

NOTICE OF ANNUAL GENERAL MEETING

Holdsport Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2006/022562/06)
(JSE share code: HSP ISIN: ZAE000157046)
("Holdsport" or "the company" or "the group")

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, attorney, accountant or other professional adviser.

This document should be read as a whole.

If you have sold or transferred all of your shares in Holdsport, please pass this document, together with the accompanying documents, to the purchaser or transferee, or to the person who arranged the sale or transfer so that they can pass these documents to the person who now holds the shares.

Notice is hereby given that the eleventh annual general meeting of the shareholders of the company in respect of the year 2017 will be held at Holdsport Limited, The Mill House, 1 Canterbury Street, Cape Town on Tuesday, 1 August 2017 at 16h00 for the purpose of dealing with the business and, if deemed fit, passing, with or without modification, the resolutions set out below.

Record date

The record date in terms of section 59 of the Companies Act, No. 71 of 2008, as amended (the Act), for shareholders to be recorded on the shareholders' register of the company in order to be able to attend, participate and vote at the annual general meeting is Friday, 21 July 2017.

Identification

In terms of section 63(1) of the Act any person attending or participating in the annual general meeting must present reasonably satisfactory identification and the person presiding at the annual general meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as a shareholder or as proxy for a shareholder) has been reasonably verified.

Voting

Each shareholder, whether present in person or represented by proxy, is entitled to attend and vote at the annual general meeting.

Dematerialised shareholder

Shareholders who have dematerialised their shares through a Central Securities Depository Participant (CSDP) or broker, other than by own name registration, who wish to attend the annual general meeting, should instruct their CSDP or broker to issue them with the necessary authority to attend the meeting in terms of the custody agreement entered into between such shareholders and their CSDP or broker.

Shareholders who have dematerialised their shares through a CSDP or broker, other than by own name registration, who wish to vote by way of proxy, should provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between such shareholders and their CSDP or broker. These instructions must be provided to their CSDP or broker by the cut-off time or date advised by their CSDP or broker for instructions of this nature.

Proxies

Each shareholder is entitled to appoint one or more proxies (who need not be shareholders of Holdsport) to attend, speak and vote in his/her stead at the annual general meeting. On a show of hands every shareholder who is present in person or by proxy shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for each share held by him/her. Shareholders who hold their shares in certificated form or who are own name registered dematerialised shareholders who are unable to attend the annual general meeting but who wish to be represented thereat, are required to complete and return the attached form of proxy so as to be received by the transfer secretaries, Computershare Investor Services (Proprietary) Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107) by no later than 16h00 on Friday, 28 July 2017.

In compliance with the provisions of section 58(8)(b)(i) of the Act a summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Act, is set out below:

- An ordinary shareholder entitled to attend and vote at the annual general meeting may appoint any individual (or two or more individuals) as a proxy or as proxies to attend, participate in and vote at the annual general meeting in place of the shareholder. A proxy need not be a shareholder of the company.
- A proxy appointment must be in writing, dated and signed by the shareholder appointing a proxy and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the annual general meeting.
- A proxy may delegate the proxy's authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.
- The appointment of a proxy is suspended at any time and to the extent that the shareholder who appointed such proxy chooses to act directly and in person in the exercise of any rights as a shareholder.

- The appointment of a proxy is revocable by the shareholder in question 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. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of (a) the date stated in the revocation instrument, if any; and (b) the date on which the revocation instrument is delivered to the company, as required in the first sentence of this paragraph.
- If the instrument appointing the proxy or proxies has been delivered to the company, as long as that appointment remains in effect, any notice that is required by the Act or the company's memorandum of incorporation to be delivered by the company to the shareholder, must be delivered by the company to (a) the shareholder, or (b) the proxy or proxies, if the shareholder has (i) directed the company to do so in writing; and (ii) paid any reasonable fee charged by the company for doing so.

Attention is also drawn to the "Notes to the form of proxy".

1. Approval of the annual financial statements

Ordinary resolution number 1 is proposed to receive and accept the group audited Annual Financial Statements for the year ended 28 February 2017, including the Directors' Report, the report of the auditor and the report of the audit committee thereon. This Integrated Annual Report includes summarised audited financial statements on pages 58 to 64. A copy of the complete Annual Financial Statements for the preceding financial year may be obtained from the company's registered office at The Mill House, 1 Canterbury Street, Cape Town and can also be obtained from our website at www.holdsport.co.za.

