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CAPEVIN

HOLDINGS LIMITED

ANNUAL REPORT 2017

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*These summary group annual financial statements have been compiled by the Company's appointed manager, Remgro Management Services Limited, under the supervision of the Financial Director, P R Louw CA(SA). PricewaterhouseCoopers Inc. has audited these summary annual financial statements in accordance with the Companies Act (No. 71 of 2008), as amended, and their audit report is set out on page 11.*

*The complete audited group annual financial statements in respect of the year under review are available on the Company's website at [www.capevin.com](http://www.capevin.com).*

## KEY FINANCIAL STATISTICS

Group financial results for the year ended 30 June 2017

	<b>2017</b> <b>R'000</b>	2016 R'000	% change
<b>Attributable to owners of the parent</b>			
Profit for the year	345 161	409 831	(15.8)
Headline earnings for the year	415 364	432 663	(4.0)
<b>Earnings per share (cents)</b>			
Attributable earnings	39.2	46.6	(15.9)
Headline earnings	47.2	49.2	(4.1)
<b>Dividend per share (cents)</b>	24.20	25.60	(5.5)
Interim	10.60	11.40	
Final (declared and payable after year-end)	13.60	14.20	
<b>Net asset value per share (cents)</b>	321.2	324.5	(1.0)
<b>Intrinsic value per share, excluding CGT (cents)</b>	914.3	1 079.1	(15.3)
<b>Last traded price per share (cents)</b>	905.0	898.0	0.8
<b>Key ratios</b>			
Price-earnings (times)	23.1	19.3	
Dividend yield (%)	2.7	2.9	
Last traded price discount to intrinsic value (%)	1.0	16.8	

## DIRECTORS

### **C A Otto (67)**

#### **Independent non-executive chairman\***

BComm, LLB

Appointed 18 August 2009

*Chris Otto is a director of various companies, including Capitec Bank Holdings Limited, Distell Group Limited, Kaap Agri Limited, PSG Group Limited and Zeder Investments Limited.*

### **A E v Z Botha (60)**

#### **Independent non-executive director\***

BSc Agric (Hons) (Viticulture)

Appointed 9 October 2003

*Abrie Botha is a retired wine farmer and was previously the chairman of VinPro Limited and Namaqua Wines.*

### **R M Jansen (48)**

#### **Independent non-executive director\***

BCompt (Hons), CA(SA)

Appointed 2 November 2012

*Rudi Jansen is a director of various other companies, including Dark Fibre Africa Proprietary Limited.*

### **E G Matenge-Sebesho (62)**

#### **Independent non-executive director**

MBA (Brunel), CAIB(SA)

Appointed 12 September 2014

*Ethel Matenge-Sebesho is currently working for Home Finance Guarantors Africa Reinsurance and has established extensive and useful contacts and networks in most African countries. She has considerable experience in the banking and financial services sector at a strategic and policy level. She currently serves as a director on various boards including FirstRand Limited, Finmark Trust and Distell Group Limited.*

\* Member of Audit and Risk Committee

### **P R Louw (48)**

#### **Financial Director**

BCompt (Hons), CA(SA)

Appointed 5 March 2015

*Pieter Louw is the head of corporate finance of Remgro Limited and represents Remgro on the board of RCL Foods Limited.*

### **J J Durand (50)**

#### **Non-executive director**

BAcc (Hons), MPhil, CA(SA)

Appointed 24 March 2010

*Jannie Durand is the chief executive officer of Remgro Limited and a director of various other companies, including Distell Group Limited.*

## CHAIRMAN'S REPORT

### OVERVIEW

As at 30 June 2017, the sole investment of Capevin Holdings Limited (Capevin Holdings or the Company) is an effective interest of 26.74% (2016: 26.77%) in the issued share capital of Distell Group Limited (Distell), held via its 50% interest in Remgro-Capevin Investments Proprietary Limited.

### FINANCIAL RESULTS

For the year ended 30 June 2017, Distell's revenue grew by 3.7% to R22.3 billion on constant sales volumes. Distell's results for the year were negatively impacted by a substantially stronger rand against the major currencies in which Distell trades. Operating costs rose by 4.5%.

Distell reported a 3.6% decrease in headline earnings to R1 553.3 million, with headline earnings per share decreasing by 3.7% to 708.3 cents. Capevin Holdings' headline earnings per share for the year ended 30 June 2017 consequently decreased by 4.1% to 47.2 cents per share.

Distell's headline earnings adjusted for foreign exchange movements increased by 7.4% to R1 600.2 million (2016: R1 490.6 million).

The Company's intrinsic value decreased by 15.3% to R9.14 per share – based on Distell's last traded price of R137.01 at 30 June 2017 (excluding capital gains tax) (30 June 2016: R161.80). Capevin Holdings' discount to intrinsic value has narrowed from 16.8% at 30 June 2016 to 1.0% at 30 June 2017.

Refer to [www.distell.co.za](http://www.distell.co.za) for Distell's comprehensive results.

### DIVIDEND

In terms of the dividend policy of Capevin Holdings, dividends received from its indirect interest in Distell, after providing for administrative expenses, will be distributed to shareholders. The directors have consequently resolved to declare a final gross cash dividend (dividend number 26) of 13.60 cents (2016: 14.20 cents) per share for the year ended 30 June 2017.

The total gross dividend per share for the year ended 30 June 2017 therefore amounts to 24.20 cents, compared to 25.60 cents for the year ended 30 June 2016.

### THE PROPOSED RESTRUCTURING OF DISTELL'S OWNERSHIP STRUCTURE

Capevin Holdings' shareholders are referred to the announcement as published on SENS on Thursday, 22 June 2017 and in the press on Friday, 23 June 2017 in relation to the simplification of the multi-tiered ownership structure of Distell through schemes of arrangement. The transaction involves the collapse of the current ownership structure of Distell through a number of transaction steps, utilising a new entity, Distell Group Holdings Limited, as the vehicle through which such collapse will be effected. The transaction is expected to become unconditional during the first quarter of 2018, whereafter both Capevin Holdings and Distell will be delisted.

