



Clover Industries Limited

Notice of Annual
General Meeting and
Form of Proxy

28 November 2017



NOTICE TO THE ANNUAL GENERAL MEETING

CLOVER INDUSTRIES LIMITED

(Registration number 2003/030429/06)
(Incorporated in the Republic of South Africa)
(Ordinary share code: CLR)
(NSX Ordinary Share code: CLN)
(ISIN: ZAE000152377)
(the "Company")

A. Notice

Notice is hereby given of the annual general meeting (the "Annual General Meeting") of the Company to be held at 200 Constantia Drive, Constantia Kloof on Tuesday, 28 November 2017 at 10:00, or any adjournment or postponement thereof.

The shareholders of the Company ("Shareholders") or their proxies or representatives may participate in (but not vote at) the Annual General Meeting by way of a teleconference call and, if they wish to do so, they:

- must contact the Company Secretary (by email at the address jacques.vanheerden@clover.co.za) by no later than 12:00 on Friday, 17 November 2017, in order to obtain a PIN and dial-in details for that conference call;
- will be required to provide reasonably satisfactory identification (the forms of which identification shall include valid identity documents, driver's licences and passports); and
- will be billed separately by their own telephone service providers for their telephone call when participating in the Annual General Meeting.

Shareholders and their proxies and representatives will not be able to vote telephonically at the Annual General Meeting and will still need to appoint a proxy or representative to vote on their behalf at the Annual General Meeting.

B. Who may attend and vote

The board of directors of the Company (the "Board") has determined that the record date for the purpose of determining which Shareholders are entitled to receive notice of the Annual General Meeting is Friday, 15 September 2017, and the record date for purposes of determining which Shareholders are entitled to attend and vote at the Annual General Meeting is Friday, 17 November 2017. Accordingly, only Shareholders who have traded by the last trading day, being Tuesday, 14 November 2017, and are registered in the securities register of the Company on Friday, 17 November 2017, will be entitled to attend, participate in, and vote at the Annual General Meeting.

If you hold dematerialised shares which are registered in your own name or if you are the registered holder of certificated shares:

- you may attend the Annual General Meeting in person; or
- you may appoint a proxy (who need not be a Shareholder) to represent you at the Annual General Meeting by completing the attached form of proxy in accordance with the instructions it contains and returning it to the transfer secretaries to be received (for administration purposes) by no later

than 10:00 on Friday, 24 November 2017. Any forms of proxy not lodged by this time must be handed to the chairman of the Annual General Meeting ("**Chairman**") prior to your appointed proxy exercising any of your rights at the Annual General Meeting.

If you hold dematerialised shares which are not registered in your own name:

- and wish to attend the Annual General Meeting in person, you must obtain the necessary letter of authority/representation from your CSDP or broker to do so;
- and do not wish to attend the Annual General Meeting, but would like your vote to be recorded at the Annual General Meeting, you should contact your CSDP or broker and furnish them with your voting instructions; and
- you must not complete the attached form of proxy.

All participants at the Annual General Meeting will be required to provide reasonably satisfactory identification (the forms of which identification shall include valid identity documents, driver's licences and passports) to the Chairman.

C. Purpose of Annual General Meeting

The purpose of the Annual General Meeting is to conduct the following business:

- to present and note:
 - the consolidated audited annual financial statements of the Company and the Clover group for the financial year ended 30 June 2017 ("**Annual Financial Statements**");
 - the director's report on the Annual Financial Statements ("**Directors' Report**");
 - the audit and risk committee's report relating to the Annual Financial Statements ("**Audit and Risk Committee Report**") and
 - to provide the chairman of the social and ethics committee ("**Social and Ethics Committee**") with an opportunity to report back to the Shareholders as provided for in regulation 43 of the Companies Regulations;

which form part of, and are contained in, the Integrated Annual Report with the annual financial statements for the year ended 30 June 2017 ("**Integrated Annual Report**") which is available on the Company's website. This notice of Annual General Meeting, and the Integrated Annual Report is available on the Company's website (www.clover.co.za);

