

# NOTICE TO SHAREHOLDERS

Notice is hereby given that the annual general meeting of shareholders of Truworths International Ltd ('the company') is scheduled to be held in the Auditorium, First Floor, No.1 Mostert Street, Cape Town, South Africa on Thursday, 2 November 2017 at 09:30 for the purpose of conducting the following items of business:

1. To receive and adopt the Group and the company Audited Annual Financial Statements, which include the Directors' Report and the Audit Committee Report, for the period ended 2 July 2017. The Group's Audited Annual Financial Statements are available on the company's website at [www.truworths.co.za/investors](http://www.truworths.co.za/investors) or can be obtained upon request to the company secretary by calling +27 (21) 460 7956 or e-mailing [skohlhofer@truworths.co.za](mailto:skohlhofer@truworths.co.za).

The percentage of voting rights that will be required for this resolution to be adopted is more than 50% of the votes exercised on the resolution.

2. To elect directors of the company in accordance with the Companies Act (71 of 2008, as amended) ('the Act') and the company's memorandum of incorporation which provide that:
  - At least one-third of the directors, being those longest in office at the date of the annual general meeting, should retire, but that such directors may offer themselves for re-election.
  - Any director appointed by the board of directors since the previous annual general meeting must be elected by shareholders at the next annual general meeting.

Messrs H Saven, MA Thompson and RJA Sparks, and Dr CT Ndlovu, are required to retire by rotation at the annual general meeting and, being entitled thereto, have offered themselves for re-election. Voting for the directors seeking re-election will be conducted individually.

A brief *résumé* of each of these directors is attached at the end of this notice.

The percentage of voting rights that will be required for each of these resolutions to be adopted is more than 50% of the votes exercised on each resolution.

3. To renew the directors' general authority, which shall be limited in aggregate to 22 102 972 shares, being 5 (five) percent of the company's shares in issue at 2 July 2017, over both the un-issued and the repurchased ordinary shares of the company until the following annual general meeting, only for the purposes of allotting or selling such shares in connection with an acquisition or empowerment transaction by the Group, and for no other purpose. This general authority shall include the power to allot or to sell, as the case may be, such shares for cash subject to the provisions of the Act and the JSE Limited ('JSE') Listings Requirements ('Listings Requirements'). In particular this ordinary resolution which, if passed, would constitute a waiver by members of their pre-emptive rights, is in terms of the Listings Requirements subject to not less than 75% of the votes of all shareholders entitled to vote and in attendance or represented at the meeting, being cast in favour of the resolution, and is further subject to paragraphs 5.52, 5.75 and 11.22 of the Listings Requirements, which in summary provide as follows:

- such shares may only be issued or sold, as the case may be, to public shareholders as defined in the Listings Requirements, and not to related parties;
- such shares may not exceed 15% of the company's issued shares in any financial year, the number that may be issued or sold (as the case may be) being determined in accordance with sub-paragraph 5.52(c) of the Listings Requirements;
- the maximum discount (if any) at which such shares may be issued or sold (as the case may be) is 10% of the weighted average traded price of such shares on the JSE over the 30 business days preceding the date of determination or agreement of the issue or selling price, as the case may be;
- after the company has issued shares in terms of this general authority representing, on a cumulative basis within a financial year, 5% or more of the number of shares in issue prior to that issue, the company will publish an announcement containing full details of the issue, including:
  - the number of shares issued;
  - the average discount (if any) to the weighted average traded price of the shares over the 30 business days prior to the date that the price of the issue was determined or agreed by the directors;
  - the effects of the issue on the net asset value per share, net tangible asset value per share, earnings per share, headline earnings per share, and diluted earnings and headline earnings per share; and
  - an explanation, including supporting information (if any), of the intended use of the funds.

