherings, and the social distancing requirements relating to the Covid-19 pandemic, which may continue to be in force as at the date of the General Meeting, it is anticipated that the General Meeting may be held entirely by electronic means. In such case, full details regarding electronic participation and voting in the General Meeting will be published on SENS in the week prior to the date of the General Meeting. Shareholders are therefore advised to monitor the Company's announcements. If the meeting is held entirely by electronic means, then Shareholders are strongly encouraged to submit their votes by proxy at least 48 hours before the General Meeting.**

The record date for determining which Shareholders are entitled to receive this notice of General Meeting is Friday, 24 April 2020.

The record date for determining which Shareholders of the Company are entitled to participate in and vote at the General Meeting is Friday, 15 May 2020. Accordingly, the last day to trade in order to be eligible to participate and vote at the General Meeting will be Tuesday, 12 May 2020.

#### 1. **Special resolution number 1: Specific Authority to repurchase the Repurchase Shares**

**Resolved that**, the Company be and is hereby authorised, by way of a specific authority, in terms of the Companies Act, the JSE Limited Listings Requirements and the Company's memorandum of incorporation, to repurchase the Repurchase Shares, being 14 480 259 (fourteen million, four hundred and eighty thousand, two hundred and fifty-nine) Shares at the Repurchase Price (price of R10.29 (ten Rand and twenty-nine cents) per Share), from the Sellers upon the terms and conditions of the Repurchase Agreements and to cancel such Shares in accordance with the applicable provisions of the Companies Act.

#### **Threshold for approval**

In order for special resolution number 1 to be passed, the support of at least 75% (seventy-five per cent) of the voting rights exercised on the resolution by the Shareholders present in person, or represented by proxy, excluding the Sellers and their Associates, at the General Meeting is required.

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

- The reason for special resolution number 1 is to specifically authorise the Company to implement the Specific Repurchase.
- The effect of special resolution number 1 is to enable the Company, by way of a specific authority, to implement the Specific Repurchase.

### **Statement by the Directors**

The Board is of the opinion that, after considering the effect of the Specific Repurchase:

- the Company and the Group will be able to pay its debts as they become due in the ordinary course of business for a period of 12 (twelve) months from the date of approval of the Circular;
- the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group for a period of 12 (twelve) months from the date of approval of the Circular, where for this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements;
- the stated capital and the reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 (twelve) months from the date of approval of the Circular;
- the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 (twelve) months from the date of approval of the Circular.

In addition, in terms of section 46(1) of the Companies Act, it is stated as follows:

- the Board has authorised the Specific Repurchase by resolution; and
- the Board has, by resolution, acknowledged that it has applied the solvency and liquidity test as set out in section 4 of the Companies Act, and reasonably concluded that the Company and its subsidiaries will satisfy the solvency and liquidity test immediately after completing the Specific Repurchase.

## **2. Ordinary resolution number 1: Directors' authority to take all such actions necessary to implement the Specific Repurchase**

**Resolved that**, any director and/or the Company Secretary of the Company be and is hereby authorised and empowered to do all such things, sign all such documents and take all such actions as may be necessary for or incidental to the implementation of special resolution number 1.

### **Threshold for approval**

In order for the ordinary resolution number 1 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by Shareholders present in person, or represented by proxy, at the General Meeting is required.

### **Reason for and effect of ordinary resolution 1**

It is necessary to confer upon any director and/or the Company Secretary of the Company the authority to sign all documents and instruments as may be necessary for or incidental to the implementation of the resolution adopted at the General Meeting.

## **GENERAL INSTRUCTIONS AND INFORMATION**

### **1. Certificated Shareholders and Dematerialised Shareholders with "own-name registration"**

- 1.1 If you hold Certificated Shares or hold Dematerialised Shares with "own-name registration" (ie you specifically instructed your CSDP to hold your shares in your own name on the Company's sub-register) you may:
  - 1.1.1 attend the meeting in person; or
  - 1.1.2 appoint a proxy to participate in, and speak and vote at, the meeting on your behalf by completing the attached form of proxy (*blue*) and delivering it to the Company's Transfer Secretaries.

1.2 Shareholders are requested, but are not obliged, to submit their completed forms of proxy to the Company's Transfer Secretaries before 10:00 on Friday, 22 May 2020. Shareholders will, however, still be able to deliver their completed forms of proxy before 10:00 on Tuesday, 26 May 2020 to the Company Secretary of the Company or the Chairperson of the General Meeting.

1.3 A proxy need not be a shareholder of the Company.

## 2. Dematerialised Shareholders other than those with "own-name registration"

If you hold Dematerialised Shares other than with "own-name registration", you may:

2.1 instruct your CSDP or Broker to vote at the meeting on your behalf by providing your CSDP or Broker with your voting instructions in terms of the custody agreement entered into between you and your CSDP or Broker. You must not complete the attached form of proxy; or

2.2 attend the meeting in person by instructing your CSDP or Broker to issue you with the necessary letter of representation to attend the meeting in terms of the custody agreement entered into between you and your CSDP or Broker.

