

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



# PADENGA

## HOLDINGS LIMITED

(Incorporated in Zimbabwe on 5 August 2010 under Company Registration Number 2888/2010)

## CIRCULAR TO SHAREHOLDERS

**Relating to and seeking approvals for:**

- i) The establishment of the 2017 Padenga Share Option Scheme**
  - ii) The granting of options to the Padenga Management Share Ownership Trust and the Padenga Employee Share Ownership Trust to purchase for cash new Padenga Holdings Limited shares**
- &**

### **INCORPORATING NOTICE OF AN EXTRAORDINARY GENERAL MEETING**

Notice of an Extraordinary General Meeting of the members of Padenga Holdings Limited, to be held at Royal Harare Golf Club, 5th Street extension, Harare on Thursday 18 May 2017, at 0900 hours, which notice was published on Thursday 27 April 2017 in accordance with the Listings Requirements of the Zimbabwe Stock Exchange and the Companies Act (Chapter 24:03) of Zimbabwe, is set out at the end of this Document. Shareholders are asked to complete and return the attached form of proxy in accordance with the instructions printed thereon, as soon as possible, but not later than 0900 hours, on Tuesday 16 May 2017.

**Lead Financial Advisors**



**Sponsoring Broker**



**Legal Advisors**



**Transfer Secretaries**



This Circular is neither a prospectus nor an invitation to the public to subscribe for shares in the Company but is issued in compliance with the Listings Requirements of the ZSE, for the purpose of giving information to the public with regard to the Company as more fully set out in this Circular. The Circular is only available in English. Additional copies of this Circular may be obtained from the Company Secretary at the Registered Office of Padenga.

If you are in any doubt as to the action you should take, you should immediately seek advice from your stockbroker, bank manager, legal practitioner, accountant or other professional advisors. If you no longer hold any shares in Padenga, you should send this Circular, as soon as possible, to the stockbroker, bank or other agent through whom the sale of your shareholding in Padenga shares was executed, for onward delivery to the purchaser or transferee of your shares.

All the Directors of Padenga, whose names are given in paragraph 5.2 of the Circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no other material facts, the omission of which would make any statement in the Circular false or misleading and that they have made all reasonable enquiries to ascertain such material facts and that this Circular contains all information required by law.

**Date of issue of this document: 27 April 2017**

## TABLE OF CONTENTS

Corporate information	3
Forward looking statements	4
Interpretation and definitions	5
Salient features of the Proposed Transactions	7

### PART 1: DETAILS OF THE PROPOSED TRANSACTIONS

The Proposed Transactions	9
Overview of Padenga	12
Financial Information	13
Future Prospects for the Company	17
Board of Directors	17
Corporate Governance	19
Authorisation and approvals for the Proposed Transactions	21
Share Capital	21
Major Shareholders	22
Material Contracts	22
Capital commitments, lease commitments and contingent liabilities	22
Litigation statement	23
Experts' consents	23
Documents and consents available for inspection	23
Directors' responsibility statement	24

### PART 2: APPENDICES

Appendix 1 - Padenga Holdings Limited Historical Share Price Information	25
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### PART 3: NOTICE OF EGM AND FORM OF PROXY

Notice of EGM	26
Form of Proxy	28

## CORPORATE INFORMATION

The information below is given in compliance with the requirements of the Zimbabwe Stock Exchange.

Company Secretary and Registered Office	Andrew Lorimer 121 Borrowdale Road Gunhill Harare Zimbabwe
Financial Advisors	Inter-Horizon Advisory (Private) Limited 4 Fleetwood Road Alexandra Park Harare Zimbabwe
Sponsoring Brokers	Inter-Horizon Securities (Private) Limited 4 Fleetwood Road Alexandra Park Harare Zimbabwe
Legal Advisors	Lunga Attorneys 12 Cuba Avenue Mount Pleasant Harare Zimbabwe
Transfer Secretaries	Corpserve Share Transfer Secretaries 2nd Floor ZB Centre Corner 1st & Kwame Nkrumah Avenue Harare Zimbabwe
Independent Auditors	Ernst & Young Chartered Accountants (Zimbabwe) Angwa City Corner Julius Nyerere Way Kwame Nkrumah Avenue Harare Zimbabwe
Bankers	CBZ Bank Limited Union House 60 Kwame Nkrumah Avenue Harare Zimbabwe  Standard Chartered Bank Zimbabwe Limited 1st Floor Africa Unity Square Building Nelson Mandela Avenue Harare Zimbabwe  Central African Building Society Northend Close, Northridge Park Harare Zimbabwe

## FORWARD LOOKING STATEMENTS

This Circular includes forward looking statements regarding the Company. Forward looking statements are those other than statements of historical facts included in this Circular, and include without limitation, those regarding the Company financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Company's products and services). Any statement preceded by, followed by or including the words "believes", "expects", "aims", "estimates", "anticipates", "may", "will", "should", "could", "intends", "plans", "seeks", or similar expressions, are forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Such forward looking statements are inherently based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. Such risks, uncertainties and other factors, include among others, technical analysis, general economic and business conditions, industry trends, competition, changes in government regulations, interest rate fluctuations, currency fluctuations, changes in business strategy and other risks. The Directors of the Company expressly disclaim any obligations or undertaking to disseminate after the distribution of this Circular any updates or revisions to any forward looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions or circumstances on which any such forward looking statement is based, unless required to do so by any legal obligation. In making their consideration, investors are advised to make their own independent assessments and, in this regard, to consult their own professional advisors.

## INTERPRETATION AND DEFINITIONS

In this document, unless otherwise stated or the context otherwise requires, the words in the first column have the meanings stated opposite them in the second column, words in the singular shall include the plural and vice versa and words importing natural persons shall include juristic persons, whether corporate or incorporate and vice versa.

“Articles”	The Articles of Association of Padenga;
“Board” or “Directors”	The Board of Directors of Padenga;
“Circular” or “Document”	This Circular dated the 27 April 2017 including the appendices hereto;
“Companies Act”	The Companies Act of Zimbabwe, Chapter 24:03, as amended;
“EBITDA”	Earnings before Interest, Taxation, Depreciation and Amortisation;
“EGM”	The Extraordinary General Meeting of the shareholders of Padenga to be held at Royal Harare Golf Club, 5th Street Extension, Harare on Thursday 18 May 2017 at 0900 hours, for the purpose of considering for approval the Proposed Transactions;
“EGM Notice” or “Notice”	The notice which was published in accordance with the Companies Act and the Articles on Thursday 27 April 2017, advising Padenga shareholders of the EGM;
“Financial Year” or “FY”	The fiscal year for the Company which runs from 1 January to 31 December;
“IFRS”	International Financial Reporting Standards;
“IH Advisory”	Inter-Horizon Advisory (Private) Limited, a licenced securities investment advisor with the Securities and Exchange Commission of Zimbabwe, and the financial advisors to the Proposed Transactions;
“IH Securities”	Inter-Horizon Securities (Private) Limited, the sponsoring brokers for the Proposed Transactions and member of the Zimbabwe Stock Exchange;
“Indigenisation Implementation Plan”	A plan, proposed by Padenga and accepted by the National Indigenisation and Economic Empowerment Board, to ensure that Padenga complies with the requirements of the Indigenisation and Economic Empowerment Act [Chapter 14:33] as read with the Indigenisation and Economic Empowerment Regulations, 2010 supplemented by General Notice No 459/2011;
“Innskor”	Innskor Africa Limited, a public company incorporated in Zimbabwe and listed on the ZSE;
“LDT” or “Last Day of Trading”	The last business day to trade in a security in order to settle by the Record Date to be able to qualify for voting at the EGM;
“Legal Advisors” “NAV”	Lunga Gonese Attorneys, the legal advisors to Padenga on the Proposed Transactions; Net Asset Value;
“NIEEB” “Options”	The National Indigenisation and Economic Empowerment Board; Collectively, the options granted under the 2017 Padenga Share Option Scheme; the Padenga Employee Share Ownership Trust and the Padenga Management Share Ownership Trust;
“Padenga” or “the Company” or “the Group”	Padenga Holdings Limited, a public company incorporated in Zimbabwe on 5 August 2010 under company registration number 2888/2010, and its subsidiaries and associates;
“Padenga Employee Share Ownership Trust” or “Padenga Employee Trust”	A trust to be established for the purposes of empowering qualifying employees of Padenga;
“Padenga Management Share Ownership Trust” or “Padenga Management Trust”	A trust to be established for the purposes of empowering qualifying management of Padenga;

## INTERPRETATION AND DEFINITIONS (CONTINUED)

“Proposed Transactions”	The establishment of a 2017 Padenga Share Option Scheme and the granting of options to the Padenga Management Share Ownership Trust and the Padenga Employee Share Ownership Trust to purchase for cash new Padenga Holdings Limited shares;
“Record Date”	The date on which the register of Padenga shareholders will be closed to determine the eligibility of Shareholders for participation in the voting at the EGM, which date is expected to be on 12 May 2017 (1600 hours);
“Shareholders”	The holders of ordinary shares of Padenga.
“Shares”	The issued and/or authorised share capital of Padenga.
“Transfer Secretaries”	Corpserve Registrars (Private) Limited who will provide share transfer secretarial services to Padenga;
“US\$”	The United States dollar, allowable trading currency under the multicurrency trading system in Zimbabwe;
“ZSE”	The Zimbabwe Stock Exchange, a stock exchange that is established in terms of the Securities and Exchange Act of 2004 (Chapter 24:25) and regulates the conduct of companies whose shares are listed on the Official List and traded on the Zimbabwe Stock Exchange;

## SALIENT FEATURES OF THE PROPOSED TRANSACTIONS

This summary presents the salient information in relation to the Proposed Transactions. The detailed information on the Company together with the terms and conditions of the Proposed Transactions is fully set out in this Circular. Accordingly, this Circular should be read in its entirety for a full appreciation of the Proposed Transactions.