*The reason for proposing this resolution is to grant a restricted authorisation to the directors to issue the un-issued shares of the company and to sell the treasury shares held by subsidiaries, such shares together being limited to 5 (five) percent of the shares in issue at 2 July 2017, subject to such authority only being exercised for the purposes of an acquisition or empowerment transaction and applicable regulatory and statutory limitations, either for cash or in respect of the acquisition of assets, or otherwise.*

*The effect of this resolution, were it to be passed, would be that the directors will have a restricted authority to issue a limited number of the un-issued shares of the company and to use a limited number of the treasury shares held by subsidiaries only for the stated purposes, subject to the applicable provisions of the Listings Requirements, the Act and the provisions of this resolution.*

4. To consider and, if deemed fit, to pass, with or without modification, the following as special resolution 1, requiring at least 75% of the voting rights exercised to be in favour of the resolution in accordance with the Listings Requirements:

'That the company hereby approves, as a general approval contemplated in the Listings Requirements, the acquisition from time to time, either by the company itself or by its subsidiaries, of up to a maximum of 22 102 972 shares, being 5% of the company's shares in issue at 2 July 2017, and further approves the acquisition by the company of any of its issued shares held by any of its subsidiaries as treasury stock, upon such terms and conditions and in such amounts as

the directors of the company may from time to time decide, subject however to the provisions of the Act and the Listings Requirements relating to general repurchases of shares, it being recorded that it is currently required by such Listings Requirements that general repurchases of a company's shares can be made only if:

- (a) the company and its subsidiaries are enabled by their memoranda of incorporation to acquire such shares;
- (b) the company and its subsidiaries are authorised by their shareholders in terms of special resolutions taken at general meetings, to make such general repurchases, such authorisation being valid only until their next annual general meetings or for 15 months from the date of the special resolutions, whichever period is shorter;
- (c) such repurchases are effected through the order book operated by the JSE trading system and without any prior understanding or arrangement between the company and a counterparty, unless the JSE otherwise permits;
- (d) such repurchases are limited to a maximum of 20% per financial year of the company's issued shares of that class at the time the aforementioned authorisation is given, it being noted that in terms of the Act a maximum of 10% in aggregate of the company's issued shares that may have been repurchased are capable of being held by subsidiaries of the company;
- (e) such repurchases are made at a price no greater than 10% above the weighted average market price at which the company's shares traded on the JSE over the five business days immediately preceding the date on which the transaction is effected;
- (f) at any point in time, the company appoints only one agent to effect any repurchase on the company's behalf; and
- (g) such repurchases are not conducted during prohibited periods as defined by the Listings Requirements, unless the company has complied with the conditions set out in paragraph 5.72(h) of the Listings Requirements.'

*The reason for this special resolution is to grant a limited authorisation to the company and its subsidiaries generally to repurchase the company's shares by way of bona fide open market transactions on the JSE or otherwise as permitted by the JSE, subject to statutory and regulatory limitations and controls.*

*The effect of this special resolution, were it to be passed, would be that the company and its subsidiaries will have been authorised generally to repurchase up to 5% of the company's shares by way of bona fide open market transactions on the JSE or otherwise as permitted by the JSE, subject to statutory and regulatory limitations and controls.*

*The intention of the directors is that the repurchase of the company's shares will be effected within the parameters laid down by this resolution as well as by the Act, the JSE and the board, as and when the directors of the company deem such repurchases to be appropriate, having regard for prevailing market and business conditions. The directors will ensure that the requisite prior resolution of the board has been taken authorising such repurchases, confirming that the company and its subsidiaries engaged in such repurchases*

*have passed the solvency and liquidity test envisaged in the Act and confirming that since such tests were performed there have been no material adverse changes to the financial position of the Group. After considering the effect of a general repurchase within these parameters, the directors are of the view that for a period of at least 12 months after the date of the annual general meeting referred to in this notice:*

- *the company and the Group would in the ordinary course of their business be able to pay their debts;*
- *the consolidated assets of the company and the Group would exceed the consolidated liabilities of the company and the Group respectively, such assets and liabilities being fairly valued and recognised and measured in accordance with the accounting policies used in the 2017 Audited Annual Financial Statements of the company and the Group;*
- *the issued capital and reserves of the company and the Group would be adequate for the purposes of the company's and the Group's ordinary business; and*
- *the company's and the Group's working capital would be adequate for ordinary business purposes.*

*Notes:*

- (i) *The company will publish an announcement complying with the Listings Requirements if and when an initial and successive 3% tranche(s) of its shares have been repurchased in terms of the aforementioned general authority.*
- (ii) *The company undertakes to comply with all Listings Requirements in force and effect at the time of the general repurchase.*

5. To elect an independent external auditor to audit the company's and the Group's annual financial statements for the period ending 1 July 2018.