## 3. Identification

The Companies Act provides that all meeting participants must provide reasonably satisfactory identification to the Chairperson of the meeting, who must be reasonably satisfied that the right of that person to participate in, and speak and vote at, the meeting as a Shareholder, as a proxy for a Shareholder or as a representative of a Shareholder, has been reasonably verified.

## 4. Voting

Voting on each resolution at the meeting will be conducted by way of polling. This means that any person who is present at the meeting, whether as a Shareholder or as a proxy for a Shareholder, has the number of votes determined in accordance with the voting rights associated with the Shares held by that Shareholder.

## 5. Electronic participation

5.1 Shareholders or their proxies or representatives may participate in (but not vote at) the General Meeting electronically, in accordance with the provisions of the Companies Act.

5.2 Shareholders wishing to participate electronically in the General Meeting are required to contact the Company Secretary by email on John.Maher@rclfoods.com by no later than 10:00 on Friday, 22 May 2020 ("**Electronic Notice**").

5.3 In order for the Electronic Notice to be valid it must contain:

5.3.1 if the Shareholder is an individual, a certified copy of his identity document and/or passport;

5.3.2 if the Shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution, which resolution must set out who from the relevant entity is authorised to represent the relevant entity at the General Meeting via electronic communication; and

5.3.3 a valid email address, telephone number and/or facsimile number ("**Contact Address/Number**").

5.4 The Company shall use reasonable endeavours on or before Friday, 22 May 2020, to notify each Shareholder who has delivered a valid Electronic Notice, at its Contact Address/Number, of the relevant details through which the Shareholder can participate via electronic communication.

5.5 The electronic communication is at the expense of the Shareholders or their proxies or representatives (as the case may be).

5.6 Shareholders and their proxies or their representatives will not be able to vote electronically and will still need to appoint a proxy or representative to vote on their behalf at the meeting.

By order of the Board

### **RCL Foods Limited**

Per: **JMJ Maher**  
Company Secretary

4 May 2020

# FORM OF PROXY



## RCL Foods Limited

Incorporated in the Republic of South Africa  
 Registration number: 1966/004972/06  
 Share code: RCL  
 ISIN: ZEA000179438  
 (the "Company")

This form of proxy relates to the General Meeting to be held at Ten The Boulevard, Westway Office Park, Westville, KwaZulu-Natal at 10:00 on Tuesday, 26 May 2020.

Terms used in this form of proxy have the meanings given to them in the Circular to which this form of proxy is attached.

This form of proxy is only for use by:

1. Certificated Shareholders who have not yet Dematerialised their Shares; and
2. Shareholders who have already Dematerialised their Shares and registered them in their own name.

It is not for use by Dematerialised Shareholders (other than "own-name" Dematerialised Shareholders). Such Dematerialised Shareholders must inform their CSDP or broker of their intention to attend the meeting in order for such CSDP to be able to issue them with the necessary authorisation to enable them to attend the General Meeting, or, alternatively, should they not wish to attend the General Meeting, they should provide their CSDP or broker with their voting instructions.

**Please print clearly when completing this form and see the instructions and notes on the next page of this form for an explanation on the use of this form of proxy and the rights of the Shareholder and the proxy.**

I/We \_\_\_\_\_ (please print name in full)

of (address) \_\_\_\_\_ (please print)

Telephone number \_\_\_\_\_ Cellphone number \_\_\_\_\_ Email: \_\_\_\_\_

being the holder(s) of \_\_\_\_\_ ordinary shares in the Company (see note 4 overleaf),

do hereby appoint \_\_\_\_\_ 1 \_\_\_\_\_ or failing him/her

\_\_\_\_\_ 2 \_\_\_\_\_ or failing him/her

\_\_\_\_\_ 3. \_\_\_\_\_ the Chairperson of the General Meeting (see note 2 overleaf)

as my/our proxy to attend, speak and vote for me/us and on my/our behalf or to abstain from voting at the General Meeting of the Company to be held at Ten The Boulevard, Westway Office Park, Westville, KwaZulu-Natal at 10:00 on Tuesday, 26 May 2020 and at any postponement or adjournment thereof as follows:

|   | For | Against | Abstain |
|---|-----|---------|---------|
| <b>Special resolution number 1</b><br>Specific Authority to repurchase the Repurchase Shares  |     |         |         |
| <b>Ordinary resolution number 1</b><br>To allow a director and/or company secretary to do all such things and to sign all such documents as may be necessary to implement special resolution number 1 above |     |         |         |

**Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If you do not do so, the proxy may vote or abstain at his/her discretion. (see note 3 overleaf)**