- to note the retirement by rotation of directors as contemplated in the "MOI", and to present and vote on the re-election of that same directors;
- to present and vote on:
 - the reappointment of the independent external auditors for the financial year ending 30 June 2018;
 - the election of the members of the audit and risk committee of the Company ("**Independent Audit and Risk Committee**");
 - to approve the Clover group remuneration policy ("**Clover Group Remuneration Policy**"); and
 - to consider and, if deemed fit, pass, with or without modification, all the resolutions set out below.

Notice to the annual general meeting

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D. Normal business

1. Ordinary resolution number 1: Presentation of Annual Financial Statements

1.1 Resolution

To receive and note the Annual Financial Statements, including the Directors' Report, the Audit and Risk Committee Report and the Report by the Social and Ethics Committee, as contained in the Integrated Annual Report in accordance with the provisions of section 61(8)(a) the Companies Act.

1.2 Threshold for Approval

In order for this ordinary resolution to be adopted, the support of more than 50% of the votes cast by the Shareholders present or represented by proxy at this Annual General Meeting is required.

2. Ordinary resolution number 2: Re-election of Mr WI Buchner (a director who has retired by rotation) as a non-executive director

2.1 Resolution

To re-elect Mr WI Buchner (a retiring director of the Company, eligible for, and who has offered his services for, re-election) as a non-executive director of the Company, in terms of clause 36 of the MOI, with immediate effect.

2.2 Threshold for Approval

In order for this ordinary resolution to be adopted, the support of more than 50% of the votes cast by the Shareholders present or represented by proxy at this Annual General Meeting is required.

2.3 A brief biography of Mr WI Buchner is set out below:

Mr. WI Buchner obtained a Bachelor of Engineering degree in 1989. He is a milk producer who has been farming in the Eastern Cape since 1994. Prior to 1994, he was First Engineer at Eloptra (Denel) for a period of five years. He is also the current chairman of the Board.

3. Ordinary resolution number 3: Re-election of Ms B Ngonyama (a director who has retired by rotation) as an independent non-executive director

3.1 Resolution

To re-elect Ms B Ngonyama (a retiring director of the Company, eligible for, and who has offered her services for, re-election) as an independent non-executive director of the Company, in terms of clause 36 of the MOI, with immediate effect.

3.2 Threshold for Approval

In order for this ordinary resolution to be adopted, the support of more than 50% of the votes cast by the Shareholders present or represented by proxy at this Annual General Meeting is required.

3.3 A brief biography of Ms B Ngonyama is set out below:

Ms. B Ngonyama is a graduate of the University of Transkei and is a qualified Chartered Accountant (South Africa). She also obtained her Masters in Business Administration from Bond University in 2002 and has completed the Women in Leadership Programme at Harvard University. She was a former partner at Deloitte & Touche.

4. Ordinary resolution number 4: Re-appointment of Independent External Auditors

4.1 Resolution

To re-appoint Ernst & Young Incorporated upon the recommendation of the current Audit and Risk Committee as the independent registered auditors of the Company, and to note that the individual registered auditor who will undertake the audit during the ensuing financial year ending 30 June 2018 will be Mr. D Engelbrecht.

4.2 Threshold for Approval

In order for this ordinary resolution to be adopted, the support of more than 50% of the votes cast by the Shareholders present or represented by proxy at this Annual General Meeting is required.

5. Ordinary resolution number 5: Election of Dr. SF Booysen as a member of the Audit and Risk Committee

5.1 Resolution

To elect Dr. SF Booysen, who is an independent non-executive director of the Company, as a member of the Audit and Risk Committee for the ensuing financial year ending 30 June 2018, and to ratify any actions of Dr. SF Booysen in anticipation of his appointment to the Company's Audit and Risk Committee since 1 July 2017. As is evident from Dr. SF Booysen's biography (which appears below), he has the required qualifications and/ or experience to fulfil his duties as a committee member.