### Details and Rationale of the Proposed Transactions

The Proposed Transactions are intended:

- i) To incentivise and empower qualifying employees and management of the Company, to allow them to identify more closely with the activities of the Company and to promote its continued growth and profitability by giving them the opportunity to acquire shares in the Company.

In view of the need to incentivise employees, the Company has established a 2017 Padenga Share Option Scheme which may issue to qualifying employees options over Ordinary Shares up to a maximum of 54,159,344 (Fifty Four Million, One Hundred and Fifty-Nine Thousand, Three Hundred and Forty-Four) Ordinary Shares (being 10% of the Company's current Issued Ordinary Share Capital); and

- ii) To ensure that Padenga meets the requirements of the Indigenisation and Economic Empowerment Act [Chapter 14:33] as read with the Indigenisation and Economic Empowerment Regulations, 2010 supplemented by General Notice No 459/2011.

In order to meet the requirements of this legislation an Indigenisation Implementation Plan ("Plan") has been submitted to NIEEB. NIEEB has approved this Plan and issued a certificate of compliance, number 000090, dated 12 April 2017.

In summary, this Plan will result in two share option agreements being entered into by the Company. The first agreement will be with Padenga Management Share Ownership Trust, for 54,159,344 (Fifty-Four Million, One Hundred and Fifty-Nine Thousand, Three Hundred and Forty-Four) Ordinary Shares (this represents 10% of the Company's current Issued Ordinary Share Capital). The second agreement will be with Padenga Employee Share Ownership Trust for 27,079,672 (Twenty-Seven Million, Seventy-Nine Thousand, Six Hundred and Seventy-Two) Ordinary Shares (this represents 5% of the Company's current Issued Ordinary Share Capital). After the exercise of these options, the Management and Employee Trusts shall hold fully, the option shares, for the future benefit of management and employees in the Company.

The Proposed Transactions are designed to comply with the requirements of the approved Indigenisation Implementation Plan, while enhancing the capital base of the business. The Padenga Management Share Ownership Trust and the Padenga Employee Share Ownership Trust will also closely align the long term interests of employees with the Company.

### Terms of the Proposed Transactions and their effects on the Share Capital Structure

#### Prior to the Proposed Transactions

Number of Authorised Ordinary Shares of US\$0.0001 each	800,000,000
Number of Issued Ordinary Shares of US\$0.0001 each	541,593,440
Number of Authorised but Unissued Ordinary Shares of US\$0.0001 each	258,406,560

#### Subsequent to the Proposed Transactions

Ordinary Shares to be placed under the control of Directors pursuant to the 2017 Padenga Share Option Scheme	54,159,344
Ordinary Shares to be placed under the control of Directors pursuant to the Padenga Management Share Ownership Trust	54,159,344
Ordinary Shares to be placed under the control of Directors pursuant to the Padenga Employee Share Ownership Trust	27,079,672
Balance of unissued Ordinary Shares to be placed under the control of the Directors	123,008,200

#### Padenga EGM

To give effect to the Proposed Transactions, Shareholders are being asked to attend the EGM, to be held at Royal Harare Golf Club, 5th Street Extension, Harare, on Thursday 18 May 2017, at 0900 hours, to approve the resolutions, details of which are set out in the Notice appearing in Part 3 of this Document.

## SALIENT FEATURES OF THE PROPOSED TRANSACTIONS (CONTINUED)

### Timetable of the Proposed Transactions

Important Dates	
Padenga EGM Notice published	Thursday, 27 April 2017
Last Day of Trading	Friday, 5 May 2017
Record Date, Padenga share register closed (at 1600 hours)	Friday, 12 May 2017
Last day of lodging Proxy Forms (at 0900 hours)	Tuesday, 16 May 2017
Padenga EGM (at 0900 hours)	Thursday, 18 May 2017
Publication of Padenga EGM resolution results	Friday, 19 May 2017

The above dates may be subject to change and any such change will be published in the Zimbabwe national press. All times indicated above and elsewhere in the Circular are Zimbabwean local times.

### Action to be taken by Padenga Shareholders

- Attend and vote at the EGM to be held on Thursday 18 May 2017.
- Shareholders who are unable to attend the EGM, but who wish to be represented thereat, should complete and sign the Proxy Form included with this Document and ensure it is lodged at the registered offices of the Company being, 121 Borrowdale Road, Gunhill, Harare, so that it is received by the Transfer Secretaries no later than 0900 hours, on Tuesday 16 May 2017. Shareholders may attend the meeting in person, notwithstanding the completion and return of a Proxy Form.

### Conditions Precedent

The implementation of the Proposed Transactions is conditional upon the following:

- The passing by Shareholders of the resolutions by the requisite majority at the EGM; and
- The granting of the requisite approval by the Listing Committee of the ZSE for the listing of Ordinary Shares issued pursuant to the exercise of the Options.

### Documents Available for Inspection

The public may inspect this Circular and the documents available as listed in section 14 between 0800 and 1600 hours from Thursday 27 April 2017 to Thursday 18 May 2017 at the Financial Advisors, Sponsoring Brokers, and Padenga's Registered Offices at the addresses set out in the "Corporate Information" section of this Document.



## **PART 1: DETAILS OF THE PROPOSED TRANSACTIONS**

### **1. THE PROPOSED TRANSACTIONS**

#### **1.1 Overview**

The Proposed Transactions are intended:

- i) To incentivise and empower qualifying employees and management of the Company, to allow them to identify more closely with the activities of the Company and to promote its continued growth and profitability by giving them the opportunity to acquire shares in the Company.

In view of the need to incentivise employees, the Company has established a 2017 Padenga Share Option Scheme which may issue to qualifying employees options over Ordinary Shares up to a maximum of 54,159,344 (Fifty Four Million, One Hundred and Fifty-Nine Thousand, Three Hundred and Forty-Four) Ordinary Shares (being 10% of the Company's current Issued Ordinary Share Capital); and

- ii) To ensure that Padenga meets the requirements of the Indigenisation and Economic Empowerment Act [Chapter 14:33] as read with the Indigenisation and Economic Empowerment Regulations, 2010 supplemented by General Notice No 459/2011.

In order to meet the requirements of this legislation, an Indigenisation Implementation Plan ("Plan") has been submitted to NIEEB. NIEEB has approved this Plan and issued a certificate of compliance, number 000090, dated 12 April 2017.

In summary, this Plan will result in two share option agreements being entered into by the Company. The first agreement will be with Padenga Management Share Ownership Trust, for 54,159,344 (Fifty-Four Million, One Hundred and Fifty-Nine Thousand, Three Hundred and Forty-Four) Ordinary Shares (this represents 10% of the Company's current Issued Ordinary Share Capital). The second agreement will be with Padenga Employee Share Ownership Trust for 27,079,672 (Twenty-Seven Million, Seventy-Nine Thousand, Six Hundred and Seventy-Two) Ordinary Shares (this represents 5% of the Company's current Issued Ordinary Share Capital).

The Proposed Transactions are designed to comply with the requirements of the approved Indigenisation Implementation Plan, while enhancing the capital base of the business. The Padenga Management Share Ownership Trust and the Padenga Employee Share Ownership Trust will also closely align the long term interests of employees with the Company.

The Board is of the opinion that the dilutive aspects of the Options are more than offset by these benefits, and recommends you approve the resolutions put to you at the EGM.

The benefits include, but are not limited to:

- The incentivisation of employees and management and the close alignment of the long term interests of employees to the Company;
- Compliance of the Company with the requirements of the Indigenisation and Economic Empowerment Act [Chapter 14:33]; and
- The inflow of new funds to the Company on the issue of shares under the Options granted in relation to the Padenga Management Share Ownership Trust and the Padenga Employee Share Ownership Trust.

#### **1.2 The 2017 Padenga Share Option Scheme**

##### **1.2.1 Summary of the 2017 Padenga Share Option Scheme ("Share Option Scheme")**

The 2017 Padenga Share Option Scheme is intended as an incentive to employees, to identify themselves more closely with the activities of Padenga and to promote its continued growth and profitability by giving them the opportunity of acquiring ordinary shares in the Company.

Employees shall be eligible to and shall participate in the Share Option Scheme only if and to the extent that offers are made to and are accepted by them in terms of this Share Option Scheme.

The Board may grant options to employees selected by the Board for that purpose, by adopting a resolution which spells out the basis for awarding the options. The awarding of options shall be based on performance and contribution to the success of the Company. All such awards shall be reviewed and approved by the Remuneration Committee prior to final approval by the Board.