Ordinary resolution number 1

"Resolved that the audited Annual Financial Statements of the group for the financial year ended 28 February 2017, including the Directors' Report, the report of the auditor and the report of the audit committee thereon, be and are hereby received and adopted."

The percentage voting rights required for ordinary resolution number 1 to be adopted: more than 50% (fifty per cent) of the voting rights of shareholders exercised on the resolution.

2. Appointment of auditor

Section 90(1) of the Act requires the company to appoint an auditor each year at its annual general meeting. The audit and risk committee conducted an assessment of the performance and the independence of the external auditor and considered whether or not the external auditor comply with the requirements of section 90(2) and (3) of the Act and section 22 of the Listings Requirements of the JSE Limited (JSE), and the board considered and accepted the findings. The board is satisfied that the proposed external auditor, KPMG Inc. and Mr Pierre Conradie, comply with the relevant provisions and are duly accredited by the JSE.

Ordinary resolution number 2

"Resolved that the firm KPMG Inc., as nominated by the audit and risk committee, be reappointed as independent auditor of the company, to hold office until the conclusion of the next annual general meeting of the company. It is noted that Mr Pierre Conradie will be the individual and designated auditor from that firm who will undertake the audit of the company for the financial year ending 28 February 2018."

The percentage voting rights required for ordinary resolution number 2 to be adopted: more than 50% (fifty per cent) of the voting rights of shareholders exercised on the resolution.

3. Appointment of a director of the company

Syd Muller (68) retires by rotation and, being eligible, has made himself available for re-election as director of the company.

Syd was appointed in 2007 as the independent non-executive chairman of the group. He is a director of MMI Holdings Limited and Choppies Enterprises Limited. He is the chairman of the sub-Saharan Africa review board of Air Liquide SA. Syd is a qualified chartered accountant (SA).

He is currently a member of the group's transformation, sustainability, social and ethics committee, the audit and risk committee, the remuneration and nomination committee and the newly formed strategic and investment committee.

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Ordinary resolution number 3

“Resolved that Syd Muller is hereby elected as director of the company.”

The percentage voting rights required for ordinary resolution number 3 to be adopted: more than 50% (fifty per cent) of the voting rights of shareholders exercised on the resolution.

4. Appointment of a director of the company

Keneilwe Moloko (48) retires by rotation and, being eligible, has made herself available for re-election as director of the company. Keneilwe is a chartered accountant (SA) and was appointed as an independent non-executive director in June 2014. She is the chairperson of the audit and risk committee.

Keneilwe has extensive knowledge in the building and construction industry and investment management field. She currently serves as an independent non-executive director on the company boards of Brimstone Investment Corporation Limited, Attacq Limited and Fairvest Property Holdings Limited.

Ordinary resolution number 4

“Resolved that Keneilwe Moloko is hereby elected as director of the company.”

The percentage voting rights required for ordinary resolution number 4 to be adopted: more than 50% (fifty per cent) of the voting rights of shareholders exercised on the resolution.

5. Appointment of a director of the company

Bryan Hopkins (70) retires by rotation and, being eligible, has made himself available for re-election as director of the company. Bryan Hopkins is a chartered accountant (SA) and was appointed as an independent non-executive director in 2011. He is the chairman of the remuneration and nomination committee and is a member of the audit and risk committee.

Bryan is a non-executive director of Resilient REIT. He was previously an executive director of Abvest Associates and Old Mutual Asset Managers. He has also served on a number of other listed company boards.

Ordinary resolution number 5

“Resolved that Bryan Hopkins is hereby elected as director and lead non-executive of the company.”

The percentage voting rights required for ordinary resolution number 5 to be adopted: more than 50% (fifty per cent) of the voting rights of shareholders exercised on the resolution.

6. Appointment of a director of the company

Phillip Matlakala (62) retires by rotation and, being eligible, has made himself available for re-election as director of the company. Phillip holds a B.Juris and B.Proc from UNISA and was appointed as an independent non-executive director in 2014. He is the chairman of the transformation, sustainability, social and ethics committee. Phillip retired in 2015 as chief executive of Metropolitan Retail at MMI Holdings Limited where he was responsible for providing savings, income and protection products to clients in the lower and middle-income markets. He serves on various other boards, including RGA South Africa, MMI International, Metropolitan Tanzania, Metropolitan Zambia, UBA/Metropolitan Nigeria and Metropolitan Kenya, ABSA Life, ABSA Insurance, ABSA iDirect and African Unity Life.