5.2 Threshold for Approval

In order for this ordinary resolution to be adopted, the support of more than 50% of the votes cast by the Shareholders present or represented by proxy at this Annual General Meeting is required.

5.3 A brief biography of Dr. SF Booysen is set out below:

Dr. SF Booysen obtained a doctorate degree in commerce from the University of Pretoria and is a qualified Chartered Accountant (South Africa). He was the Group Chief Executive Officer of Absa Bank Limited from 2004 to 2009.

Notice to the annual general meeting

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6. Ordinary resolution number 6: Election of Ms NV Mokhesi as a member of the Audit and Risk Committee

6.1 Resolution

To elect Ms NV Mokhesi, who is an independent non-executive director of the Company, as a member of the Company's Audit and Risk Committee for the ensuing financial year ending 30 June 2018, and to ratify any actions of Ms NV Mokhesi in anticipation of her appointment to the Company's Audit and Risk Committee since 1 July 2017. As is evident from Ms NV Mokhesi's biography (which appears below), she has the required qualifications and/or experience to fulfil her duties as a committee member.

6.2 Threshold for Approval

In order for this ordinary resolution to be adopted, the support of more than 50% of the votes cast by the Shareholders present or represented by proxy at this Annual General Meeting is required.

6.3 A brief biography of Ms NV Mokhesi is set out below:

Ms NV Mokhesi has a B.com degree (University of Lesotho) and AMP (Insead, France). She has over 25 years corporate experience in marketing, strategy and socio-economic development initiatives and serves on other boards.

7. Ordinary resolution number 7: Election of Ms. B Ngonyama as a member of the Audit and Risk Committee

7.1 Resolution

Subject to the passing of ordinary resolution number 3, to elect Ms. B Ngonyama, who is an independent non-executive director of the Company, as a member of the Company's Audit and Risk Committee for the ensuing financial year ending 30 June 2018, and to ratify any actions of Ms. B Ngonyama in anticipation of her appointment to the Company's Audit and Risk Committee since 1 July 2017. As is evident from Ms. B Ngonyama's biography (which appears below), she has the required qualifications and/or experience to fulfil her duties as a committee member.

7.2 Threshold for Approval

In order for this ordinary resolution to be adopted, the support of more than 50% of the votes cast by the Shareholders present or represented by proxy at this Annual General Meeting is required.

7.3 A brief biography of Ms. B Ngonyama is set out below:

Ms. B Ngonyama is a graduate of the University of Transkei and is a qualified Chartered Accountant (South Africa). She also obtained her Master's in Business Administration from Bond University in 2002 and has completed the Women in Leadership Programme at Harvard University. She was a former partner at Deloitte & Touche.

8. Ordinary resolution number 8: Approval of the Clover Group Remuneration Policy

8.1 Resolution

To endorse the Clover Group Remuneration Policy, as described in the report on remuneration on pages 77 to 88 of the Integrated Annual Report, by way of a non-binding advisory vote as recommended in the King III: Code on Governance for South Africa 2009.

8.2 Threshold for Approval

In order for this ordinary resolution to be adopted, the support of more than 50% of the votes cast by the Shareholders present or represented by proxy at this Annual General Meeting is required.

E. Special business

1. Special resolution number 1: General authority to repurchase shares

1.1 Resolution

The Company and/or any of its subsidiaries be and is/are hereby authorised by way of a general authority to acquire, from time to time, ordinary shares issued by the Company, on such terms and conditions as the Board may deem fit, in terms of the MOI, section 48 of the Companies Act and the JSE Listings Requirements, provided that:

- 1.1.1 such acquisitions shall be implemented through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
- 1.1.2 such general authority shall be valid only until the next annual general meeting of the Company or the variation or revocation of such general authority by special resolution at any subsequent general meeting of the Company, provided that it shall not extend beyond 15 months from the date of the adoption of this resolution;
- 1.1.3 such repurchase may not be made at a price greater than 10% (ten percent) above the weighted average of the market value for the shares for the 5 (five) business days immediately preceding the date on which the repurchase is affected. The JSE shall be consulted for a ruling if the Company's securities have not traded in such five-day period;
- 1.1.4 when the Company has cumulatively repurchased 3% (three percent) of the initial number (the number of that class of shares in issue at the time that general authority from Shareholders is granted) of the relevant class of shares, and for each 3% (three percent) in aggregate of the initial number of that class acquired thereafter, an announcement must be made giving the details required in terms of the JSE Listings Requirements in respect of such repurchase;

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- 1.1.5 the Company has been given authority by the MOI;
- 1.1.6 no repurchases of shares shall be effected during a prohibited period as contemplated in the JSE Listings Requirements, unless a repurchase programme is in place, where dates and quantities of shares to be traded during the prohibited period are fixed (not subject to any variation) and full details of the programme have been disclosed to the JSE in writing prior to the commencement of the prohibited period, as required. The Company must instruct an independent, uninfluenced third party, which makes its investment decisions in relation to the Company's shares, to execute the repurchase programme submitted to the JSE prior to the commencement of the prohibited period;
- 1.1.7 the Company only appoints one agent to effect any repurchase(s) on its behalf at any one time;
- 1.1.8 the aggregate of such acquisitions may not, in any one financial year, exceed 20% (twenty percent) of the Company's issued share capital of that class as at the beginning of the financial year;
- 1.1.9 a resolution has been passed by the Board confirming that the Board has authorised the general repurchase, that the Company passed the solvency and liquidity test and that since the test was done there have been no material changes to the financial position of the Company and the Clover group;
- 1.1.10 any such general repurchases are subject to exchange control regulations and approval at that point in time; and
- 1.1.11 the aggregate of such acquisitions held by subsidiaries of the Company may not exceed 10% (ten percent) of the Company's issued share capital at any one time.

1.2 Explanation

The reason for and effect of this special resolution is to authorise the Company and/or any of its subsidiaries by way of a general authority, in terms of section 48 of the Companies Act and paragraph 5.72 of the Listings Requirements, to acquire the shares issued by it on such terms as the Board may deem fit. Any shares acquired as aforesaid by the Company (as opposed to its subsidiaries) shall be cancelled and restored to the status of authorised but unissued shares in the capital of the Company.

1.3 Statement of the Board's intention

The Board has no specific intention to give effect to the provisions of special resolution number 1, but will, however, continually review the Company's position, having regard to prevailing circumstances and market conditions, in considering whether to effect the provisions of special resolution number 1.

1.4 Threshold for Approval

In order for this special resolution to be adopted, the support of at least 75% of the total number of votes, cast by the Shareholders present or represented by proxy at this Annual General Meeting, is required.

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2. Special Resolution number 2: Remuneration of non-executive directors

2.1 Resolution

To approve (and, to the extent necessary, ratify) the Non-Executive directors' remuneration commencing with the effect from 1 July 2017 and as indicated below:

2.1.1	Board	Informal responsibilities	Retainer and meeting	Services rendered which fall outside scope of services	Total fees
2.1.2	Chairman	R 29 240	R 1 296 000	R 2 170 per hour	R 1 325 240
2.1.3	Lead Independent Director	R 29 240	R 971 000	R 2 170 per hour	R 1 000 240
2.1.4	Vice Chairman	R 29 240	R 389 000	R 2 170 per hour	R 418 240
2.1.5	Board Members	R 29 240	R 327 000	R 2 170 per hour	R 356 240
	The Chairman and lead Independent Director's fees include the Board and all committee membership				
2.2	Committees	Attendance fee			
2.2.1	Audit and Risk Committee				
	Chairman	R 56 100			
	Member	R 37 400			
2.2.2	Remuneration Committee				
	Chairman	R 52 600			
	Member	R 23 900			
2.2.3	Social and Ethics Committee				
	Chairman	R 52 600			
	Member	R 23 900			
2.2.4	Nomination Committee				
	Chairman	R 27 900			
	Member	R 18 600			
2.2.5	Other sub committees				
	Chairman	R 27 900			
	Member	R 18 600			
2.2.6	<i>Ad hoc</i> Committees/ <i>Ad hoc</i> Board meetings				
	Chairman	R 15 300			
	Member	R 10 200			