## PART 1: DETAILS OF THE PROPOSED TRANSACTIONS (CONTINUED)

### 1.2.2 Key terms of the 2017 Padenga Share Option Scheme

The proposed terms of the Share Option Scheme are as follows:

Maximum number of Shares:	54,159,344 (Fifty-four million, one hundred and fifty-nine thousand, three hundred and forty-four) – 10% of shares in issue.
Maximum number of Shares: (to one participant in 12 months)	1,353,983 (One million, three hundred and fifty-three thousand, nine hundred and eighty-three) – 0.25% of shares in issue, provided that this cap shall not apply to Employees employed in an executive capacity.
Option becomes exercisable:	After the expiry of 36 (thirty six) months from the Offer Date. The vesting period is as follows: a) 50% of total number of Options vest at the expiry of three years; and b) 100% of total number of Options vest at the expiry of four years, unless otherwise determined by the Board.
Option Price:	Not be less than the highest of: <ul style="list-style-type: none"><li>the 45-day volume weighted average price of the Company shares as stated in the daily quotations sheet issued by the ZSE immediately preceding the offer date; or</li><li>the nominal value of the shares.</li></ul>
Lapse:	An option shall lapse upon the earliest of 24 months from the date on which the option may first be exercised or upon expiry of the periods set out in clause 7.2 of the 2017 Padenga Share Option Scheme document.

The terms of an option granted under the Share Option Scheme shall be conveyed in writing and shall specify:

- The number of shares in respect of which the option is granted;
- The dates upon which such option, or any part thereof, may be exercised;
- The option price;
- The date on which the option price is payable; and
- That subscription and allotment of the shares comprising the option shall only take place against payment in full for those shares.

An option shall be personal to the employee to whom it is addressed and may only be accepted by him and shall not be ceded, sold, disposed of or transferred by him or in any way be mortgaged, pledged or otherwise encumbered either voluntarily or by operation of law unless the Board in its absolute discretion consents thereto.

### 1.1.1 Impact of the 2017 Padenga Share Option Scheme

Full exercise of the Share Option Scheme options will result in the qualifying employees holding 8.0% of the enlarged share capital of the Company.

Below is the impact on Net Asset Value per share of the Share Option Scheme, as at 31 December 2016, assuming all options were exercised at the exercise price of 16.11 USc, being the 45-day volume weighted average price of Padenga shares at that date.

	NAV per Share (USc)
NAV as at 31 December 2016	9.78
Proceeds from exercise of options	16.11
NAV post exercise of Share Option Scheme Options	10.35

## 1.2 The Padenga Management Share Ownership Trust

### 1.2.1 Summary of the Padenga Management Share Ownership Trust (“Padenga Management Trust”)

The Padenga Management Share Ownership Trust was established on 5 April 2017 for the benefit and broad empowerment of the Company’s management and managerial employees. Its founding trustees are Mr. Oliver Kamundimu, Mr. James Watfson and Mr. Zweli Lunga. The trust deed was duly registered with the deeds office on 19 April 2017 under number 0000572/2017.

## PART 1: DETAILS OF THE PROPOSED TRANSACTIONS (CONTINUED)

The Company wishes to issue certain option shares to the Padenga Management Trust, such that, after the exercise of these options, the Management Trust shall hold fully, the option shares, for the future benefit of management and managerial employees in the Company.

The issue of the option shares to the Padenga Management Trust shall comprise an integral component of the Company's Indigenisation and Implementation Plan submitted to the Government of Zimbabwe, in accordance with the requirements of the Indigenisation law.

### 1.2.2 Key terms of the Padenga Management Share Ownership Trust

The proposed terms of the Padenga Management Share Ownership Trust Option are as follows:

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Number of Shares:	54,159,344 (Fifty-Four Million, One Hundred and Fifty-Nine Thousand, Three Hundred and Forty-Four).
Term:	10 years.
Exercise Price:	At 75% of the volume weighted average price of Padenga Shares over the previous 60 trading days.

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### 1.2.3 Impact of the Padenga Management Share Ownership Trust

Full exercise of the Padenga Management Share Ownership Trust Option will result in the Padenga Management Share Ownership Trust holding 8% of the enlarged share capital of the Company.

Below is the impact on Net Asset Value per share of the Padenga Management Share Ownership Trust Option, as at 31 December 2016, assuming the entire option was exercised at the strike price of 11.52 USc, being 75% of the 60-day weighted average price of Padenga shares at that date.

	NAV per Share (USc)
NAV as at 31 December 2016	9.78
Proceeds from exercise of options	11.52
NAV post exercise of Management Trust Options	9.94

## 1.3 The Padenga Employee Share Ownership Trust

### 1.3.1 Summary of the Padenga Employee Share Ownership Trust ("Padenga Employee Trust")

The Padenga Employee Share Ownership Trust was established on 5 April 2017 for the purposes of empowering its employees through an employee share ownership trust scheme. Its founding trustees are Mr. Oliver Kamundimu, Mr. James Watson and Mr. Zweli Lungu. The trust deed was duly registered with the deeds office on 19 April 2017 under number 0000571/2017.

The Company wishes to issue certain option shares to the Padenga Employee Trust, such that, after the exercise of these options, the Employee Trust shall hold fully, the option shares, for the future benefit of employees in the Company.

The issue of the option shares to the Padenga Employee Trust shall comprise an integral component of the Company's Indigenisation and Implementation Plan submitted to the Government of Zimbabwe, in accordance with the requirements of the Indigenisation law.

### 1.3.2 Key terms of the Padenga Employee Share Ownership Trust

The proposed terms of the Padenga Employee Share Ownership Trust Option are as follows:

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Number of Shares:	27,079,672 (Twenty-Seven Million, Seventy-Nine Thousand, Six Hundred and Seventy-Two).
Term:	10 years.
Exercise Price:	At 75% of the volume weighted average price of Padenga Shares over the previous 60 trading days.

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## PART 1: DETAILS OF THE PROPOSED TRANSACTIONS (CONTINUED)

### 1.3.3 Impact of the Padenga Employee Share Ownership Trust

Full exercise of the Padenga Employee Share Ownership Trust Option will result in the Padenga Employee Share Ownership Trust holding 4% of the enlarged share capital of the Company.

Below is the impact on Net Asset Value per share of the Padenga Employee Share Ownership Trust Option, as at 31 December 2016, assuming the entire option was exercised at the strike price of 11.52 USc, being 75% of the 60-day weighted average price of Padenga shares at that date.

	NAV per Share (USc)
NAV as at 31 December 2016	9.78
Proceeds from exercise of options	11.52
NAV post exercise of Employee Trust Options	9.86

## 2. OVERVIEW OF PADENGA

Padenga is a public company listed on the Zimbabwe Stock Exchange and was the first listed company in Africa whose sole business is the production and sale of crocodilian skins and meat. The company, formerly a division of the Innscor Africa Limited Group, listed in November 2010.

Padenga has a long and rich heritage in Zimbabwe, with one of its three production farms being the first, and therefore oldest commercial crocodile farm ever established in the country.

- Kariba Crocodile Farm (“KCF”): Was established in 1965 as a small, family run farming operation. The establishment of this farm was testament to the foresight and perseverance of the original owners as its development preceded any formal recognition of the value of sustainable utilization of wildlife species. The farm operates as the mother farm as it houses the Company’s main support facilities as well as Padenga’s abattoir. The farm is situated on land leased from the Parks and Wildlife Management Authority. KCF employs approximately 112 employees in permanent roles, and has the capacity to deliver up to 15,300 animals on an annual basis.
- Ume Crocodile Farm (“UCF”): Located 65km away from KCF and NCF, on the Ume River, this is the second oldest of the farms having been established in 1973. UCF is located on land leased from the Nyaminyami Rural District Council. With no power supplies off the national grid by virtue of its remote location, and a very poor road connection, this farm presents many logistical challenges for the Company. There are however advantages such as the availability of land, close access to labour, close proximity to egg collection areas and access to abundant water. The primary advantage derived from the remote location of UCF is in terms of bio-security and the consequent reduction in disease risk. UCF is the largest of the farms with 145 staff in permanent roles. The farm currently has an annual cull capacity of around 15,300 animals, and houses a greater portion of Padenga’s domestic breeder stock.
- Nyanyana Crocodile Farm (NCF): Contiguous with KCF, and also situated on land leased from Zimbabwe Parks and Wildlife Management Authority, NCF represents the newest of Padenga’s farming operations in Zimbabwe. Construction of the farm started in 2005 and the infrastructure has been refined against knowledge gained over many years. NCF employs 96 staff members in permanent roles, and also has the capacity to deliver up to 15,300 animals on an annual basis. This farm also carries the responsibility for the incubation of all the domestic and wild eggs collected each year. The recently constructed incubators use state of the art climate control software to ensure that optimal conditions are maintained throughout the incubation process.

From that inauspicious start, the farms that constitute Padenga have followed a long and sometimes challenging pathway to become the successful operation that exists today. Over that period the business has demonstrated its ability to adapt and flourish in the changing, and often trying circumstances resultant from organisational changes, political and economic difficulties, and more recently, the impact of the global financial crisis and the market recession that resulted from it.

## PART 1: DETAILS OF THE PROPOSED TRANSACTIONS (CONTINUED)

Today, Padenga is one of the world's leading suppliers of premium quality crocodilian skins, accounting for nearly 85% of the supply of Nile crocodile skins to high end luxury brands globally. Padenga has recently entered the alligator industry in the southern United States of America and in a partnership operation producing watchband size and medium size skins of premium quality for the top end luxury and fashion brands. Padenga also produces crocodile meat from its export approved abattoir for sale to European markets.

### 3. FINANCIAL INFORMATION

Below are extracts from the audited financial statements of Padenga for the past five years.