### PROSPECTS

Distell's board believes that the outlook for global economic growth will remain muted, while African gross domestic product growth will still be impacted by low commodity prices. Distell will continue to invest in its priority markets and is restructuring its brand portfolio and asset base in order to simplify and focus the business. Distell has a diversified and exciting range of well-priced, good quality wine, spirit, cider and RTD brands that enables it to compete effectively and to continue to maximise trading opportunities.



**C A Otto**  
*Chairman*

Stellenbosch  
13 September 2017

## CORPORATE GOVERNANCE REPORT

Capevin Holdings Limited (Capevin Holdings or the Company) is committed to the principles of transparency, integrity, fairness and accountability as also advocated in the King Code of Governance Principles for South Africa 2009 (King III). Accordingly, Capevin Holdings' corporate governance policies have in all respects been appropriately applied during the year under review. The Board does not consider application of all principles contained within King III appropriate for Capevin Holdings. Where specific principles have not been applied, explanations for these are contained within this section. Distell Group Limited (Distell), is similarly committed having, inter alia, its own audit, risk and remuneration committees. A detailed analysis of the Group's adherence to the 75 principles of King III is available at [www.capevin.com](http://www.capevin.com). King IV Report on Corporate Governance™ for South Africa, 2016 (King IV™) is effective in respect of financial years starting on or after 1 April 2017, while certain provisions from King IV™ are required by the JSE Limited Listings Requirements for annual reports issued on or after 1 October 2017.

### BOARD OF DIRECTORS

Details of Capevin Holdings' directors are provided on page 2 of this Annual Report. Directors are elected on recommendation of the current directors or, if properly nominated, by shareholders. Currently the Board comprises six directors. The appointment of directors is formal and transparent, and considered to be a matter for the Board as a whole.

Capevin Holdings is an investment holding company with limited day-to-day operations and has not filled the office of chief executive officer. Mr P R Louw is the Company's Financial Director. Mr C A Otto fills the role of independent non-executive chairman. Apart from the financial director, all directors are considered to be non-executive. There is a clear division of responsibilities at board level to ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making, with the majority of directors being non-executive.

King III recommends that the majority of non-executive directors be independent. Although not all of the non-executive directors are independent as defined by King III, all of the non-executive directors are

independent of thought and action. Having considered the matter, the Board is accordingly satisfied, as stated previously, that its current composition ensures a balance of power and authority.

The Board met twice during the past year. The attendance of these meetings is set out in the table below. Capevin Holdings' Memorandum of Incorporation requires one-third of the non-executive directors of the Company to retire by rotation and to offer themselves for re-election by shareholders at the annual general meeting. In accordance with the Company's Memorandum of Incorporation, Mr R M Jansen and Ms E G Matenge-Sebesho will retire by rotation.

Director	12 September 2016	8 March 2017
A E v Z Botha	✓	✓
J J Durand	✓	✓
R M Jansen	✓	✓
P R Louw	✓	✓
E G Matenge-Sebesho	✓	✓
C A Otto	✓	✓

✓ Present

The induction of directors is not conducted through a formal process. This has not been necessary to date as new appointees have been familiar with the Group's operations and the environment in which it operates. The Board does not conduct regular appraisals of its members and committees. Consideration will be given to same going forward.

The Company operates as an investment holding company, which holds as its sole asset an indirect investment in Distell. In view of the narrow scope of the Company's operations, the role of the Board is limited to monitoring the Company's investment performance and to ensure that procedures and practices are in place to protect the Company's assets and reputation. The Board also assumes responsibility for the management of relationships with various stakeholders.

The Board has appointed an Audit and Risk Committee and a Remuneration Committee to assist it in the performance of its duties.

## CORPORATE GOVERNANCE REPORT *(continued)*

### REMUNERATION COMMITTEE

The Remuneration Committee consists of the full Board of Directors and Mr J J Durand serves as chairman of the committee.

The Remuneration Committee, which does not meet separately from the Board, recommended that a fee of R13 300 per meeting be paid to the independent, non-executive directors and R6 600 per meeting to the Audit and Risk Committee members for the year ending 30 June 2018.

The Remuneration Committee also recommended an additional fee payable in the 2018 financial year to the members of the independent Board for services rendered in respect of the Capevin/Distell transaction announced on SENS on Thursday, 22 June 2017. Refer to the Notice to Shareholders on page 19 for further detail.

### AUDIT AND RISK COMMITTEE

The Audit and Risk Committee at the date of this report comprises Messrs R M Jansen (Chairman), A E v Z Botha and C A Otto. All directors are welcome to attend meetings. The Audit and Risk Committee met twice during the past year. A report by the Audit and Risk Committee has been provided on page 7 of this Annual Report. The Audit and Risk Committee operates according to a Board-approved charter.

### SOCIAL AND ETHICS COMMITTEE

Capevin Holdings has received a dispensation from having a Social and Ethics Committee in terms of section 72(5) of the Companies Act (No. 71 of 2008).

### RISK MANAGEMENT AND

#### INTERNAL CONTROL

The Board acknowledges that it is accountable for the process of risk management and the system of internal control of the Group. Distell has its own board of directors responsible for the risk management and internal control of that company and its business. Detailed risk assessments and management plans have been implemented throughout the Group to ensure that risk is properly managed. The Board, on recommendation by the Audit and Risk Committee, concluded that the system of internal control and the risk management process were effective for the financial year under review.

The Group operates in a highly regulated environment. Distell has formal policies and procedures in place to ensure adherence to the various acts and codes that govern its day-to-day operations.

### COMPANY SECRETARY

Remgro Management Services Limited (RMS) is the Company Secretary of Capevin Holdings. The Company Secretary acts as conduit between the Board and the Group. The Company Secretary is responsible for board administration, liaison with the Companies and Intellectual Property Commission (CIPC) and the JSE Limited. Board members also have access to legal and other expertise, when required and at the cost of the Company, through the Company Secretary.

The Company Secretary has to date maintained a professional relationship with Board members, giving direction on good governance and independent advice, as and when required. The Board has reviewed, through discussion and assessment, the qualifications, experience and competence of the individuals employed by the Company Secretary and has noted that the Company Secretary performed all formalities and statutory duties timeously and in an appropriate manner. The Board is satisfied that an arm's length relationship exists, taking into account that the Company Secretary is not a director of the Company and is not related to any of the directors.