Ordinary resolution number 6

“Resolved that Phillip Matlakala is hereby elected as director of the company.”

The percentage voting rights required for ordinary resolution number 6 to be adopted: more than 50% (fifty per cent) of the voting rights of shareholders exercised on the resolution.

7. Appointment of a director of the company

Kevin Hedderwick (65) was appointed by the board of directors in March 2015 as an independent non-executive director. In accordance with the company’s memorandum of incorporation he retires at this annual general meeting. He is a member of the remuneration and nomination committee and the chairman of the newly formed strategic and investment committee.

Kevin is currently the chief operating officer of Long4Life Limited and a non-executive director at Famous Brands Limited and has extensive and relevant business experience.

Kevin Hedderwick, being eligible, has made himself available for re-election as director of the company.

Ordinary resolution number 7

“Resolved that Kevin Hedderwick is hereby elected as director of the company.”

The percentage voting rights required for ordinary resolution number 7 to be adopted: more than 50% (fifty per cent) of the voting rights of shareholders exercised on the resolution.

8. Appointment of audit and risk committee

Ordinary resolution numbers 8 to 10 are proposed to elect an audit committee in terms of section 94(2) of the Act and the King Report on Corporate Governance for South Africa (King III). Section 94 of the Act requires that, at each annual general meeting, shareholders of the company must elect an audit committee comprising at least three members.

The board recommends the following three independent non-executive directors to the audit and risk committee of the company: Keneilwe Moloko, Syd Muller and Bryan Hopkins. The board is satisfied that they have the necessary qualifications and/or experience in the areas required to fulfil their responsibilities as members of the audit and risk committee.

The percentage voting rights required for ordinary resolutions numbers 8 to 10 to be adopted: more than 50% (fifty per cent) of the voting rights of shareholders exercised on the resolutions.

Ordinary resolution number 8

“Resolved that independent director Keneilwe Moloko be elected as member and as chairperson of the audit and risk committee of the company until the next annual general meeting of the company, subject to her re-election as a director of the company in terms of ordinary resolution number 4.”

Ordinary resolution number 9

“Resolved that independent director Bryan Hopkins is elected as member of the audit and risk committee of the company until the next annual general meeting of the company, subject to his re-election as a director of the company in terms of ordinary resolution number 5.”

Ordinary resolution number 10

“Resolved that independent director Syd Muller is elected as member of the audit and risk committee of the company until the next annual general meeting of the company, subject to his re-election as a director of the company in terms of ordinary resolution number 3.”

9. Non-binding advisory vote on remuneration policy

The purpose of ordinary resolution number 11 is to endorse, by way of a non-binding advisory vote, the group’s remuneration policy, as set out in the Remuneration Report on pages 48 to 52 of the Integrated Annual Report.

The board is responsible for determining the remuneration of executive directors in accordance with the remuneration policy of the company. The remuneration and nomination committee assists the board in its responsibility for setting and administering remuneration policies in the company’s long-term interests. The remuneration and nomination committee considers and recommends remuneration for all levels in the company, including the remuneration of senior executives and executive directors, and advises on the remuneration of non-executive directors. King III recommends that every year the company’s remuneration policy should be tabled to shareholders for a non-binding advisory vote at the annual general meeting. This vote enables shareholders to express their views on the remuneration policies adopted and on their implementation. The remuneration committee prepared and the board considered and accepted the remuneration policy, as set out in the Remuneration Report on pages 48 to 52 of the Integrated Annual Report, and shareholders are required to vote on it.

Ordinary resolution number 11

“Resolved that the group’s remuneration policy, as set out in the Remuneration Report on pages 48 to 52 of the Integrated Annual Report, be and is hereby endorsed by way of a non-binding advisory vote.”

The percentage voting rights required for ordinary resolution number 11 to be adopted: more than 50% (fifty per cent) of the voting rights of shareholders exercised on the resolution.

10. Approval of directors’ remuneration

Section 66(8) (read with section 66(9)) of the Act provides that, to the extent permitted in the company’s memorandum of incorporation, the company may pay remuneration to its directors for their services as directors, provided that such remuneration may only be paid in accordance with a special resolution approved by shareholders within the previous two years. The company’s memorandum of incorporation provides that the directors shall be paid such remuneration as the company may from time to time determine in a general meeting. The remuneration committee has considered the remuneration for non-executive directors.