#### 3.1 Statement of Comprehensive Income extracted from the Padenga Audited Financial Statements

	<b>Audited</b> <b>31-Dec-16</b> <b>12 Months</b> <b>US\$</b>	<b>Audited</b> <b>31-Dec-15</b> <b>12 Months</b> <b>US\$</b>	<b>Audited</b> <b>31-Dec-14</b> <b>12 Months</b> <b>US\$</b>	<b>Audited</b> <b>31-Dec-13</b> <b>18 Months</b> <b>US\$</b>	<b>Audited</b> <b>30-Jun-12</b> <b>12 Months</b> <b>US\$</b>
<b>Revenue</b>	<b>31,272,712</b>	<b>27,491,537</b>	<b>27,969,684</b>	<b>26,906,493</b>	<b>17,940,708</b>
Other income	1,441,806	46,213	46,120	81,711	19,698
Operating costs	(20,098,758)	(17,552,046)	(19,063,745)	(21,282,270)	(12,578,282)
<b>Operating profit before depreciation, amortisation, impairment and fair value adjustments</b>	<b>12,615,760</b>	<b>9,985,704</b>	<b>8,952,059</b>	<b>5,705,934</b>	<b>5,382,124</b>
Depreciation and amortisation	(1,816,667)	(1,759,296)	(1,622,206)	(2,269,744)	(1,356,626)
Impairment of assets	-	(969,174)	-	(63,259)	-
<b>Operating profit before interest and fair value adjustments</b>	<b>10,799,093</b>	<b>7,257,234</b>	<b>7,329,853</b>	<b>3,372,931</b>	<b>4,025,498</b>
Fair value adjustments on biological assets	(289,185)	3,242,177	2,226,612	2,398,434	1,170,271
<b>Profit before interest and tax</b>	<b>10,509,908</b>	<b>10,499,411</b>	<b>9,556,465</b>	<b>5,771,365</b>	<b>5,195,769</b>
Interest income	1,443,590	307,906	126,305	45,793	-
Interest expense	(913,119)	(857,109)	(959,536)	(874,950)	(582,612)
<b>Profit before tax</b>	<b>11,040,379</b>	<b>9,950,208</b>	<b>8,723,234</b>	<b>4,942,208</b>	<b>4,613,157</b>
Income tax charge	(2,638,456)	(2,864,790)	(2,270,032)	(878,438)	(1,190,210)
<b>Profit for the year</b>	<b>8,401,923</b>	<b>7,085,418</b>	<b>6,453,202</b>	<b>4,063,770</b>	<b>3,422,947</b>
<b>Profit for the year attributable to:</b>					
Equity holders of the parent	8,948,240	7,255,522	6,004,870	3,250,851	3,422,947
Non-Controlling interest	(546,317)	(170,104)	448,332	812,919	-
	<b>8,401,923</b>	<b>7,085,418</b>	<b>6,453,202</b>	<b>4,063,770</b>	<b>3,422,947</b>

## PART 1: DETAILS OF THE PROPOSED TRANSACTIONS (CONTINUED)

### 3.2 Statement of Financial Position extracted from the Padenga Audited Financial Statements

	Audited 31-Dec-16 US\$	Audited 31-Dec-15 US\$	Audited 31-Dec-14 US\$	Audited 31-Dec-13 US\$	Audited 30-Jun-12 US\$
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	17,315,206	15,223,986	14,730,118	14,807,410	13,148,923
Intangible assets	36,337	51,796	63,998	51,648	-
Goodwill	-	-	969,174	969,174	-
Biological assets	4,324,536	3,686,179	2,206,960	1,608,595	1,396,403
	<b>21,676,079</b>	<b>18,961,961</b>	<b>17,970,250</b>	<b>17,436,827</b>	<b>14,545,326</b>
<b>Current assets</b>					
Biological assets	26,140,741	26,149,950	25,298,882	22,453,514	17,018,414
Inventories	2,590,785	3,523,179	2,416,917	2,775,288	906,473
Trade and other receivables	10,777,432	2,482,402	5,979,525	2,304,420	8,071,785
Cash and cash equivalents	10,265,655	10,525,248	2,392,817	10,268,970	1,755,848
	<b>49,774,613</b>	<b>42,680,779</b>	<b>36,088,141</b>	<b>37,802,192</b>	<b>27,752,520</b>
<b>Total assets</b>	<b>71,450,692</b>	<b>61,642,740</b>	<b>54,058,391</b>	<b>55,239,019</b>	<b>42,297,846</b>
<b>Equity and liabilities</b>					
<b>Capital and reserves</b>					
Share capital	54,159	54,159	54,159	54,159	54,159
Share premium	27,004,245	27,004,245	27,004,245	27,004,245	27,004,245
Retained earnings	26,143,106	19,421,793	13,760,273	8,610,519	6,245,797
Change in ownership reserve	(236,946)	(165,948)	-	-	-
<b>Equity attributable to equity holders of the parent</b>	<b>52,964,564</b>	<b>46,314,249</b>	<b>40,818,677</b>	<b>35,668,923</b>	<b>33,304,201</b>
Non-controlling interest	380,615	629,353	1,113,509	821,525	-
<b>Total shareholders' equity</b>	<b>53,345,179</b>	<b>46,943,602</b>	<b>41,932,186</b>	<b>36,490,448</b>	<b>33,304,201</b>
<b>Non-current liabilities</b>					
Deferred consideration	-	-	-	843,671	4,016,698
Customer deposits	1,179,525	1,130,525	1,194,615	-	-
Interest bearing borrowings	5,004,705	2,321,833	991,705	-	-
Deferred tax liability	6,304,012	6,206,596	5,309,189	4,678,214	-
	<b>12,488,242</b>	<b>9,658,954</b>	<b>7,495,509</b>	<b>5,521,885</b>	<b>4,016,698</b>
<b>Current liabilities</b>					
Deferred consideration	425,885	1,366,770	831,680	-	-
Customer deposits	256,432	-	-	-	-
Interest bearing borrowings	3,017,114	1,334,671	1,568,135	10,715,000	3,400,000
Trade and other payables	1,598,804	1,733,070	1,406,951	2,151,205	914,377
Provisions	319,036	312,844	265,195	324,113	192,400
Current tax payable	-	292,829	558,736	36,368	470,170
	<b>5,617,271</b>	<b>5,040,184</b>	<b>4,630,697</b>	<b>13,226,686</b>	<b>4,976,947</b>
<b>Total liabilities</b>	<b>18,105,513</b>	<b>14,699,138</b>	<b>12,126,206</b>	<b>18,748,571</b>	<b>8,993,645</b>
<b>Total equity and liabilities</b>	<b>71,450,692</b>	<b>61,642,740</b>	<b>54,058,391</b>	<b>55,239,019</b>	<b>42,297,846</b>

## PART 1: DETAILS OF THE PROPOSED TRANSACTIONS (CONTINUED)

### 3.3 Statement of Cash Flows extracted from the Padenga Audited Financial Statements

	Audited 31-Dec-16 12 Months US\$	Audited 31-Dec-15 12 Months US\$	Audited 31-Dec-14 12 Months US\$	Audited 31-Dec-13 18 Months US\$	Audited 30-Jun-12 12 Months US\$
<b>Cash generated from operating activities</b>	<b>4,418,998</b>	<b>13,662,136</b>	<b>5,408,147</b>	<b>8,203,113</b>	<b>4,141,589</b>
Interest income	1,189,023	307,906	126,305	45,793	-
Interest paid	(748,234)	(786,416)	(858,300)	(719,060)	(582,612)
Taxation paid	(3,072,328)	(2,233,289)	(1,116,689)	(650,723)	(1,078,457)
<b>Net cash generated from operations</b>	<b>1,787,459</b>	<b>10,950,337</b>	<b>3,559,463</b>	<b>6,879,123</b>	<b>2,480,520</b>
<b>Net cash flow utilised in investing activities</b>	<b>(4,507,400)</b>	<b>(2,375,834)</b>	<b>(2,155,761)</b>	<b>(3,860,871)</b>	<b>(986,287)</b>
Proceeds on disposal of property, plant and equipment	243,890	1,982	92,098	24,602	1,599
Purchase of property, plant and equipment	(4,139,295)	(2,222,832)	(1,562,875)	(3,558,348)	(881,162)
Expenditure on non-current biological assets	(145,413)	(135,622)	(648,359)	(243,996)	(106,724)
Purchase of intangible assets	-	(19,362)	(36,625)	(70,030)	-
Payment of deferred consideration	(466,582)	-	-	-	-
Net cash flow on subsidiary acquisition	-	-	-	(13,009)	-
<b>Net cash flow utilised in financing activities</b>	<b>2,460,348</b>	<b>(442,072)</b>	<b>(9,279,855)</b>	<b>5,494,870</b>	<b>(364,852)</b>
Proceeds from borrowings	14,135,000	13,604,865	5,775,000	10,150,000	10,539,861
Repayments of borrowings	(9,194,307)	(12,452,935)	(14,043,392)	(3,435,000)	(10,025,674)
Dividends paid	(2,226,927)	(1,594,002)	(1,011,463)	(1,220,130)	(879,039)
Investments by non-controlling interests	226,582	-	-	-	-
Purchase of additional interest	(480,000)	-	-	-	-
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(259,593)</b>	<b>8,132,431</b>	<b>(7,876,153)</b>	<b>8,513,122</b>	<b>1,129,382</b>
Cash and cash equivalents at the beginning of the period	10,525,248	2,392,817	10,268,970	1,755,848	626,466
<b>Cash and cash equivalents at the end of the period</b>	<b>10,265,655</b>	<b>10,525,248</b>	<b>2,392,817</b>	<b>10,268,970</b>	<b>1,755,848</b>