The certificate that the Company Secretary is required to issue in terms of section 88(2)(e) of the Companies Act is on page 8 of this Annual Report.

### INTERNAL AUDIT

On the recommendation of the Audit and Risk Committee, the Board has decided not to establish an internal audit function at Group level given that the Board has satisfied itself that Distell has its own internal audit function and that the Group's current system of internal control and risk management operates effectively.

### GOVERNANCE OF INFORMATION

#### TECHNOLOGY

Distell is responsible for information technology (IT) governance in its respective business environments. Capevin Holdings' appointed manager, RMS, has an appointed IT manager who is responsible for IT governance. As IT does not play a significant role in the sustainability of Capevin Holdings, due to its nature and size, the investment in and expenditure on IT at Group level are insignificant. The Board is accordingly satisfied that the current systems of IT governance at Group level are appropriate.

## CORPORATE GOVERNANCE REPORT *(continued)*

### **INTEGRATED REPORTING AND DISCLOSURE**

Capevin Holdings is a passive investment holding company that does not involve itself in the management of Distell. We consider Distell to have a strong management team and therefore rely on them to apply the principles of King III regarding sustainability reporting and disclosure, to the extent appropriate to its business. Capevin Holdings will apply the principles of integrated reporting at Group level to the extent that such principles are considered appropriate.

### **SUSTAINABILITY**

#### **Stakeholder relations**

Capevin Holdings subscribes to the principles of objective, honest, timeous, balanced, relevant and understandable communication of financial and non-financial information to stakeholders. The Group acknowledges the task and responsibility of regulators, and our relationships with them are maintained in a businesslike manner.

#### **Safety, health and environment**

The Group recognises that South Africa is facing an HIV/Aids pandemic of considerable proportions. Although our healthcare system will bear (and is already bearing) the brunt of the pandemic, there is little doubt that it is affecting every aspect of our society. We encourage all people to act responsibly.

#### **Social responsibility**

Capevin Holdings subscribes to acting in a socially responsible manner and supports Distell in its various sustainability initiatives.

#### **Human resources and employment equity**

RMS is the appointed manager to Capevin Holdings and, accordingly, Capevin Holdings does not have any employees. RMS regards its people as an important element of its business. It is therefore important to make the best use of the human capital it has available. All employees are encouraged and motivated to better themselves through training and study. Distell has set its own targets and specific action plans.

#### **Ethics**

The Group is committed to maintaining high ethical and moral codes of conduct in its professional and social dealings. This is ingrained in the culture of the Group.

#### **Products and product development**

Capevin Holdings offers no products or services as it only holds an investment in Distell. Distell is Africa's leading producer and marketer of spirits, fine wines, ciders and ready-to-drinks.

#### **Financial reporting**

Capevin Holdings provides financial reports to its shareholders twice a year. Details regarding significant transactions undertaken are reported timeously.

## REPORT OF THE AUDIT AND RISK COMMITTEE

The Capevin Holdings Limited Audit and Risk Committee (the committee) at the date of this report comprises Messrs R M Jansen (Chairman), A E v Z Botha and C A Otto. All the members are independent non-executive directors. The committee met as set out below during the past year and the meetings are open for all the directors to attend. The meetings held during the year were attended as follows:

<b>Member</b>	<b>12 September 2016</b>	<b>8 March 2017</b>
R M Jansen (Chairman)	✓	✓
A E v Z Botha	✓	✓
C A Otto	✓	✓

✓ Present

The committee reports that it has considered and is satisfied with the independence and objectivity of the external auditor, PricewaterhouseCoopers Inc. The committee has considered and recommended the fees payable to the external auditor and is satisfied with the extent of non-audit-related services performed.

The committee has satisfied itself that the financial function, including the Financial Director, has the appropriate expertise, experience and resources, and is satisfied that the internal financial controls of the Company are working effectively.

Based on the information and explanations given by management and discussions with the independent external auditor regarding the results of their audit, the committee is satisfied that there was no material breakdown in the internal financial controls during the financial year under review.

A Board-approved Audit and Risk Committee charter stipulating, inter alia, the committee's composition, duties and responsibilities, has been adopted. The committee is satisfied that it complied with the responsibilities as set out in the Audit and Risk Committee charter as well as relevant legal and regulatory responsibilities.

The committee has evaluated the separate and group annual financial statements of Capevin Holdings Limited for the year ended 30 June 2017 and, based on the information provided to the committee, considers that the Group complies, in all material respects, with the requirements of the Companies Act (No. 71 of 2008), as amended, and International Financial Reporting Standards.



**R M Jansen**  
*Chairman*

Stellenbosch  
13 September 2017

## APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The directors are responsible for the maintenance of adequate accounting records and the preparation of annual financial statements that fairly represent the state of affairs and the results of the Company and Group. The external auditor is responsible for independently auditing and reporting on the fair presentation of the annual financial statements. Management fulfils this responsibility primarily by establishing and maintaining accounting systems and practices adequately supported by internal accounting controls. Such controls provide assurance that the Group's assets are safeguarded, that transactions are executed in accordance with management's authorisations and that the financial records are reliable. The annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS); the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council; the manner required by the Companies Act of South Africa; and the JSE Limited Listings Requirements, and incorporate full and reasonable disclosure. Appropriate and recognised accounting policies are consistently applied.

These summary group financial statements were derived from the group annual financial statements and do not contain all the disclosures required by IFRS and the requirements of the Companies Act of South Africa. Reading these summary group financial statements,

therefore, is not a substitute for reading the group annual financial statements of Capevin Holdings Limited.

The Audit and Risk Committee of the Group meets regularly with the external auditor, as well as administrative management, to evaluate matters concerning accounting policies, internal control, auditing and financial reporting. The external auditor has unrestricted access to all records, assets and personnel, as well as to the Audit and Risk Committee.

The annual financial statements are prepared on the going concern basis, since the directors have every reason to believe that the Group has adequate resources to continue for the foreseeable future.