The Group's current external auditor is Ernst & Young Inc., which has indicated that Ms Tina Rookledge, being a partner of that firm and a registered auditor, will undertake the audit, and the directors endorse the recommendation of the company's Audit Committee that this firm be re-appointed for the ensuing period, and that the terms of its engagement and fees be determined by such Committee.

The percentage of voting rights that will be required for this resolution to be adopted is more than 50% of the votes exercised on the resolution.

6. To approve by way of special resolution 2, requiring at least 75% of the voting rights exercised to be in favour of the resolution in accordance with the Act, the proposed fees (exclusive of VAT, if applicable) of the non-executive directors for services as directors for the 12-month period from 1 January 2018 to 31 December 2018, as follows:

# NOTICE

## TO SHAREHOLDERS (CONTINUED)

	Proposed 2018 R	Actual 2017 R
Non-executive chairman	925 000	850 000
Non-executive directors	300 000	290 000
Audit Committee chairman	270 000	255 000
Audit Committee member	145 000	135 000
Remuneration Committee chairman	140 000	140 000
Remuneration Committee member	90 000	85 000
Risk Committee member (non- executive only)	90 000	85 000
Non-executive and Nomination Committee chairman	110 000	105 000
Non-executive and Nomination Committee member	65 000	60 000
Social and Ethics Committee chairman	65 000	60 000
Social and Ethics Committee member (non-executive only)	35 000	30 000

*The reason for special resolution 2 is to obtain the approval of the shareholders of the company for the fees of the non-executive directors for their services as directors of the company for the 2018 calendar year, as recommended by the company's Remuneration Committee and as required by the Act. The Act provides that such fees be approved by shareholders in advance.*

*The effect of special resolution 2, were it to be passed, would be that the company's shareholders will have approved the fees of the non-executive directors for their services as directors of the company for the 2018 calendar year, as recommended by the company's Remuneration Committee and as required by the Act.*

7. Subject where necessary to their re-appointment as directors of the company in terms of the resolutions proposed under agenda item 2 above, to confirm by separate resolutions the appointment of the following qualifying independent non-executive directors to the company's Audit Committee for the period until the next annual general meeting of the company, in terms of the requirements of the Act:

Messrs MA Thompson, RG Dow and RJA Sparks.

The percentage of voting rights that will be required for each of these resolutions to be adopted is more than 50% of the votes exercised on each resolution.

8. To approve, by way of separate advisory non-binding votes, the Group's remuneration policy and implementation report as set out on pages 38 to 40 of the Group's Integrated Report for the period ended 2 July 2017, in terms of the King IV principles and the JSE Listings Requirements.

The percentage of voting rights that will be required for these resolutions to be adopted is more than 50% of the votes exercised on the resolutions.

Shareholders of the company are reminded that should 25% or more of the votes cast be against each or both of these non-binding ordinary resolutions, the company undertakes to engage with shareholders as to the reasons therefor.

9. To consider the report to shareholders of the Social and Ethics Committee, as published on the Group's website at [www.truworths.co.za/investors](http://www.truworths.co.za/investors), for the period ended 2 July 2017, in accordance with the Companies Regulations, 2011 published in terms of the Act.

The percentage of voting rights that will be required for this resolution to be adopted is more than 50% of the votes exercised on the resolution.

10. Subject where necessary to their re-appointment as directors of the company in terms of the resolutions proposed under agenda item 2 above, to confirm by separate resolutions the appointment of the following qualifying directors to the company's Social and Ethics Committee for the period until the next annual general meeting of the company, in terms of the requirements of the Companies Regulations, 2011 published in terms of the Act:

Mr MA Thompson, Dr CT Ndlovu and Mr DB Pfaff.

The percentage of voting rights that will be required for each of these resolutions to be adopted is more than 50% of the votes exercised on each resolution.

11. To approve by way of special resolution 3, requiring at least 75% of the voting rights exercised to be in favour of the resolution in accordance with the Act, the provision of intra-group financial assistance as authorised by the board in accordance with section 45 of the Act, whether directly or indirectly and including the lending of money, the guaranteeing of any obligation and the securing of any debt, by the company from time to time, to any related or interrelated company in the Group, on condition that the board is satisfied that immediately after providing such financial assistance the company will satisfy the solvency and liquidity test, and that the terms of the financial assistance are fair and reasonable to the company.