## PART 1: DETAILS OF THE PROPOSED TRANSACTIONS (CONTINUED)

### 3.4 Statement of Changes in equity extracted from the Padenga Audited Financial Statements

	Attributable to owners of the parent				Total US\$	Non- controlling interest US\$	Total US\$
	Share Capital US\$	Share Premium US\$	Change in Ownership Reserve US\$	Retained Earnings US\$			
<b>Balance at 30 June 2011</b>	<b>54,159</b>	<b>27,004,245</b>	-	<b>3,701,889</b>	<b>30,760,293</b>	-	<b>30,760,293</b>
Profit for the year	-	-	-	3,422,947	3,422,947	-	3,422,947
Dividends paid	-	-	-	(879,039)	(879,039)	-	(879,039)
<b>Balance at 30 June 2012</b>	<b>54,159</b>	<b>27,004,245</b>	-	<b>6,245,797</b>	<b>33,304,201</b>	-	<b>33,304,201</b>
Non-controlling interest arising on acquisition of subsidiary	-	-	-	-	-	342,606	342,606
Profit for the period	-	-	-	3,250,851	3,250,851	812,919	4,063,770
Dividends paid	-	-	-	(886,130)	(886,130)	(334,000)	(1,220,130)
<b>Balance at 31 December 2013</b>	<b>54,159</b>	<b>27,004,245</b>	-	<b>8,610,518</b>	<b>35,668,922</b>	<b>821,525</b>	<b>36,490,447</b>
Profit for the year	-	-	-	6,004,870	6,004,870	448,332	6,453,202
Dividends paid	-	-	-	(855,115)	(855,115)	(156,348)	(1,011,463)
<b>Balance at 31 December 2014</b>	<b>54,159</b>	<b>27,004,245</b>	-	<b>13,760,273</b>	<b>40,818,677</b>	<b>1,113,509</b>	<b>41,932,186</b>
Profit for the year	-	-	-	7,255,522	7,255,522	(170,104)	7,085,418
Acquisition of non-controlling interest	-	-	(165,948)	-	(165,948)	(314,052)	(480,000)
Dividends paid	-	-	-	(1,594,002)	(1,594,002)	-	(1,594,002)
<b>Balance at 31 December 2015</b>	<b>54,159</b>	<b>27,004,245</b>	<b>(165,948)</b>	<b>19,421,793</b>	<b>46,314,249</b>	<b>629,353</b>	<b>46,943,602</b>
Profit for the year	-	-	-	8,948,240	8,948,240	(546,317)	8,401,923
Change in control	-	-	(70,998)	-	(70,998)	297,579	226,581
Dividends paid	-	-	-	(2,226,927)	(2,226,927)	-	(2,226,927)
<b>Balance at 31 December 2016</b>	<b>54,159</b>	<b>27,004,245</b>	<b>(236,946)</b>	<b>26,143,106</b>	<b>52,964,564</b>	<b>380,615</b>	<b>53,345,179</b>



## PART 1: DETAILS OF THE PROPOSED TRANSACTIONS (CONTINUED)

### 3.5 Material Changes

No material changes in the financial or trading position of the Company have taken place since the end of the last financial year-end.

### 4. FUTURE PROSPECTS FOR THE COMPANY

In 2017, the Zimbabwe operation is expected to sell 46,000 premium quality skins. Demand for top quality skins remains steady and prices are expected to hold and this operation is expected to post another good result. In the Alligator operation, we will not have any medium size skins for sale as these are grown over a two-year period. The operation will post an improved result in 2017 and we anticipate it will return to profitability in 2018. Overall the group is anticipating producing another set of outstanding results in 2017.

From 2018 onwards profitability will be improved initially by improving quality and production efficiencies before volume increases kick in.

### 5. BOARD OF DIRECTORS

#### 5.1 Introduction

The primary responsibility of the Board is to discharge its fiduciary responsibility to the shareholders and the Company. The Board is accordingly the highest policy organ of the Company and also acts to direct strategy. The Board meets regularly to monitor the performance of management and to ensure proper control over the strategic direction of the Company.

The Board comprises three Executive and three Non-Executive Directors, made up of individuals with proven track records and a wide range of different skills and experience, which they employ for the Company's benefit. The Non-Executive Directors also provide crucial independence and guidance to the Company's strategic decision making process and corporate governance practices.

#### 5.2 Directors' Details

The full names, ages, addresses and positions of the Directors of Padenga are set out below:

Full Name	Residential Address	Position
Alexander Kenneth Calder	14 Ambassador Drive, Colne Valley, Harare, Zimbabwe	Non-Executive Chairman
Gary John Sharp	135 Lagoon Drive, Kariba, Zimbabwe	Chief Executive Officer
Oliver Tendai Kamundimu	540 Camphill, Kariba, Zimbabwe	Chief Financial Officer
Michael John Fowler	23 Willowmead Lane, Colne Valley, Harare, Zimbabwe	Executive Director
Annie Mutsa Mazvita Madzara	17759 Blakeway Road, Lincoln Green, Belvedere, Harare, Zimbabwe	Non-Executive Director
Thembinkosi Nkosana Sibanda	1st Floor, Century Building, 10th Avenue, Bulawayo, Zimbabwe	Non-Executive Director

*All directors appointed November 2010.*

#### **Alexander Kenneth Calder – Non-Executive Chairman**

Kenneth is a Chartered Accountant by profession and is a retired partner of PWC. He has twenty-seven years of experience in the profession of which ten years were in Management Consultancy (Change Management and Human Capital) and seventeen years in Auditing and Risk Management Consultancy. His primary focus in latter years was in corporate governance, internal audit, risk management and general consulting, and he was a founding member of the Zimbabwe National Task Force on Corporate Governance. He is currently involved with various business enterprises but still consults in a private capacity.

## **PART 1: DETAILS OF THE PROPOSED TRANSACTIONS (CONTINUED)**

### **Gary John Sharp – Chief Executive Officer**

Gary completed his tertiary education at the University of Zimbabwe, where he attained a Master of Science (Tropical Resource Ecology) degree in 1982. He served in the Terrestrial Branch of the Department of National Parks and Wildlife Management between 1979 and 1987. Gary's experience in the intensive husbandry of wildlife species dates back to 1988 when he joined the Lonrho Zimbabwe Group. He was engaged as Chief Executive Officer of what was then the Niloticus Division of Innscor in 2000. That entity unbundled from Innscor in November 2010 through a listing on the ZSE to become Padenga and Gary has continued to serve as Chief Executive Officer since that date.

### **Oliver Tendai Kamundimu – Chief Financial Officer**

Oliver completed his tertiary education at the University of Zimbabwe where he attained a Bachelor of Accountancy Honours degree. He served his Articles of Clerkship with the then Coopers and Lybrand and qualified as a Chartered Accountant. Since that time, he has worked for Lonrho Africa Limited and Manica Africa, heading up their audit departments. Oliver joined Innscor in 1999 and was tasked with setting up Innscor's internal audit department before leaving to join First Mutual Zimbabwe in 2001. He re-joined Innscor in 2004 as the Financial Director of their Niloticus Division and has continued in that portfolio since the Company was separately listed in 2010.

### **Michael John Fowler – Executive Director**

Mike has been involved with the companies that preceded Innscor since 1982 and has held a number of executive positions within the Innscor Group since his appointment as a Director in 1994, including a period during which he served as Group Chief Executive Officer. He currently sits on the Remuneration Committee of Innscor. At various stages he has been a Director of companies that previously constituted the Agro-Processing Division of Innscor (namely Niloticus Division and Colcom Holdings Limited), as well as National Foods Holdings Limited.

### **Annie Mutsa Mazvita Madzara – Non-Executive Director**

Annie is an Environment and Development Professional with over 25 years of experience in the field, 13 of which have been in senior positions. Among her many qualifications, Annie holds a Natural and Aquatic Science qualification at Masters Level, a Masters in Business Administration Degree and a Masters in Development Studies. She has field and managerial experience from the Public, Private and NGO sectors including Commercial Director at Parks and Wildlife Management Authority and managing the Environment and Climate Change Programme of the UNDP in Zimbabwe. She is a member of the African Forest Forum and a Fellow with the Leadership for Environment and Development (LEAD International).

### **Theminkosi Nkosana Sibanda – Non-Executive Director**

Themba graduated from the University of Zimbabwe in 1978 majoring in Accounting, and subsequently joined Barclays Bank of Botswana at its Head Office in Gaborone. Having returned to Zimbabwe in the early 1980's he completed his Articles of Clerkship, qualifying as a Chartered Accountant. He has remained in the same profession since, and has worked in compliance and audit for the past 34 years at Schmulian and Sibanda. Themba currently sits on various boards of Stock Exchange listed Companies. He currently chairs the Board of Edgars Stores Zimbabwe Limited. Themba is also a trustee of several organisations.

## PART 1: DETAILS OF THE PROPOSED TRANSACTIONS (CONTINUED)

### 5.3 Directors Interests

The resolutions shall be subject to a vote by the shareholders of the Company who are non-conflicted. The Executive Directors of the Company who are also shareholders, namely Messrs Gary Sharp, Messrs Oliver Kamundimu and Messrs Michael Fowler are entitled to benefit from the Padenga Management Share Ownership Trust and the 2017 Padenga Share Option Scheme. As a result they have interest in the Proposed Transactions and shall be precluded from voting.