The annual financial statements, including these summary group financial statements set out on pages 12 to 17, were approved by the Board of Directors of Capevin Holdings Limited and are signed on its behalf by:



**C A Otto**  
*Chairman*

Stellenbosch  
13 September 2017



**P R Louw**  
*Financial Director*

## DECLARATION BY THE COMPANY SECRETARY

We declare that, to the best of our knowledge, the Company has filed with the Companies and Intellectual Property Commission (CIPC) all such returns and notices as are required of a public company in terms of the Companies Act (No. 71 of 2008), as amended, and that all such returns and notices are true, correct and up to date.



**Remgro Management Services Limited**  
*Company Secretary*  
**Per M Lubbe**

Stellenbosch  
13 September 2017

## DIRECTORS' REPORT

### NATURE OF BUSINESS

Capevin Holdings Limited (Capevin Holdings or the Company) is an investment holding company that holds an indirect interest of 26.74% in Distell Group Limited (Distell), which mainly manufactures, distributes and markets wine, spirits and alcoholic fruit beverages.

### SHAREHOLDERS

Details regarding the Company's major beneficial shareholders are set out in note 8 to these summary annual financial statements.

### OPERATING RESULTS

The main asset of the Company is an indirect investment in Distell, which is held through its joint venture, Remgro-Capevin Investments Proprietary Limited (RCI). The equity method of accounting is therefore applied in the preparation of these group financial statements.

The financial position and the results of operations are fully dealt with in these summary annual financial statements.

Distell reported that a significantly stronger rand impacted its results and that its headline earnings, excluding the impact of foreign exchange differences, have increased by 7.4% from R1 490.6 million to R1 600.2 million. Distell's reported headline earnings decreased by 3.6% from R1 610.6 million to R1 553.3 million. Consequently, Capevin Holdings' headline earnings decreased by 4.0% from R432.7 million to R415.4 million and its headline earnings per share decreased by 4.1% from 49.2 cents per share to 47.2 cents per share.

### THE PROPOSED RESTRUCTURING OF DISTELL'S OWNERSHIP STRUCTURE

The investment in Distell is currently held through a multi-tiered ownership structure in which Capevin Holdings and Remgro Limited each owns 50% in RCI. RCI, in turn, holds a 52.8% (on a fully diluted basis) direct investment in Distell. The Board of Directors resolved to simplify the ownership structure through schemes of arrangement in terms of which a new entity, Distell Group Holdings Limited (DGHL), will effectively acquire RCI's and all other shareholders' direct and indirect interests in Distell in exchange for shares in DGHL. DGHL will be listed on the JSE Limited, while Distell and Capevin Holdings will be delisted. Refer to the SENS announcement of 22 June 2017 for more detail.

### STATED CAPITAL

There was no change in the stated capital during the year under review.

### DIRECTORS

The directors of the Company at the date of this report were:

- C A Otto (Chairman)\*\*
- A E v Z Botha<sup>^</sup>
- J J Durand\*
- R M Jansen<sup>^</sup>
- E G Matenge-Sebesho \*\*
- P R Louw

\* Also serves on Distell's board of directors

<sup>^</sup> Independent non-executive director

In terms of the provision of the Memorandum of Incorporation (MOI), Mr R M Jansen and Ms E G Matenge-Sebesho retire from the Board by rotation. These directors are eligible and offer themselves for re-election.

### DIRECTORS' EMOLUMENTS AND INTERESTS

Details are set out in note 3 to these summary annual financial statements.

### DIVIDENDS

An interim dividend of 10.60 cents (2016: 11.40 cents) per share was declared on 8 March 2017 and paid on 24 April 2017.

The final dividend was determined at 13.60 cents (2016: 14.20 cents) per share. The total dividend for the year therefore amounts to 24.20 cents (2016: 25.60 cents).

In terms of the Company's MOI, the Board declared all dividends that are not claimed by shareholders after a three-year period forfeited in terms of the applicable prescription laws.

### DECLARATION OF CASH DIVIDEND

In terms of the dividend policy of Capevin Holdings, dividends received from its indirect interest in Distell, after providing for administrative expenses, will be distributed to shareholders. The directors have consequently resolved to approve and declare a final gross cash dividend (dividend number 26) of 13.60 cents (2016: 14.20 cents) per share for the year ended 30 June 2017. The dividend has been declared from income reserves.

## DIRECTORS' REPORT *(continued)*

A dividend withholding tax of 20% or 2.7200 cents per share will be applicable, resulting in a net dividend of 10.88 cents per share, unless the shareholder concerned is exempt from paying dividend withholding tax or is entitled to a reduced rate in terms of an applicable double-tax agreement.

The number of issued ordinary shares as at 13 September 2017 is 880 103 265. The Company's income tax number is 9599/656/71/8.

### **Payment**

The final dividend is payable on Monday, 9 October 2017, to shareholders of the Company registered at the close of business on Friday, 6 October 2017.

Share certificates may not be dematerialised or rematerialised between Wednesday, 4 October 2017, and Friday, 6 October 2017, both days inclusive.

In terms of the Company's MOI, dividends will only be transferred electronically to the bank accounts of shareholders, while dividend cheques are no longer

issued. In the instance where shareholders do not provide the Transfer Secretaries with their banking details, the dividend will not be forfeited but will be marked as "unclaimed" in the share register until the shareholder provides the Transfer Secretaries with the relevant banking details for payout.

### **EVENTS AFTER THE REPORTING DATE**

Refer to note 7 of the summary annual financial statements.

### **SECRETARY**

The secretary of the Company is Remgro Management Services Limited. Its business and postal addresses are set out below:

<b>Business address</b>	<b>Postal address</b>
Millennia Park	PO Box 456
16 Stellentia Avenue	Stellenbosch
Stellenbosch	7599
7600	

# INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY GROUP FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF CAPEVIN HOLDINGS LIMITED

## OPINION

The summary group financial statements of Capevin Holdings Limited, set out on pages 12 to 17 of the Annual Report, which comprise the summary group statement of financial position as at 30 June 2017, the summary group statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited group financial statements of Capevin Holdings Limited for the year ended 30 June 2017.

In our opinion, the accompanying summary group financial statements are consistent, in all material respects, with the audited group financial statements, in accordance with the JSE Limited's (JSE) requirements for summary financial statements, as set out in note 1 to the summary group financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

## SUMMARY GROUP FINANCIAL STATEMENTS

The summary group financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary group financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited group financial statements and the auditor's report thereon.