2.3 Explanation:

The reason for and the effect of this special resolution is to grant the Company the authority to pay remuneration to its Non-executive Directors for their services as Directors of the Company for the period 1 July 2017 to 30 June 2018. The remuneration specified herein has been increased by c. 5% from that which was payable to Non-executive Directors for their services as Directors of the Company for the period 1 July 2016 to 30 June 2017. The Chairman's and Lead Independent Director's (total) fees include the Board and all committee memberships. This will exclude VAT where applicable.

2.4 Approval:

In order for this special resolution to be adopted, the support of at least 75% of the total number of votes cast by the Shareholders present or represented by proxy at this Annual General Meeting, is required.

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F. Other business

To transact such other business as may be transacted at an annual general meeting.

Disclosure required in terms of the JSE Listings Requirements relating to special resolution number 1: Solvency and liquidity statement.

The Board confirms that the Company will not commence a general repurchase of shares in respect of special resolution number 1 unless, for a period of 12 (twelve) months after the date of the general repurchase as contemplated in special resolution 1:

- the Company and the Clover group's assets will be in excess of the liabilities of the Company and the Clover group. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements which comply with the Companies Act;
- the share capital and reserves of the Company and the Clover group will be adequate for ordinary business purposes;
- the working capital available of the Company and the Clover group will be adequate for ordinary business purposes; and
- the Company and the Clover group will be able to pay their debts as they become due in the ordinary course of business.

G. Directors' responsibility statement

The directors, whose names are given on pages 22 and 23 of the Integrated Annual Report, collectively and individually accept full responsibility for the accuracy of the information given in relation to special resolution number 1 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 special resolution number 1 contains all information required by law and the JSE Listings Requirements.

H. General information

- The Annual Financial Statements can be found on page 145 to page 249 of the Integrated Annual Report.
- Information relating to the major Shareholders can be found on page 20 of the Integrated Annual Report.
- Information relating to the share capital of the Company can be found on page 20 of the Integrated Annual Report.
- There have been no material changes in the financial or trading position of the Company and the Clover group since the date of the audit report and the signature of this notice of Annual General Meeting.
- Equity securities held by a share trust or scheme, and unlisted securities will not have their votes taken into account at the Annual General Meeting for the purposes of resolutions proposed in terms of the JSE Listings Requirements.

I. Proxy appointments

Any Shareholder who is entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend, speak and, on a poll or by show of hands, vote in his or her stead. A proxy need not be a Shareholder. Forms of proxy must be received by the transfer secretaries, Computershare Investor Services (Proprietary) Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107), telefacsimile number +27 11 688 5238, by no later than 10:00 on Friday, 24 November 2017 (for administration purposes). Any form of proxy not received by this time must be handed to the Chairman prior to the appointed proxy exercising any rights of the relevant Shareholder at the Annual General Meeting.

J. Interpretation of this notice

All references in this notice of Annual General Meeting to the:

- "JSE Listings Requirements" mean the Listings Requirements of the JSE Limited, as amended from time to time and as interpreted and applied by the JSE Limited;
- "CSDP" means the Central Securities Depository Participant;
- "Companies Act" mean the Companies Act No 71 of 2008, as amended; and
- "Company Regulations" means the Companies Regulations, 2011, as amended

By order of the Board

Jacques van Heerden

27 September 2017



www.clover.co.za