As at the 31 December 2016, the Directors directly and/or indirectly, held beneficial interests totalling 113,872,010 Padenga shares representing 21.03% of the issued share capital of Padenga. The details of the direct and indirect interests held by the Directors are summarised below:

Directors	Direct shareholding	Indirect shareholding	Total
Alexander Kenneth Calder	-	-	-
Gary John Sharp	250,000	1,000,000	1,250,000
Oliver Tendai Kamundimu	113,200	-	113,200
Michael John Fowler	-	112,508,810	112,508,810
Annie Mutsa Mazvita Madzara	-	-	-
Thembinkosi Nkosana Sibanda	-	-	-

### 5.4 Other interests

Except as disclosed in this Document, none of the Directors of Padenga have an interest in any contracts of significance relating to services provided to Padenga by third parties.

## 6. CORPORATE GOVERNANCE

### 6.1 Approach to Governance

Padenga is committed to meeting the expectations of shareholders, stakeholders and employees for accountability, transparency, integrity and sustainability through the adoption of the principles and practices of international best practice Codes of Corporate Governance. The Directors endeavour to comply with the key principles of Corporate Governance which emphasise the need for well-balanced effective boards, strong risk management and internal control oversight and sound stakeholder relations. The Board, with the assistance of Board Committees, determines the most appropriate corporate governance practices for Padenga with the understanding that corporate governance is a continual improvement process which takes into account legal requirements, best practice, practicality and affordability. Members of the Board, Management and Staff are responsible for upholding the goals and values to which Padenga aspires, namely: Integrity; Pursuit of Excellence; Respect; Passion; Fairness; Discipline; Humility with Confidence; To be the Best; and Team Spirit.

### 6.2 Compliance with Corporate Governance Codes

The Directors have adopted, as a guideline, the key principles outlined in the King Governance code, and the Principles for Corporate Governance in Zimbabwe, as laid out in the Manual of Best Practice.

### 6.3 Board of Directors

The Board comprises three executive Directors and three independent non-executive Directors. The Board meets quarterly to provide input and oversight to the strategic planning process and monitors operational performance. Padenga has adopted a number of practices to regulate the division of responsibilities between the Board and management. Namely:

- Having the same ratio of executive and independent directors on the Board with the Chairman being independent;
- The separation of the roles of the Chairman and the Chief Executive Officer;
- The Board sub-committees are chaired by independent directors and have a majority of independent members; and
- The Board and Board Committees have the mandate, if necessary, to seek advice from independent experts to assist them in carrying out their duties.

## **PART 1: DETAILS OF THE PROPOSED TRANSACTIONS (CONTINUED)**

A comprehensive Board Corporate Governance Manual has been developed which includes the Board Charter detailing its purpose, powers and specific responsibilities, Board annual work plans, and the policies and processes for Board and Director performance evaluation. Not all aspects of this have been adopted and implemented to date but will be in the future when deemed to be practical and appropriate.

### **6.4 Audit Committee**

Padenga has an audit committee that assists the Board in fulfilment of its duties. The committee currently comprises two independent non-executive Directors and one executive Director. An independent non-executive Director chairs the committee. The committee meets three times a year with the internal and external auditors to monitor the appropriateness of accounting policies, the effectiveness of systems of internal control and to consider the findings of the internal and external auditors. The committee's responsibilities include monitoring risk management, internal control and compliance matters. To ensure their independence and objectivity both the internal and external auditors have unrestricted access to the audit committee. The internal audit function is currently outsourced to external service providers and the internal audit Charter and work plans have been adopted and agreed by the committee. The scope of its work is risk based. This is an ongoing process.

### **6.5 Remuneration Committee**

The remuneration committee comprises two independent non-executive Directors and one executive Director and determines, on behalf of the Board and shareholders, the individual remuneration packages for the executive Directors, non-executive directors and other members of the executive management team. The Chairman of the committee is independent. The remuneration committee makes recommendations to the Board regarding appropriate remuneration policies and practices, and ensures these are implemented. Padenga's policy is to provide remuneration packages that attract, retain and motivate high quality individuals who will contribute significantly to the growth of Padenga. Where necessary external remuneration advisors assist the committee in determining the appropriate remuneration levels and practices.

### **6.6 Risk Management**

The management of risk is decentralised to the operating divisions, but in compliance with Group policies on risk, the process is reviewed centrally by the executive committee, which is in turn supervised by the audit committee. Although no formal enterprise risk assessment has been conducted yet, the focus of risk management currently hinges on identifying, assessing, managing and monitoring all known forms of risk across the Group. The Board through its close working relationship with the executive is satisfied that the executive and management has identified the key business risks and taken appropriate measures to mitigate against them. Awareness training on Risk Management has been provided to the Board and senior management of the Group.

### **6.7 Codes of Conduct and Ethics**

Padenga has developed Codes of Conduct and Ethics which have been adopted by the Board. These Codes provide the employees and Directors with a practical set of guiding principles to help them make decisions in their everyday work. The codes embody honesty, integrity, fairness and trust and employees and Directors are required to demonstrate these traits as representatives of Padenga.

The key principles underlining these codes are:

- We act in Padenga's best interests and value the Group's reputation
- We act with honesty and integrity
- We commit to ensuring Justice and Fairness in our dealings with staff, customers and the general public
- We seek to build Trust between ourselves and all those with whom we interact
- We treat others with respect, we value differences and maintain a safe working environment
- We identify conflicts of interest, expose them and manage them responsibly
- We respect privacy and confidentiality – our intellectual property is tightly guarded
- We do not make or receive improper payments, benefits or gains
- We report breaches of our Code, the law or Padenga's policies or procedures

## PART 1: DETAILS OF THE PROPOSED TRANSACTIONS (CONTINUED)

### 7. AUTHORISATION AND APPROVALS FOR THE PROPOSED TRANSACTIONS

The ZSE has approved the publication of this Circular in their letter dated 26 April 2017.

Shareholder authorisation for the Proposed Transactions will be sought at the EGM scheduled for Thursday 18 May 2017.

### 8. SHARE CAPITAL

The authorised and issued share capital of Padenga prior and subsequent to the Proposed Transactions is shown below:

<b>Prior to the Proposed Transactions</b>	
Number of Authorised Ordinary Shares of US\$0.0001 each	800,000,000
Number of Issued Ordinary Shares of US\$0.0001 each	541,593,440
Number of Authorised but Unissued Ordinary Shares of US\$0.0001 each	258,406,560
<b>Subsequent to the Proposed Transactions</b>	
Ordinary Shares to be placed under the control of Directors pursuant to the 2017 Padenga Share Option Scheme	54,159,344
Ordinary Shares to be placed under the control of Directors pursuant to the Padenga Management Share Ownership Trust	54,159,344
Ordinary Shares to be placed under the control of Directors pursuant to the Padenga Employee Share Ownership Trust	27,079,672
Balance of unissued Ordinary Shares to be placed under the control of the Directors	123,008,200

#### 8.1 Authorised but unissued share capital

The authorised but unissued share capital of the Company is to be placed under the control of the Directors. No issue of these shares is contemplated at this time and no issue will be made which could effectively transfer the control of the company without prior approval of shareholders in a general meeting.

#### 8.2 Variation of Rights

According to the Company's Articles, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), may be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a resolution passed by a majority of not less than three-fourths of the members of that class present at a separate general meeting of the holders of the shares of the class.

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

#### 8.3 Voting Rights

The authorised but unissued and issued Padenga ordinary shares are of the same class and rank *pari passu* in every respect.

#### 8.4 Adequacy of Capital, Working Capital and Cash Flow

The Directors are of the opinion that the Company's share capital and working capital are adequate for the foreseeable future. The Directors are of the opinion that the available working capital is sufficient to cover the cash flow requirements of the Company.

## PART 1: DETAILS OF THE PROPOSED TRANSACTIONS (CONTINUED)

### 9. MAJOR SHAREHOLDERS

As at 31 March 2017, the top 20 Padenga Shareholders were as follow:

Rank	Name	Shares	Percentage
1	Z.M.D INVESTMENTS (PVT) LTD	119,754,476	22.11%
2	H M BARBOUR (PVT) LTD	105,872,539	19.55%
3	STANBIC NOMINEES (PVT) LTD.	61,957,283	11.44%
4	SARCOR INVESTMENTS (PVT) LTD	22,480,658	4.15%
5	SCB NOMINEES 033663900002	20,384,879	3.76%
6	OLD MUTUAL LIFE ASSURANCE COMPANY ZIMBABWE LIMITED	19,732,234	3.64%
7	NATIONAL SOCIAL SECURITY AUTHORITY (NPS)	16,670,183	3.08%
8	PHARAOH LIMITED- NNR	14,558,953	2.69%
9	CITY & GENERAL HOLDINGS (PVT) LTD	9,822,598	1.81%
10	SCHUTEX INVESTMENTS (PVT) LTD	8,715,234	1.61%
11	NATIONAL SOCIAL SECURITY AUTHORITY (W.C.I.F.)	8,668,401	1.60%
12	MUSIC VENTURES (PVT ) LTD	7,277,817	1.34%
13	NORTON TEXTILES (PVT) LTD	6,612,271	1.22%
14	STANBIC NOMINEES (PVT) LTD- NNR	6,399,094	1.18%
15	MINING INDUSTRY PENSION FUND	4,398,251	0.81%
16	FEDERATED PROPERTIES (PVT) LTD	3,940,001	0.73%
17	SCB NOMINEES 133824700002	3,848,568	0.71%
18	WORKERS COMPENSATION INSURANCE FUND	3,815,397	0.70%
19	ZWM NOMINEES (PVT) LTD	3,277,756	0.61%
20	SALISBURY GENERAL INVESTMENT	3,178,549	0.59%
	TOTAL SHARES SELECTED	451,365,142	83.34%
	SHARES NOT SELECTED	90,228,298	16.66%
	TOTAL ISSUED SHARES	541,593,440	100.00%

The resolutions shall be subject to a vote by the shareholders of the Company who are non-conflicted. The Executive Directors of the Company who are also shareholders, namely Messrs Gary Sharp, Messrs Oliver Kamundimu and Messrs Michael Fowler are entitled to benefit from the Padenga Management Share Ownership Trust and the 2017 Padenga Share Option Scheme. As a result they have interest in the Proposed Transactions and shall be precluded from voting.