## THE AUDITED GROUP FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited group financial statements in our report dated 13 September 2017. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the group financial statements of the current period.

## DIRECTORS' RESPONSIBILITY FOR THE SUMMARY GROUP FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary group financial statements in accordance with the requirements of the JSE's requirements for summary financial statements, set out in note 1 to the summary group financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary group financial statements are consistent, in all material respects, with the audited group financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.



**PricewaterhouseCoopers Inc.**

**Director: A Wentzel**

*Registered Auditor*

Stellenbosch

13 September 2017

## SUMMARY GROUP STATEMENT OF FINANCIAL POSITION

as at 30 June 2017

	<b>2017</b>	2016
	<b>R'000</b>	R'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment in joint venture	2 819 439	2 852 443
<b>Current assets</b>		
Cash and cash equivalents	23 364	15 871
<b>Total assets</b>	<b>2 842 803</b>	2 868 314
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Ordinary shareholders' interest	2 826 961	2 856 204
<b>Current liabilities</b>		
Trade payables	382	268
Unclaimed dividends	15 442	11 800
Current income tax liability	18	42
<b>Total equity and liabilities</b>	<b>2 842 803</b>	2 868 314
<b>Net asset value per share (cents)</b>	<b>321.2</b>	324.5

**SUMMARY GROUP STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 30 June 2017

	<b>2017</b> <b>R'000</b>	2016 R'000
Share of profit of joint venture	347 127	410 662
Loss on dilution of interest in joint venture	(1 619)	(2 527)
Investment income	1 831	1 452
Profit on sale of investment	–	1 650
Unclaimed dividends forfeited	1 265	1 252
Administrative expenses	(2 930)	(2 162)
Profit before taxation	<b>345 674</b>	410 327
Taxation	(513)	(496)
<b>Profit for the year</b>	<b>345 161</b>	409 831
<b>Other comprehensive income</b>	<b>(156 138)</b>	92 615
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Fair value adjustment – available-for-sale asset	–	(150)
Tax charge relating to available-for-sale asset	–	28
Reclassified to profit or loss	–	(1 343)
Share of other comprehensive income of joint venture		
Fair value adjustment – available-for-sale asset	(715)	(4 630)
Fair value adjustment – cash flow hedges	(2 439)	–
Currency translation differences	(151 622)	65 244
Reclassified to profit or loss	(946)	(754)
<i>Items that will not be reclassified to profit or loss:</i>		
Share of joint venture's remeasurements of post-employment benefits	11 685	22 092
Other equity movements of joint venture	(12 101)	12 128
<b>Total comprehensive income for the year</b>	<b>189 023</b>	502 446
<b>Profit for the year attributable to:</b>		
Owners of the parent	<b>345 161</b>	409 831
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	<b>189 023</b>	502 446
<b>Earnings per share (cents)</b>		
– Basic	39.2	46.6
– Diluted	39.2	46.4
<b>Number of shares (thousands)</b>		
– In issue	880 103	880 103
– Weighted average	880 103	880 103

## SUMMARY GROUP STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2017

	<b>2017</b>	2016
	<b>R'000</b>	R'000
<b>Ordinary shareholders' equity at the beginning of the year</b>	<b>2 856 204</b>	2 546 060
Total comprehensive income	189 023	502 446
Dividends paid	(218 266)	(192 302)
<b>Ordinary shareholders' equity at the end of the year</b>	<b>2 826 961</b>	2 856 204
<b>Dividend per share (cents)</b>		
– Interim	10.60	11.40
– Final	13.60	14.20

## SUMMARY GROUP STATEMENT OF CASH FLOWS

for the year ended 30 June 2017

	<b>2017</b>	2016
	<b>R'000</b>	R'000
<b>Cash flows from operating activities</b>		
Dividends received	222 374	207 129
Dividends paid	(218 266)	(192 302)
Interest received	1 831	1 442
Administrative expenses	(2 930)	(2 162)
Taxation paid	(537)	(491)
Increase/(decrease) in trade and other payables and unclaimed dividends	5 021	(4 237)
	<b>7 493</b>	9 379
<b>Cash flows from investing activities</b>		
Proceeds from disposal of investment	–	1 650
<b>Net increase in cash and cash equivalents</b>	<b>7 493</b>	11 029
<b>Cash and cash equivalents at the beginning of the year</b>	<b>15 871</b>	4 842
<b>Cash and cash equivalents at the end of the year</b>	<b>23 364</b>	15 871

## NOTES TO THE SUMMARY GROUP FINANCIAL STATEMENTS

for the year ended 30 June 2017

### 1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The summary group financial statements are prepared in accordance with the requirements of the JSE Limited (JSE) for summary financial statements, and the requirements of the Companies Act (No. 71 of 2008), as amended, applicable to summary financial statements. The JSE requires summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by *IAS 34: Interim Financial Reporting*.

The accounting policies applied in the preparation of the group financial statements, from which the summary group financial statements were derived, are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous group annual financial statements, except for the adoption of the amendments to *IAS 16: Property, plant and equipment* and *IAS 41: Agriculture* applicable on bearer plants. The effect of the change was immaterial.

As Capevin Holdings does not have any investments in subsidiaries as of 2013, but only an investment in a joint venture, the Company prepares economic interest financial statements in which its investment is equity accounted. These economic interest financial statements are referred to as group.

### 2. GROUP STRUCTURE

The sole investment of Capevin Holdings is an effective interest of 26.74% (2016: 26.77%) in the issued share capital of Distell Group Limited (Distell), held via its 50% interest in Remgro-Capevin Investments Proprietary Limited (RCI).

### 3. RELATED PARTY TRANSACTIONS

During the year the Group received dividends from RCI (a joint venture) of R222 374 460 (2016: R207 119 220). The Group also paid administrative fees of R1 049 135 (2016: R980 500) to Remgro Management Services Limited (a subsidiary of an investor with significant influence over the Group). During the prior year the Group also disposed of its investment in Historical Homes of South Africa Limited to Eikenlust Proprietary Limited (a subsidiary of an investor with significant influence over the Group) for a total amount of R1 650 000.