*The reason for special resolution 3 is to obtain the approval of the shareholders of the company for the company to provide financial assistance as may be authorised by the board, whether by way of loan, guarantee or security, to other entities in the Group, subject to the requirements of the Act as regards solvency, liquidity, fairness, reasonableness and notification.*

*The effect of special resolution 3, were it to be passed, would be that the company's shareholders will have approved the provision of financial assistance by the company, as may be authorised by the board, whether by way of loan, guarantee or security, to other entities in the Group, subject to the requirements of section 45 of the Act.*

### DIRECTORS' AND MANAGEMENT'S RESPONSIBILITY STATEMENT

The directors of the company, whose names are given on page 31 of the Group's Integrated Report, collectively and individually accept full responsibility for the accuracy of the information given in this notice, 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 this notice contains all information required by the Listings Requirements.

The other general information referred to in paragraph 11.26(b) of the Listings Requirements regarding the company is contained elsewhere in the Group's Audited Annual Financial Statements for the period ended 2 July 2017 (available on the Group's website at www.truworths.co.za/investors), as follows:

- major shareholders on pages 142 and 145
- material changes since year-end, on page 105 (note 38)
- company's share capital, on page 54 (note 13)

#### **RECORD DATE FOR RECEIVING THIS NOTICE**

**The directors have set the notice record date for the purposes of determining which shareholders are entitled to receive this notice of the company's annual general meeting as 17:00 on Friday, 22 September 2017. The last day to trade in order to be entitled to receive the notice of the meeting will therefore be Tuesday, 19 September 2017.**

#### **ELECTRONIC PARTICIPATION IN THE MEETING**

Shareholders or their proxies may participate in the meeting by way of teleconference call and, if they wish to do so:

- must contact the company secretary by e-mail to skohlhofer@truworths.co.za no later than 17:00 on Friday, 27 October 2017 to obtain dial-in details;
- will be required to provide reasonably satisfactory identification when they do dial in;
- will be billed separately by their telephone service providers for the dial-in call; and
- will, if they wish to vote at the meeting, still be required to appoint a proxy or a representative to do so on their behalf in accordance with the below provisions, given the current technical limitations relating to remote electronic voting.

#### **ATTENDANCE, REPRESENTATION AND VOTING AT THE MEETING**

##### **By registered shareholders**

##### **Natural persons**

Any natural person registered as a shareholder of the company, either as a holder of shares in certificate (i.e. paper) form or as an 'own name' holder of shares in dematerialised (i.e. electronic) form, may in person attend, participate in and vote at the annual general meeting. **The meeting record date for participation and voting by such persons at the meeting is 17:00 on Friday, 27 October 2017. The last day to trade in order to be entitled to vote at the meeting will therefore be Tuesday, 24 October 2017.**

Alternatively every such shareholder may appoint one or more proxies, who need not be shareholders of the company, to attend, participate in and vote at the meeting on his/her behalf. Presentation of suitable identification by such persons when registering their attendance at the meeting will be required.

##### **Juristic persons**

Any juristic (legal) person or corporate body registered as a shareholder of the company may either appoint a representative to attend the annual general meeting and speak and vote thereat on its behalf, or alternatively may appoint one or more proxies for this purpose.

##### **By non-registered shareholders**

Shareholders who have dematerialised their company shareholdings, in such a manner that these holdings are no longer recorded in their own names in the sub-registers maintained by Central Securities Depository Participants ('CSDPs'), are not company shareholders as defined. Similarly, shareholders whose shares held in certificate form are registered in the name of nominee companies, are also not company shareholders as defined.

Both such categories of non-registered shareholders who wish to attend the company's annual general meeting in person should arrange with their CSDPs or brokers to be furnished with the necessary authorisation to do so either as the representative or proxy of such CSDPs or brokers.

Both such categories of non-registered shareholders who do not wish, or are unable, to attend the annual general meeting, but nonetheless wish to be represented thereat, should provide their CSDPs or brokers with their voting instructions.

These instructions should be given in sufficient time, and in accordance with the agreement between them and their CSDPs or brokers, to enable the CSDPs or brokers to lodge appropriate forms of proxy or appoint suitable representatives for the meeting in accordance with such instructions.