### 10. MATERIAL CONTRACTS

At the date of issue of this Circular, Padenga had not entered into any material contracts, other than in the ordinary course of business.

### 11. CAPITAL COMMITMENTS, LEASE COMMITMENTS AND CONTINGENT LIABILITIES

#### 11.1 Capital Commitments

Padenga had the following capital commitments as at 31 December 2016.

	2016 US\$	2015 US\$
Authorised and contracted	-	-
Authorised but not yet contracte	3,640,847	2,454,480
<b>Total</b>	<b>3,640,847</b>	<b>2,454,480</b>

## PART 1: DETAILS OF THE PROPOSED TRANSACTIONS (CONTINUED)

### 11.2 Operating Lease Commitments

Padenga had the following material operating leases as at 31 December 2016.

	2016 US\$	2015 US\$
Due within 1 year	306,157	192,360
Due within 2 – 5 years	884,632	512,235
Due within 6 – 10 years	829,500	468,500
<b>Total</b>	<b>2,020,289</b>	<b>1,173,095</b>

### 11.3 Finance Lease Commitments

As at 31 December 2016, Padenga had no material Finance Lease Commitments.

### 11.4 Contingent Liabilities

As at 31 December 2016, Padenga had no material Contingent Liabilities.

## 12. LITIGATION STATEMENT

Padenga is not currently involved in any material litigation or arbitration proceedings which may have, or which have had, during the twelve months preceding the date of this Circular, a significant effect on the financial position of the Company, nor are the Directors aware that any such proceedings are pending or threatening.

## 13. EXPERT'S CONSENTS

The Financial Advisors, Sponsoring Brokers, Legal Advisors and Transfer Secretaries have submitted their written consents to act in the capacities stated and to their names being stated in this Circular and these consents have not been withdrawn as at the date of this Circular. The above mentioned consents are available for inspection by interested parties in terms of Paragraph 14 below.

## 14. DOCUMENTS AND CONSENTS AVAILABLE FOR INSPECTION

Between 0800 and 1600 hours from 27 April 2017 to 18 May 2017, copies of the following documents will be available for inspection at the Financial Advisors, Sponsoring Brokers, and Padenga's Registered Offices at the addresses set out in the "Corporate Information" section at the beginning of this document:

- The Articles and Memorandum of Association of the Company;
- The written consents stated in Paragraph 13 of the document;
- The National Indigenisation and Economic Empowerment Board Certificate of Compliance;
- The 2017 Padenga Share Option Scheme document;
- The Share Option and Purchase Agreement between the Company and Padenga Management Share Ownership Trust;
- The Share Option and Purchase Agreement between the Company and Padenga Employee Share Ownership Trust;
- The Padenga Management Share Ownership Trust Deed;
- The Padenga Employee Share Ownership Trust Deed;
- The audited financial statements of Padenga for the five financial years ended 30 June 2012, 31 December 2013, 31 December 2014, 31 December 2015 and 31 December 2016; and
- The ZSE approval letter.

## PART 1: DETAILS OF THE PROPOSED TRANSACTIONS (CONTINUED)

### 15. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names appear below, collectively and individually accept full responsibility for the accuracy of the information provided in this Circular, and certify that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement false or misleading. They have made all reasonable enquiries to ascertain such facts, and that this Circular contains all information required by law.

The Directors confirm that this Circular includes all such information within their knowledge (or which it would be reasonable for them to obtain by making enquires) that investors and their professional advisors would reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits or losses and prospects of the issuer, and of the rights attaching to the securities to which this Circular relates.

Signed on the 27 April 2017:

Director's Name	Position	Signature
Alexander Kenneth Calder	Non-Executive Chairman	[Signed on original]
Gary John Sharp	Chief Executive Officer	[Signed on original]
Oliver Tendai Kamundimu	Chief Financial Officer	[Signed on original]
Michael John Fowler	Executive Director	[Signed on original]
Annie Mutsa Mazvita Madzara	Non-Executive Director	[Signed on original]
Thembinkosi Nkosana Sibanda	Non-Executive Director	[Signed on original]



**PART 2: APPENDIX 1 – PADENGA HOLDINGS LIMITED HISTORICAL SHARE PRICE INFORMATION**

**Share Price for 30 Days Preceding the Circular**

Day	Volume	Share Price (USc)
Wednesday, 1 March 2017	226,461	17.00
Thursday, 2 March 2017	-	17.00
Friday, 3 March 2017	-	17.00
Monday, 6 March 2017	6,750	17.05
Tuesday, 7 March 2017	-	17.05
Wednesday, 8 March 2017	-	17.05
Thursday, 9 March 2017	-	17.05
Friday, 10 March 2017	-	17.05
Monday, 13 March 2017	-	17.05
Tuesday, 14 March 2017	19,461	17.15
Wednesday, 15 March 2017	-	17.15
Thursday, 16 March 2017	-	17.15
Friday, 17 March 2017	-	17.15
Monday, 20 March 2017	-	17.15
Tuesday, 21 March 2017	-	17.15
Wednesday, 22 March 2017	586	17.65
Thursday, 23 March 2017	165,858	18.00
Friday, 24 March 2017	467,464	18.20
Monday, 27 March 2017	-	18.20
Tuesday, 28 March 2017	-	18.20
Wednesday, 29 March 2017	25,000	18.25
Thursday, 30 March 2017	-	18.25
Friday, 31 March 2017	-	18.25
Monday, 3 April 2017	56,369	18.25
Tuesday, 4 April 2017	-	18.25
Wednesday, 5 April 2017	3,591	18.50
Thursday, 6 April 2017	27,397	18.55
Friday, 7 April 2017	-	18.55
Monday, 10 April 2017	-	18.55
Tuesday, 11 April 2017	-	18.55

**Monthly Share Price for last 12 months**

Month	Volume	High (USc)	Low (USc)
Apr-2016	3,704,958	7.40	7.00
May-2016	124,855	7.50	7.40
Jun-2016	585,722	8.66	7.42
Jul-2016	1,699,349	9.40	8.66
Aug-2016	1,391,706	10.50	9.40
Sep-2016	692,181	11.40	10.55
Oct-2016	4,955,802	15.00	11.60
Nov-2016	4,624,761	17.00	15.00
Dec-2016	1,267,343	17.10	15.50
Jan-2017	358,259	16.73	16.00
Feb-2017	161,383	17.00	16.73
Mar-2017	911,580	18.25	17.00

**Quarterly Share Price for last 24 months**

Quarter	Volume	High (USc)	Low (USc)
Q2 2015	4,146,053	10.61	9.00
Q3 2015	2,576,765	10.61	8.50
Q4 2015	11,640,934	9.00	7.00
Q1 2016	11,839,597	7.73	5.80
Q2 2016	4,415,535	8.66	7.00
Q3 2016	3,783,236	11.40	8.66
Q4 2016	10,847,906	17.10	11.60
Q1 2017	1,431,222	18.25	16.00

## PART 3: NOTICE OF EGM



# PADENGA HOLDINGS LIMITED

### NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“EGM”) of the Shareholders of Padenga Holdings Limited is to be held at Royal Harare Golf Club, 5th Street Extension, on Thursday 18 May 2017 at 0900 hours, for the purpose of transacting the following business: -

#### **ORDINARY RESOLUTION 1 - APPROVAL OF 2017 PADENGA SHARE OPTION SCHEME**

To resolve as an ordinary resolution, with or without amendment: -

“That the Directors of the Company be and are hereby authorised to establish a Share Option Scheme, to be called the “2017 Padenga Share Option Scheme”, for options in the aggregate not exceeding 54,159,344 (Fifty-Four Million, One Hundred and Fifty-Nine Thousand, Three Hundred and Forty-Four) ordinary shares, being 10% of the 541,593,440 (Five Hundred and Forty-One Million, Five Hundred and Ninety-Three Thousand, Four Hundred and Forty) ordinary shares in issue on 27 April 2017, being the date of this EGM Notice”.