#### Directors' emoluments

Director	30 June 2017 R	30 June 2016 R
A E v Z Botha	53 100	37 200
R M Jansen	66 400	37 200
E G Matenge-Sebesho	53 200	24 800
C A Otto	66 400	37 200
	<b>239 100*</b>	<b>136 400</b>

\* R93 100 of the fees paid for the year ended 30 June 2017 relates to the duties fulfilled by the independent Board as part of the simplification of the multi-tiered ownership structure of Distell.

#### Directors' interests

No director (or associate of any of the directors), holds an interest in the securities of the Company.

There has been no change in the interests of the directors in the securities of the Company from the reporting date up to the approval of the annual financial statements.

### 4. SEGMENT REPORT

Capevin Holdings is an investment holding company with its sole investment being an effective interest in Distell. The directors have not identified any other segment to report on.

## NOTES TO THE SUMMARY GROUP FINANCIAL STATEMENTS (continued)

for the year ended 30 June 2017

### 5. HEADLINE EARNINGS

	2017 R'000	2016 R'000
<b>Earnings attributable to ordinary shareholders</b>	<b>345 161</b>	409 831
Headline earnings adjustable items		
Share of joint venture's adjustments		
Impairment of property, plant and equipment*	84 120	–
(Profit)/loss on sale of property, plant and equipment	(19 058)	491
Taxation relating to sale of property, plant and equipment	3 522	(91)
Impairment of intangible asset*	–	21 463
Gain on disposal of investment	–	(1 650)
Tax effect on gain of disposal of investment	–	92
Loss on dilution of interest in joint venture	1 619	2 527
<b>Headline earnings</b>	<b>415 364</b>	432 663
Weighted number of shares in issue ('000)	880 103	880 103
<b>Earnings per share (cents)</b>		
– Basic	39.2	46.6
– Diluted	39.2	46.4
<b>Headline earnings per share (cents)</b>		
– Basic	47.2	49.2
– Diluted	47.1	49.0

\* The impairments relate to Distell's investments in the Bisquit cognac entity, a British wine broking company and the industrial property rights held by one of Distell's Angolan subsidiaries.

### 6. THE PROPOSED RESTRUCTURING OF DISTELL'S OWNERSHIP STRUCTURE

The investment in Distell is currently held through a multi-tiered ownership structure in which Capevin Holdings and Remgro Limited each owns 50% in RCI. RCI, in turn, holds a 52.8% (on a fully diluted basis) direct investment in Distell. The Board of Directors resolved to simplify the ownership structure through schemes of arrangement in terms of which a new entity, Distell Group Holdings Limited (DGHL), will effectively acquire RCI's and all other shareholders' direct and indirect interests in Distell in exchange for shares in DGHL. DGHL will be listed on the JSE, while Distell and Capevin Holdings will be delisted. Refer to the SENS announcement of 22 June 2017 for more detail.

### 7. EVENTS AFTER THE REPORTING DATE

During July 2017, Distell acquired 26% of the ordinary shares of Best Global Brands (BGB) for USD54.6 million. It also entered into an agreement to acquire the remaining 74% of BGB's ordinary shares, which will become effective no earlier than the end of 2019 once certain operating hurdles are achieved and conditions precedent to closing are fulfilled or waived. BGB and Distell expect the transaction to generate significant synergies in the short to medium term, which will unlock further value for both parties.

**NOTES TO THE SUMMARY GROUP FINANCIAL STATEMENTS** (continued)  
for the year ended 30 June 2017

**8. SHARE ANALYSIS**

Major beneficial shareholders	30 June 2017		30 June 2016	
	%	Number of shares	%	Number of shares
<b>Ordinary shares</b>				
Remgro International Holdings Proprietary Limited	19.05	167 645 356	15.56	136 978 200
Government Employees Pension Fund (PIC)	12.05	106 100 342	11.92	104 899 156
Other	68.90	606 357 567	72.52	638 225 909
<b>Total</b>	<b>100.00</b>	<b>880 103 265</b>	<b>100.00</b>	<b>880 103 265</b>

No other shareholder held a beneficial interest of more than 5% in the ordinary shares of the Company on 30 June 2017.

**Distribution of shareholders**

	30 June 2017	30 June 2016	30 June 2015
<b>Ordinary shares</b>			
<i>Public shareholders</i>	6 314	6 709	6 963
Percentage of shareholders	99.97	99.97	99.97
Number of shares	606 357 567	638 225 909	638 387 458
Percentage of shares issued	68.90	72.52	72.54
<i>Non-public shareholders</i>			
Shareholders holding more than 10%	2	2	2
Percentage of shareholders	0.03	0.03	0.03
Number of shares	273 745 698	241 877 356	241 715 807
Percentage of shares issued	31.10	27.48	27.46
<b>Number of shareholders</b>	<b>6 316</b>	<b>6 711</b>	<b>6 965</b>

**Range of shareholding**

	30 June 2017			
	%	Number of shareholders	%	Number of shares
1 – 1 000	9.15	578	0.03	255 836
1 001 – 10 000	44.35	2 801	1.38	12 111 554
10 001 – 50 000	27.11	1 712	4.62	40 689 424
50 001 – 100 000	7.63	482	4.02	35 376 176
100 001 – 500 000	9.14	577	13.54	119 136 973
500 001 – 1 000 000	1.17	74	5.96	52 421 397
Over 1 000 000	1.45	92	70.45	620 111 905
	<b>100.00</b>	<b>6 316</b>	<b>100.00</b>	<b>880 103 265</b>

## CORPORATE INFORMATION

<b>Registration number</b>	1997/020857/06
<b>Business and registered address</b>	Millennia Park 16 Stellantia Avenue Stellenbosch 7600 (PO Box 456, Stellenbosch, 7599)
<b>Secretary</b>	Remgro Management Services Limited
<b>Auditor</b>	PricewaterhouseCoopers Inc. Stellenbosch
<b>Transfer secretaries</b>	Computershare Investor Services Proprietary Limited Rosebank Towers 15 Biermann Avenue Rosebank 2196 (PO Box 61051, Marshalltown, 2107)
<b>Listing</b>	JSE Limited <i>Sector:</i> Consumer – Food and Beverage – Beverages – Distillers & Vintners
<b>Sponsor</b>	Rand Merchant Bank (A division of FirstRand Bank Limited)
<b>Website address</b>	<a href="http://www.capevin.com">www.capevin.com</a>

## NOTICE TO SHAREHOLDERS

The 2017 Annual General Meeting of Capevin Holdings Limited (the Company) will be held on Friday, 27 October 2017, at 10:00 at the Burgher House, corner of Alexander and Blom Streets, Stellenbosch, 7600, to, if approved, pass the following ordinary and special resolutions with or without modification:

### 1. APPROVAL OF ANNUAL FINANCIAL STATEMENTS

#### Ordinary resolution number 1

**Resolved that** the audited annual financial statements, including the Directors' Report, the Independent Auditor's Report and the Report of the Audit and Risk Committee, of the Company for the financial year ended 30 June 2017 be accepted and approved.