##### **Documentary requirements relating to proxies**

Where a proxy is appointed, it is requested that the enclosed proxy form be completed, signed and lodged, together with proof of the authority of the person signing the form in a representative capacity, with Computershare Investor Services (Pty) Ltd, the transfer secretaries of the company, so as to be received at least forty-eight hours before the appointed time of the meeting, **i.e. by 09:30 on Tuesday, 31 October 2017** in order to facilitate preparation for the meeting. Proxy forms may however be submitted up to the scheduled time for holding the meeting.

**The meeting record date for participation and voting by shareholders at the meeting through such proxies is 17:00 on Friday, 27 October 2017. The last day to trade in order for shareholders to be entitled to participate and vote at the meeting via such proxies will therefore be Tuesday, 24 October 2017.** Presentation of suitable identification by the proxy when registering his/her attendance on the day of the meeting will be required.

##### **Documentary requirements relating to representatives**

Where a representative is appointed, it is requested that proof of such appointment be furnished, to the satisfaction of the directors of the company, to Computershare Investor Services (Pty) Ltd, the transfer secretaries of the company, so as to be received at least forty-eight hours before the appointed time of the meeting, **i.e. by 09:30 on Tuesday, 31 October 2017**, in order to facilitate preparation for the meeting. Such proof of appointment may however be submitted up to the scheduled time for holding the meeting. **The meeting record date for participation and voting by shareholders at the meeting through such representatives is 17:00 on Friday, 27 October 2017. The last day to trade in order for shareholders to be entitled to participate and vote via such representatives at the meeting will therefore be Tuesday, 24 October 2017.**

Such proof can take the form of either a certified copy of a resolution of the juristic person or corporate body or a letter of representation signed by a duly authorised director or officer thereof (other than the representative). Presentation of suitable identification by the representative when registering his attendance on the day of the meeting will be required.

By order of the board



**Chris Durham FCIS**  
 Chartered Secretary  
 Company Secretary

Cape Town  
 17 August 2017

# APPENDIX 1

## BRIEF RÉSUMÉS

### DIRECTORS STANDING FOR RE-ELECTION

#### **Hilton Saven (64)**

BCom, CA (SA)

#### **Chairman of the board**

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

Hilton Saven was appointed to the Truworths International board in February 2003. He is Chairman of the board and a member of the Remuneration Committee and of the Non-executive and Nomination Committee.

He is chairman of accounting and advisory firm Mazars South Africa, and a former executive board member of Mazars International and also serves as director of numerous companies including JSE-listed Lewis Group Ltd and Balwin Properties Ltd, as well as Monarch Insurance Company Ltd, Praxity-Global Alliance Ltd (UK) and Praxity IVZW (Belgium).

#### **Michael Thompson (74)**

BCom, MBA, AMP (Harvard)

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

Michael Thompson has been a member of the Truworths International board since March 2004. He is chairman of the Audit Committee and of the Social and Ethics Committee and is a member of the Risk Committee and Non-executive and Nomination Committee.

He is a retired banking executive and management consultant. He currently serves as chairman of SA Select Property Investments Ltd and SA Select Property Asset Managers (Pty) Ltd.

#### **Thandi Ndlovu (62)**

BSc, MBChB

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

Qualified medical doctor, construction executive and businesswoman, Thandi Ndlovu has been a director of the board since February 2001. She is a member of the Social and Ethics Committee and of the Non-executive and Nomination Committee.

She is a director of numerous companies including those in the Motheo Construction Group, Baitshepi Development Consulting Services (Pty) Ltd, Kemano Investment Holdings (Pty) Ltd and Thulong Investments (Pty) Ltd. She is a member of the Council of the South African Forum of Civil Engineering Contractors ('SAFCEC') and chair of the Construction Sector Transformation Committee of the Black Business Council in the Built Environment ('BBCBE').

#### **Roddy Sparks (58)**

BCom (Hons), CA (SA), MBA

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

Roddy Sparks was appointed to the Truworths International board with effect from 1 February 2012. He is a qualified chartered accountant and an experienced business executive, and a member of the company's Audit Committee and Non-executive and Nomination Committee.

He serves as a non-executive on various boards, including JSE-listed Imperial Holdings Ltd and Trenchor Ltd, as well as Regent Life Assurance Company, Regent Insurance Company Ltd, World Wildlife Fund for Nature, FoodBank Foundation and Phembani Group (Pty) Ltd.