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2020

Signature \_\_\_\_\_ (Please read the notes and instructions overleaf)



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## NOTES TO THE FORM OF PROXY

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### Summary of rights contained in section 58 of the Companies Act

Section 58 of the Companies Act, *inter alia*, confers the following rights on holders of shares in the Company (“Shareholders”) and their proxies:

- a Shareholder may, at any time and in accordance with section 58 of the Companies Act, appoint not more than one individual (including an individual who is not a Shareholder) as a proxy to participate in, and speak and vote at, the meeting on behalf of such Shareholder;
- a proxy appointment must be in writing, dated and signed by the Shareholder;
- a proxy may delegate his/her authority to act on behalf of a Shareholder to another person, subject to any restriction/s set out in the instrument appointing such Proxy;
- a copy of the instrument appointing a proxy must be delivered to the Company, or to any other person on behalf of the Company, before the proxy exercises any rights of the Shareholder at the General Meeting;
- irrespective of the form of instrument used to appoint a proxy:
  - the appointment of a proxy is suspended at any time and to the extent that the relevant Shareholder chooses to act directly and in person in the exercise of any such Shareholder’s rights as a shareholder;
  - any appointment by a Shareholder is revocable, unless the form of instrument used to appoint such proxy states otherwise; and
  - if an appointment of a proxy is revocable, a Shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy and to the Company or the Company’s Transfer Secretaries;
- the revocation of a proxy appointment constitutes a complete and final termination of the proxy’s authority to act on behalf of the Shareholder in question as of the later of (i) the date stated in the revocation instrument, if any; or (ii) the date on which the revocation instrument was delivered to the Company or the Company’s Transfer Secretaries;
- any appointment remains valid only until the end of the General Meeting for which it is given (or any adjournment or postponement thereof), unless it is revoked in the manner contemplated in the instrument used to give effect to such appointment; and
- a proxy appointed by a Shareholder is entitled to exercise, or abstain from exercising, any voting right of such Shareholder without direction, except to the extent that the Memorandum of Incorporation of the Company, or the instrument appointing the proxy, provides otherwise.

### Instructions and explanatory notes to the form of proxy

1. To be valid, this form of proxy must be completed and returned to the Transfer Secretaries at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posted to Private Bag X9000, Saxonwold, 2132 or emailed to: proxy@computershare.co.za, to be received by 10:00 on Friday, 22 May 2020 for administrative purposes, or alternatively handed to the Company Secretary of the Company or the Chairperson of the General Meeting prior to its commencement at 10:00 on Tuesday, 26 May 2020.
2. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder’s choice in the space/s provided overleaf, with or without deleting “the Chairperson of the General Meeting”, but any such deletion must be initialed by the Shareholder. Should this space be left blank, the proxy will be exercised by the Chairperson of the General Meeting. The person whose name appears first on the form of proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. A Shareholder’s voting instructions to the proxy must be indicated by the insertion of an “X” in the relevant spaces provided overleaf. Failure to do so shall be deemed to authorise the proxy to vote or to abstain from voting at the General Meeting, as he/she thinks fit.
4. This form of proxy shall apply to all the Shares registered in the name of the Shareholder unless a lesser number of Shares is inserted in the relevant space provided. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by him/her or by his/her proxy, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the Shareholder or by his/her proxy.
5. 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 the Transfer Secretaries.
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Transfer Secretaries or waived by the Chairperson of the General Meeting.
7. The completion and lodging of this form of proxy shall not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so.
8. The completion of any blank spaces overleaf need not be initialed. Any alterations or corrections to this form of proxy must be initialed by the signatory/ies.
9. The provisions of the Companies Act in relation to the revocation of the appointment of a proxy apply. A Shareholder may accordingly revoke a proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of such revocation to the proxy and the Company.
10. If this form of proxy is signed by a person (signatory) on behalf of the Shareholder, whether in terms of a power of attorney or otherwise, then this form of proxy will not be effective unless:
  - 10.1. it is accompanied by a certified copy of the authority given by such Shareholder to the signatory; or
  - 10.2. the Company has already received a certified copy of that authority.
11. Companies and other corporate bodies which are Shareholders holding Certificated Shares or Dematerialised Shares with “own-name registration” may, instead of completing this form of proxy, appoint a representative to represent them and exercise all of their rights at the the General Meeting by giving written notice of the appointment of that representative. That notice will not be effective at the General Meeting unless it is accompanied by a duly certified copy of the resolution/s or other authorities in terms of which that representative is appointed and is received by the Company’s Transfer Secretaries, at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posted to Private Bag X9000, Saxonwold, 2132 or emailed to: proxy@computershare.co.za, to be received by 10:00 on Friday, 22 May 2020.
12. The Chairperson of the General Meeting may reject or accept any form of proxy which is completed other than in accordance with these instructions, provided that he/she is satisfied as to the manner in which a Shareholder wishes to vote.