#### **SPECIAL RESOLUTION 1 - RESERVATION OF SHARES FOR THE PADENGA MANAGEMENT SHARE OWNERSHIP TRUST**

To resolve as a special resolution, with or without amendment: -

“That the Directors of the Company be and are hereby authorised to approve the reservation for a ten (10) year period of 54,159,344 (Fifty-Four Million, One Hundred and Fifty-Nine Thousand, Three Hundred and Forty-Four) ordinary shares out of the authorised unissued share capital of the Company as of the date hereof and the issue and allotment of such ordinary shares to the Padenga Management Share Ownership Trust upon subscription in terms of the Padenga Management Trust Share Purchase and Option Agreement (as detailed in the Circular), at a price per share calculated at 75% of the volume weighted average price of Padenga shares over the previous 60 trading days, in the event the Padenga Management Trust exercises its options to subscribe for such shares.”

#### **SPECIAL RESOLUTION 2 – WAIVER OF PRE-EMPTIVE RIGHTS IN RESPECT OF SHARES FOR THE PADENGA MANAGEMENT SHARE OWNERSHIP TRUST**

To resolve as a special resolution, with or without amendment, in terms of Section 5.82 of the Zimbabwe Stock Exchange Listings Requirements requiring an 85% majority: -

“To waive any pre-emptive rights of the Shareholders in respect of shares to be issued and allotted pursuant to the Padenga Management Share Ownership Trust referred to in Special Resolution 1.”

## **PART 3: NOTICE OF EGM (CONTINUED)**

### **SPECIAL RESOLUTION 3 - RESERVATION OF SHARES FOR THE PADENGA EMPLOYEE SHARE OWNERSHIP TRUST**

To resolve as a special resolution, with or without amendment: -

“That the Directors of the Company be and are hereby authorised to approve the reservation for a ten (10) year period of 27,079,672 (Twenty-Seven Million, Seventy-Nine Thousand, Six Hundred and Seventy-Two) ordinary shares out of the authorised unissued share capital of the Company as of the date hereof and the issue and allotment of such ordinary shares to the Padenga Employee Trust upon subscription in terms of the Padenga Employee Trust Share Purchase and Option Agreement (as detailed in the Circular) at a price per share calculated at 75% of the volume weighted average price of Padenga shares over the previous 60 trading days, in the event the Padenga Employee Trust exercises its options to subscribe for such shares.”

### **SPECIAL RESOLUTION 4 – WAIVER OF PRE-EMPTIVE RIGHTS IN RESPECT OF SHARES FOR THE PADENGA EMPLOYEE SHARE OWNERSHIP TRUST**

To resolve as a special resolution, with or without amendment in terms of Section 5.82 of the Zimbabwe Stock Exchange Listings Requirements requiring an 85% majority: -

“To waive any pre-emptive rights of the Shareholders in respect of shares to be issued and allotted pursuant to the Padenga Employee Share Ownership Trust referred to in Special Resolution 3.”

In terms of the Companies Act (Chapter 24:03), a member entitled to attend and vote at a meeting may appoint a proxy to attend and vote on a poll and speak in his stead. A proxy need not be a member of the Company. Proxy forms should be forwarded to reach the office of the Company Secretary at least 48 (forty-eight) hours before the commencement of the meeting.

BY ORDER OF THE BOARD

**A.D. LORIMER**

**GROUP COMPANY SECRETARY  
121 BORROWDALE ROAD  
GUN HILL  
HARARE**

**27 April 2017**

### PART 3: FORM OF PROXY

I/We (block letters) \_\_\_\_\_ of \_\_\_\_\_

Being a member of Padenga Holdings Limited hereby appoint \_\_\_\_\_

of \_\_\_\_\_ or failing him/her \_\_\_\_\_

of \_\_\_\_\_ or failing him/her the Chairman of the EGM;

As my/our proxy to vote for me/us on my/our behalf at the EGM of the Company to be held on Thursday 18 May 2017 at 0900 hours and at any adjournment thereof, for the purpose of considering and, if deemed fit passing, with or without modification, the resolutions to be proposed thereat in accordance with the following instructions:

Resolutions	For	Against	Abstain
<p><b>ORDINARY RESOLUTION 1 - APPROVAL OF 2017 PADENGA SHARE OPTION SCHEME</b></p> <p>“That the Directors of the Company be and are hereby authorised to establish a Share Option Scheme, to be called the “2017 Padenga Share Option Scheme”, for options in the aggregate not exceeding 54,159,344 (Fifty-Four Million, One Hundred and Fifty-Nine Thousand, Three Hundred and Forty-Four) ordinary shares, being 10% of the 541,593,440 (Five Hundred and Forty-One Million, Five Hundred and Ninety-Three Thousand, Four Hundred and Forty) ordinary shares in issue on 27 April 2017, being the date of this EGM Notice.”</p>			
<p><b>SPECIAL RESOLUTION 1 - RESERVATION OF SHARES FOR THE PADENGA MANAGEMENT SHARE OWNERSHIP TRUST</b></p> <p>“That the Directors of the Company be and are hereby authorised to approve the reservation for a ten (10) year period of 54,159,344 (Fifty-Four Million, One Hundred and Fifty-Nine Thousand, Three Hundred and Forty-Four) ordinary shares out of the authorised unissued share capital of the Company as of the date hereof and the issue and allotment of such ordinary shares to the Padenga Management Share Ownership Trust upon subscription in terms of the Padenga Management Trust Share Purchase and Option Agreement (as detailed in the Circular), at a price per share calculated at 75% of the volume weighted average price of Padenga shares over the previous 60 trading days, in the event the Padenga Management Trust exercises its options to subscribe for such shares.”</p>			
<p><b>SPECIAL RESOLUTION 2 – WAIVER OF PRE-EMPTIVE RIGHTS IN RESPECT OF SHARES FOR THE PADENGA MANAGEMENT SHARE OWNERSHIP TRUST</b></p> <p>“To waive any pre-emptive rights of the Shareholders in respect of shares to be issued and allotted pursuant to the Padenga Management Share Ownership Trust referred to in Special Resolution 1.”</p>			
<p><b>SPECIAL RESOLUTION 3 - RESERVATION OF SHARES FOR THE PADENGA EMPLOYEE SHARE OWNERSHIP TRUST</b></p> <p>“That the Directors of the Company be and are hereby authorised to approve the reservation for a ten (10) year period of 27,079,672 (Twenty-Seven Million, Seventy-Nine Thousand, Six Hundred and Seventy-Two) ordinary shares out of the authorised unissued share capital of the Company as of the date hereof and the issue and allotment of such ordinary shares to the Padenga Employee Trust upon subscription in terms of the Padenga Employee Trust Share Purchase and Option Agreement (as detailed in the Circular) at a price per share calculated at 75% of the volume weighted average price of Padenga shares over the previous 60 trading days, in the event the Padenga Employee Trust exercises its options to subscribe for such shares.”</p>			
<p><b>SPECIAL RESOLUTION 4 – WAIVER OF PRE-EMPTIVE RIGHTS IN RESPECT OF SHARES FOR THE PADENGA EMPLOYEE SHARE OWNERSHIP TRUST</b></p> <p>“To waive any pre-emptive rights of the Shareholders in respect of shares to be issued and allotted pursuant to the Padenga Employee Share Ownership Trust referred to in Special Resolution 3.”</p>			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Signature(s) of member \_\_\_\_\_

**NOTE**

1. In terms of Section 129 of the Zimbabwe Companies Act (Chapter 24:03) members are entitled to appoint one or more proxies to act in the alternative and to attend and vote and speak in their place. A proxy need not also be a member of the Company.
2. Regulation 74 of the Company’s Articles of Association provides that the instrument appointing a proxy shall be deposited at the office of the Company not less than 48 hours before the time appointed for holding the meeting.

FOR OFFICIAL USE

NUMBER OF SHARES HELD \_\_\_\_\_

## PART 3: FORM OF PROXY (CONTINUED)

### INSTRUCTIONS FOR SIGNING AND LODGING THIS 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 provided, with or without deleting "the Chairman of the EGM", but any such deletion must be initialled by the Shareholder. The person whose name appears first on the form of proxy will, unless his/her name has been deleted, be entitled to act as proxy to the exclusion of those whose names follow.
2. A Shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space/s provided as well as by means of a cross whether the shareholder wishes to vote, for, against or abstain from the resolutions. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the EGM as he/she deems fit in respect of all the Shareholder's votes exercisable there at. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder or by his/her proxy, or cast them in the same way.
3. A deletion of any printed matter and the completion of any blank spaces need not be signed or initialled. Any alteration or correction must be initialled by the signatory/ies.
4. The Chairman shall be entitled to decline to accept the authority of a person signing the proxy form:
  - i. under a power of attorney
  - ii. on behalf of a company

unless that person's power of attorney or authority is deposited at the offices of the Company's transfer secretaries, or the registered office of the Company, not less than 48 hours before the meeting.
5. If two or more proxies attend the meeting then that person attending the meeting whose name appears first on the proxy form and whose name is not deleted, shall be regarded as the validly appointed proxy.
6. When there are joint holders of shares, any one holder may sign the form of proxy. In the case of joint holders, the senior who tenders a vote will be accepted to the exclusion of other joint holders. Seniority will be determined by the order in which names stand in the register of members.
7. The completion and lodging of this form of proxy will not preclude the member who grants this proxy form from attending the EGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such member wish to do so.
8. In order to be effective, completed proxy forms must reach the Company's Transfer Secretaries or the registered office of the Company not less than 48 hours before the time appointed for the holding of the EGM.
9. Please ensure that name(s) of the member(s) on the form of proxy and the voting form are exactly the same as those on the share register.
10. Please be advised that the number of votes a member is entitled to is determined by the number of shares recorded on the share register on the Record Date.