### 2. REAPPOINTMENT OF AUDITOR

#### Ordinary resolution number 2

**Resolved that** the reappointment of PricewaterhouseCoopers Inc., who is independent from the Company, as the Company's auditor, as nominated by the Company's Audit and Risk Committee, be approved and to note that the individual registered auditor who will perform the function of auditor during the financial year ending 30 June 2018, is Mr A Wentzel.

### 3. ELECTION OF DIRECTOR

#### Ordinary resolution number 3

**Resolved that** Mr R M Jansen who retires in terms of clause 27.4.3.1 of the Company's Memorandum of Incorporation (Memorandum of Incorporation) and who has offered himself for re-election, be re-elected as a director of the Company.

### 4. ELECTION OF DIRECTOR

#### Ordinary resolution number 4

**Resolved that** Ms E G Matenge-Sebesho who retires in terms of clause 27.4.3.1 of the Memorandum of Incorporation and who has offered herself for re-election, be re-elected as a director of the Company.

Biographical details of all directors of the Company are set out on page 2 of the Annual Report.

### 5. APPOINTMENT OF MEMBER OF THE AUDIT AND RISK COMMITTEE

#### Ordinary resolution number 5

**Resolved that** Mr A E v Z Botha, being eligible and offering himself for re-election, be and is hereby appointed as a member of the Audit and Risk Committee for the financial year ending 30 June 2018.

### 6. APPOINTMENT OF MEMBER OF THE AUDIT AND RISK COMMITTEE

#### Ordinary resolution number 6

**Resolved that** Mr R M Jansen, being eligible and offering himself for re-election, be and is hereby appointed as a member of the Audit and Risk Committee for the financial year ending 30 June 2018.

### 7. APPOINTMENT OF MEMBER OF THE AUDIT AND RISK COMMITTEE

#### Ordinary resolution number 7

**Resolved that** Mr C A Otto, being eligible and offering himself for re-election, be and is hereby appointed as a member of the Audit and Risk Committee for the financial year ending 30 June 2018 and to note that Mr C A Otto has a dual role as the chairman of the Board and as a member of the Audit and Risk Committee.

## NOTICE TO SHAREHOLDERS (continued)

### 8. APPROVAL OF DIRECTORS' REMUNERATION

#### Special resolution number 1

**Resolved that** directors' fees for services rendered (excluding VAT) as independent non-executive directors for the financial year ending 30 June 2018 be determined on the following basis:

Type of fee (R)	Fee for the year ended 30 June 2017	Proposed fee for the year ending 30 June 2018
Fee per Board meeting	13 300	13 300
Fee per Audit and Risk Committee meeting	6 600	6 600
Fee per Remuneration Committee meeting	–	–

#### **Additional fee (R) payable to the members of the independent Board for services rendered in respect of the Capevin/Distell transaction announced on SENS on Thursday, 22 June 2017 (Capevin/Distell Transaction)**

	Proposed once-off fee
C A Otto (Chairman)	509 000
R M Jansen	100 000
A E v Z Botha	50 000
E G Matenge-Sebesho	50 000

#### *Additional information in respect of Special Resolution Number 1*

The reason for and the effect of Special Resolution Number 1 is to approve the remuneration payable by the Company to its independent non-executive directors for their services as directors of the Company for the financial year ending 30 June 2018, as well as for their services as members of the independent Board in respect of the Capevin/Distell Transaction, in terms of section 66(9) of the Companies Act.

**And to transact any other business that may be transacted at an Annual General Meeting.**

#### **RECORD DATES**

The record date in terms of section 59 of the Companies Act, for shareholders to be recorded on the securities register of the Company in order to receive Notice of the Annual General Meeting is Friday, 15 September 2017.

The record date in terms of section 59 of the Companies Act for shareholders to be recorded on the securities register of the Company in order to be able to attend, participate and vote at the Annual General Meeting is Friday, 20 October 2017, and the last day to trade in the Company's shares in order to be recorded on the securities register of the Company in order to be able to attend, participate and vote at the Annual General Meeting is Tuesday, 17 October 2017.

#### **APPROVALS REQUIRED FOR RESOLUTIONS**

Ordinary Resolutions Numbers 1 to 7 contained in this Notice of Annual General Meeting require the approval by more than 50% of the votes exercised on the resolutions by shareholders present or represented by proxy at the Annual General Meeting, subject to the provisions of the Companies Act, the Memorandum of Incorporation and the Listings Requirements of the exchange operated by the JSE Limited (JSE) (Listings Requirements).

Special Resolution Number 1 contained in this Notice of Annual General Meeting requires the approval by at least 75% of the votes exercised on the resolution by shareholders present or represented by proxy at the Annual General Meeting, subject to the provisions of the Companies Act, the Memorandum of Incorporation and the Listings Requirements.

## **NOTICE TO SHAREHOLDERS** *(continued)*

### **ATTENDANCE AND VOTING BY SHAREHOLDERS OR PROXIES**

Shareholders who have not dematerialised their shares or who have dematerialised their shares with "own name" registration are entitled to attend and vote at the Annual General Meeting and are entitled to appoint a proxy or proxies (for which purpose a form of proxy is attached hereto) to attend, speak and vote in their stead. The person so appointed as proxy need not be a shareholder of the Company. Proxy forms must be lodged with the Transfer Secretaries of the Company, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa, or posted to the Transfer Secretaries at PO Box 61051, Marshalltown, 2107, South Africa, to be received by them not later than Wednesday, 25 October 2017, at 10:00 (South African time), for administrative purposes, provided that any proxy form not delivered to the Transfer Secretary by this time may be handed to the chairman of the Annual General Meeting at any time before the appointed proxy exercises any shareholder rights at the Annual General Meeting.