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Special resolution number 1

“Resolved that the remuneration of the independent non-executive directors of the company for their services as directors of the company, for the period from 1 July 2017 to 31 August 2018, as set out below per director per annum, be hereby approved, in terms of section 66(9) of the Act.

Non-executive directors' remuneration

	Base fee R	Audit and risk committee R	Transformation, sustainability, social and ethics committee R	Strategic and investment committee R	Remuneration and nomination committee R	Total annual fee R
Proposed 2018						
SA Muller	708 000 [^]	57 000	18 000	–	28 000	811 000
BD Hopkins	235 000 [*]	57 000	–	–	52 000 [#]	344 000
P Matlakala	160 000	–	30 000 [#]	–	–	190 000
KR Moloko	160 000	81 000 [#]	–	–	–	241 000
KA Hedderwick	160 000	–	–	200 000	28 000	388 000
Total	1 423 000	195 000	48 000	200 000	108 000	1 974 000
Actual 2017						
SA Muller	702 000 [^]	57 000	18 000	–	28 000	805 000
BD Hopkins	221 000	57 000	–	–	52 000 [#]	330 000
P Matlakala	154 000	–	30 000 [#]	–	–	184 000
KR Moloko	154 000	81 000 [#]	–	–	–	235 000
KA Hedderwick	154 000	–	–	–	28 000	182 000
Total	1 385 000	195 000	48 000	–	108 000	1 736 000[”]

[^] Chairman of the board of directors.

^{*} Lead independent director.

[#] Chairperson of committee.

The percentage voting rights required for special resolution number 1 to be adopted: at least 75% (seventy-five per cent) of the voting rights of shareholders exercised on the resolution.

11. Authority to repurchase shares in the company

Special resolution number 2 is proposed to authorise the acquisition by the company or any subsidiary of the company of shares issued by the company. The board's intention is for the shareholders to pass a special resolution granting the company or its subsidiaries a general authority to acquire ordinary shares issued by the company in order to enable the company and its subsidiaries, subject to the requirements of the Act, the JSE Listings Requirements and the company's memorandum of incorporation, to acquire ordinary shares issued by the company should the board consider that it would be in the interest of the company or its subsidiaries to acquire ordinary shares issued by the company while the general authority subsists.

Special resolution number 2

“Resolved that the company hereby approves as a general approval in terms of the company's memorandum of incorporation the acquisition by the company or any of its subsidiaries from time to time of the issued ordinary shares of the company, upon such terms and conditions and in such amounts as the directors of the company may from time to time determine. All such acquisitions of shares will be subject to: the memorandum of incorporation of the company; the provisions of the Act and the JSE Listings Requirements (as presently constituted and which may be amended from time to time); and provided that:

- any such acquisition of ordinary shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company or any of its subsidiaries and the counterparty (reported trades are prohibited);

- this general authority shall only be valid until the company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;
- the general repurchase by the company, and by its subsidiaries, of the company's ordinary shares is authorised by its memorandum of incorporation;
- an announcement in accordance with paragraph 11.27 of the JSE Listings Requirements will be published as soon as the company or its subsidiaries has/have acquired ordinary shares constituting on a cumulative basis 3% (three per cent) of the number of ordinary shares in issue, prior to the acquisition pursuant to which the 3% (three per cent) threshold is reached, and in respect of every 3% (three per cent) thereafter, which announcement shall contain full details of such acquisitions;
- acquisitions by the company and its subsidiaries of ordinary shares in any one financial year may not exceed 20% (twenty per cent) of the company's issued ordinary share capital from the date of the grant of this general authority;
- subsidiaries of the company will acquire, in aggregate, no more than 10% (ten per cent) of the company's issued ordinary share capital at any one time;
- in determining the price at which the company's ordinary shares are acquired by the company or any of its subsidiaries in terms of this general authority, the maximum price at which such ordinary shares may be acquired will be at a premium of no more than 10% (ten per cent) of the weighted average of the market price at which such ordinary shares are traded on the JSE, as determined over the 5 (five) business days immediately preceding the date of repurchase of such ordinary shares by the company or any of its subsidiaries;
- the company may at any point in time only appoint one agent to effect any repurchase/s on its behalf;
- a resolution has been passed by the board of directors of the company or its subsidiaries authorising the acquisition, and the company has passed the solvency and liquidity test as set out in section 4 of the Act and that, since the application of the solvency and liquidity test by the board, there have been no material changes to the financial position of the group; and
- the company or any of its subsidiaries may not repurchase securities during a prohibited period, as defined in the JSE Listings Requirements, unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE in writing prior to the commencement of the prohibited period. The company or any of its subsidiaries must instruct an independent third party, which makes its investment decisions in relation to the company or any of its subsidiaries' securities independently of, and uninfluenced by, the company or any of its subsidiaries, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE."

The percentage voting rights required for special resolution number 2 to be adopted: at least 75% (seventy-five per cent) of the voting rights of shareholders exercised on the resolution.

Additional information required by the JSE Listings Requirements with regard to authority to repurchase shares

Information required in terms of the JSE Listings Requirements with regard to this general authority for the company or any of its subsidiaries to repurchase the company's securities appears in the Annual Financial Statements, to which this notice of annual general meeting is annexed, as indicated below:

- Shareholders: pages 66 and 67
- Share capital: page 64

Directors' responsibility statement

The directors, whose names are given on pages 16 and 17 of the Integrated Annual Report, collectively and individually accept full responsibility for the accuracy of the information given in this resolution and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the Integrated Annual Report and notice of annual general meeting contains all information required by law and the JSE Listings Requirements.

Material change

There has been no material change in the financial or trading position of the company or any of its subsidiaries that has occurred since the date of signature of the audit report up to the date of this notice.

Pursuant to, and in terms of the JSE Listings Requirements, the directors of the company hereby state:

- that the intention of the company and/or any of its subsidiaries is to utilise the authority if at some future date the cash resources of the company are in excess of its requirements. In this regard the directors will take into account, inter alia, an appropriate capitalisation structure for the company, the long-term cash needs of the company and will ensure that any such utilisation is in the interest of shareholders;

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- that the method by which the company and/or any of its subsidiaries intends to repurchase its securities and the date on which such repurchase will take place has not yet been determined;
- that, after considering the effect of a maximum permitted repurchase of securities, the company and its subsidiaries are, as at the date of this notice convening the annual general meeting of the company, able to fully comply with the JSE Listings Requirements. Nevertheless, at the time that the contemplated repurchase is to take place the directors of the company will ensure that:
 - the group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of the general repurchase;
 - the assets of the group will be in excess of the liabilities of the group for a period of 12 months after the date of the notice of the annual general meeting. For this purpose the assets and liabilities will be recognised and measured in accordance with the accounting policies used in these audited annual group financial statements;
 - the share capital and reserves of the group will be adequate for ordinary business purposes for a period of 12 months after the date of the general repurchase; and
 - the working capital of the group will be adequate for ordinary business purposes for a period of 12 months after the date of the general repurchase.

12. Approval of financial assistance to group companies

Section 45 of the Act provides, among other things, that, except to the extent that the memorandum of incorporation of a company provides otherwise, the board may authorise the company to provide direct or indirect financial assistance (which includes lending money, guaranteeing a loan or other obligation and securing any debt or obligation) to a related or interrelated company or corporation, provided that such authorisation shall be made pursuant to a special resolution of the shareholders adopted within the previous two years, which approved such assistance either for the specific recipient or generally for a category of potential recipients and the specific recipient falls within that category.

Special resolution number 3

“Resolved that the board of directors be and is hereby authorised, in terms of the provisions of section 45(3)(a)(ii) of the Act as a general approval, to authorise the company to provide direct or indirect financial assistance (as defined in section 45(1) of the Act) that the board of directors may deem fit to any related or interrelated (as defined in section 2 of the Act) company or corporation of the company on the terms and conditions and for the amounts that the board of directors may determine.”

This authority will be in place for two years from the date of adoption of this special resolution number 3.

The percentage voting rights required for special resolution number 3 to be adopted: at least 75% (seventy-five per cent) of the voting rights of shareholders exercised on the resolution.

13. General authority of directors to do all such things as are necessary to implement the resolutions in this notice

Ordinary resolution number 12

“Resolved that the directors of the company be and are hereby authorised to do all such things and sign all such documents and take all such action as they consider necessary to implement the resolutions set out in this notice convening the annual general meeting at which this ordinary resolution number 12 will be considered.”

14. Other business

Further to transact any other business that may be transacted at the annual general meeting.

By order of the board



R Thomas
Company Secretary

Cape Town
20 June 2017