Proxy forms must only be completed by shareholders who have not dematerialised their shares or who have dematerialised their shares with "own name" registration.

On a show of hands, every person present and entitled to exercise voting rights shall be entitled to one vote, irrespective of the number of votes that person would otherwise be entitled to exercise. On a poll, every holder of ordinary shares shall be entitled to one vote per ordinary share held.

Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with "own name" registration, should contact their Central Securities Depository Participant (CSDP) or broker in the manner and time stipulated in their agreement:

- to furnish them with their voting instructions; or
- in the event that they wish to attend the meeting, to obtain the necessary authority to do so.

### **PROOF OF IDENTIFICATION REQUIRED**

In terms of the Companies Act, any shareholder or proxy who intends to attend or participate at the Annual General Meeting must be able to present reasonably satisfactory identification at the meeting for such shareholder or proxy to attend and participate at the Annual General Meeting. A green barcoded identification document or a bar coded identification smart card issued by the South African Department of Home Affairs, a driver's licence or a valid passport will be accepted at the Annual General Meeting as sufficient identification.

By order of the Board of Directors.

**Remgro Management Services Limited**

*Company Secretary*

Stellenbosch

13 September 2017

# CAPEVIN

HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)  
(Registration number 1997/020857/06)  
(Share code: CVH ISIN: ZAE000167714)  
(Capevin Holdings or the Company)

## FORM OF PROXY

### THIS FORM OF PROXY IS ONLY FOR USE BY:

1. REGISTERED SHAREHOLDERS WHO HAVE NOT YET DEMATERIALISED THEIR CAPEVIN HOLDINGS LIMITED ORDINARY SHARES; AND
2. REGISTERED SHAREHOLDERS WHO HAVE ALREADY DEMATERIALISED THEIR CAPEVIN HOLDINGS LIMITED ORDINARY SHARES AND ARE REGISTERED IN THEIR OWN NAMES IN THE COMPANY'S UNCERTIFICATED SECURITIES REGISTER.\*

\* See explanatory note 3 overleaf.

For completion by the aforesaid registered shareholders who hold ordinary shares of the Company (shareholder) and who are unable to attend the 2017 Annual General Meeting of the Company to be held on Friday, 27 October 2017, at 10:00 at the Burgher House, corner of Alexander and Blom Streets, Stellenbosch, 7600 (the Annual General Meeting).

I/We \_\_\_\_\_

being the holder/s of \_\_\_\_\_ ordinary shares in the Company, hereby appoint (see instruction 1 overleaf)

1. \_\_\_\_\_ or, failing him/her,
2. \_\_\_\_\_ or, failing him/her,
3. the chairman of the Annual General Meeting, as my/our proxy to attend, speak and vote for me/us and on my/our behalf or to abstain from voting at the Annual General Meeting and at any adjournment thereof, as follows (see note 2 and instruction 2 overleaf):

Ordinary resolutions	Insert an "X" or the number of votes exercisable (one vote per ordinary share)		
	In favour of	Against	Abstain
1. Approval of annual financial statements			
2. Reappointment of auditor			
3. Election of director – Mr R M Jansen			
4. Election of director – Ms E G Matenge-Sebesho			
5. Appointment of member of the Audit and Risk Committee – Mr A E v Z Botha			
6. Appointment of member of the Audit and Risk Committee – Mr R M Jansen			
7. Appointment of member of the Audit and Risk Committee – Mr C A Otto			
<b>Special resolution</b>			
1. Approval of directors' remuneration			

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2017

Signature/s \_\_\_\_\_

Assisted by \_\_\_\_\_  
(where applicable)

Please read the notes and instructions overleaf.

## NOTES

1. A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a registered shareholder of the Company.
2. On a show of hands, every person present and entitled to exercise voting rights shall be entitled to one vote, irrespective of the number of votes that person would otherwise be entitled to exercise. On a poll, every holder of ordinary shares shall be entitled to one vote per ordinary share held.
3. Shareholders registered in their own name are shareholders who elected not to participate in the Issuer-Sponsored Nominee Programme and who appointed Computershare Limited as their Central Securities Depository Participant (CSDP) with the express instruction that their uncertificated shares are to be registered in the electronic uncertificated securities register **in their own names**.

## INSTRUCTIONS ON SIGNING AND LODGING THE FORM OF PROXY

1. 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 chairman of the Annual General Meeting", but any such deletion must be initialled by the shareholder. Should this space/s be left blank, the proxy will be exercised by the chairman of the Annual General Meeting. The person whose name appears first on the form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A shareholder's voting instructions to the proxy must be indicated by the insertion of an "X", or the number of votes which that shareholder wishes to exercise, in the appropriate spaces provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he/she thinks fit in respect of all the shareholder's exercisable votes. 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.
3. 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.
4. The completed forms of proxy must be lodged with the Transfer Secretaries of the Company, Computershare Investor Services Proprietary Limited at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa, or posted to the Transfer Secretaries at PO Box 61051, Marshalltown, 2107, South Africa, to be received by them not later than Wednesday, 25 October 2017, at 10:00 (South African time), for administrative purposes, provided that any proxy form not delivered to the Transfer Secretary by this time may be handed to the chairman of the Annual General Meeting at any time before the appointed proxy exercises any shareholder rights at the Annual General Meeting.
5. 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 chairman of the Annual General Meeting.
6. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
7. The appointment of a proxy in terms of this form of proxy is revocable in terms of the provisions of section 58(4)(c) read with section 58(5) of the Companies Act (No. 71 of 2008), as amended, and accordingly a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company.
8. The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this form of proxy must be initialled by the signatory/ies.
9. The chairman of the Annual General Meeting may accept any form of proxy which is completed other than in accordance with these instructions provided that he is satisfied as to the manner in which a shareholder wishes to vote.

C

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V