

# Notice to Shareholders

Trencor Limited  
(Incorporated in the Republic of South Africa)  
(Registration number 1955/002869/06)  
("the company")  
Share code: TRE  
ISIN: ZAE000007506

Notice is hereby given that the sixty fourth annual general meeting of shareholders of the company ("the AGM") will be held at Trencor Limited, 13th Floor, The Towers South, Heerengracht, Cape Town on Thursday, 4 June 2020 at 10:00.

## RECORD DATES

In terms of section 59 of the Companies Act, No 71 of 2008, as amended ("Companies Act") the record date for shareholders to be recorded in the register of members of the company in order to receive this notice of the AGM is Friday, 24 April 2020. The record date for shareholders to be recorded in the register of members of the company in order to be able to attend, participate and vote at the AGM is Friday, 29 May 2020, and the last day to trade in the company's shares in order to be recorded in the register of members of the company so as to be able to attend, participate and vote at the AGM is Tuesday, 26 May 2020.

## ELECTRONIC PARTICIPATION IN THE AGM

The company intends to make provision for shareholders of the company, or their proxies, to participate in the AGM by way of electronic means. Should you wish to participate in the AGM by such means, you, or your proxy, will be required to contact info@trencor.net no later than 10:00 on Thursday, 28 May 2020, being five days (excluding Saturdays, Sundays and public holidays) before the AGM. Voting will not be possible via such facility and shareholders wishing to exercise their voting rights are required to be represented at the meeting in person, by proxy or by letter of representation.

## BUSINESS OF THE MEETING

Each of the ordinary and special resolutions set out below may be proposed and passed, with or without modification or amendment, at the AGM or at any postponement or adjournment thereof.

The purpose of the AGM is for the following business to be transacted and for the following ordinary and special resolutions to be proposed:

1. To present and consider the audited financial statements, the directors' report and the audit committee report of the company and the Trencor group for the year ended 31 December 2019.

In terms of the Companies Act, the audited financial statements will be presented to the shareholders together with the directors' report and the audit committee report. The audited financial statements, the directors' report and the audit committee report of the company and its subsidiaries, are set out on pages 16 to 69 of the integrated annual report of which this notice of AGM forms part ("the integrated annual report").

2. In terms of the company's memorandum of incorporation David Nurek, Eddy Oblowitz and Herman Wessels retire by rotation at the AGM. David Nurek and Eddy Oblowitz, being eligible, offer themselves for re-election. Herman Wessels will retire at the AGM.

Brief résumés of the directors of the company are presented on page 73 of the integrated annual report.

Accordingly, shareholders are requested to consider and, if deemed fit, to re-elect the directors named above by way of passing the separate ordinary resolutions set out below:

### Ordinary resolution number 1.1

"Resolved that David Nurek is elected as a director of the company."

### Ordinary resolution number 1.2

"Resolved that Eddy Oblowitz is elected as a director of the company."

### Explanatory note:

The board recommends the election of David Nurek and Eddy Oblowitz as directors of the company. The election of each director who retires by rotation and makes himself available for re-election is required at the company's AGM. The election will be conducted by a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, as required under section 68(2) of the Companies Act.

The minimum percentage of votes required for these resolutions to be adopted is 50% plus one of the votes cast on the resolution.

3. To table the remuneration policy and implementation report of the company (as set out on pages 9 to 11 of the integrated annual report) for consideration and submit same for separate non-binding advisory votes by the shareholders.

### Advisory vote 1:

"Resolved that the remuneration policy of the company, as set out on pages 9 and 10 of the integrated annual report of which this notice of AGM forms part, is endorsed through a non-binding advisory vote."

### Advisory vote 2:

"Resolved that the remuneration implementation report of the company, as set out on page 11 of the integrated annual report of which this notice of AGM forms part, is endorsed through a non-binding advisory vote."

**Explanatory note:**

In terms of the King IV principles and the Listings Requirements of the JSE Limited, the company's remuneration policy and the implementation report should be tabled to the shareholders of the company for separate non-binding advisory votes at the annual general meeting. Accordingly, the shareholders are requested to endorse the company's remuneration policy and the implementation report by way of separate non-binding advisory votes in the same manner as an ordinary resolution.

In the event that either the policy or implementation report or both are voted against by 25% or more of the voting rights exercised then a shareholder engagement process will be undertaken to ascertain the reasons for the dissenting votes. All legitimate and reasonable objections and concerns will be appropriately addressed and full disclosure of the process followed will be included in the following year's remuneration report.

As this is not a matter that is required to be resolved or approved by shareholders, no minimum voting threshold is required. Nevertheless, to signify endorsement, the minimum percentage of votes required in favour of the remuneration policy is 50% plus one of the votes cast on the resolution.

4. To reappoint KPMG Inc. as independent auditor of the company for the ensuing year.

**Ordinary resolution number 2:**

"Resolved that KPMG Inc. is reappointed as the auditor of the company for the ensuing year."

**Explanatory note:**

In compliance with section 90(1) of the Companies Act, a public company must each year at its annual general meeting appoint an auditor.

Note that the audit committee recommends the reappointment of KPMG Inc. as auditor of the company. Section 94(9) of the Companies Act entitles a company to appoint an auditor at its annual general meeting, other than one nominated by the audit committee, but if such an auditor is appointed, the appointment is valid only if the audit committee is satisfied that the proposed auditor is independent of the company.

The minimum percentage of votes required for this resolution to be adopted is 50% plus one of the votes cast on the resolution.

5. To appoint an audit committee to conduct the duties and responsibilities as outlined in section 94(7) of the Companies Act.

**Ordinary resolution number 3.1:**

"Resolved that David Nurek is elected as a member of the audit committee of the company subject to his re-election as a director of the company in terms of ordinary resolution number 1.1."

**Ordinary resolution number 3.2:**

"Resolved that Eddy Oblowitz is elected as a member of the audit committee of the company, subject to his re-election as a director of the company in terms of ordinary resolution number 1.2."

**Ordinary resolution number 3.3:**

"Resolved that Roddy Sparks is elected as a member of the audit committee of the company."

**Explanatory note:**

In terms of the Companies Act, the audit committee is not a committee of the board but a committee elected by the shareholders at each AGM.

Section 94(2) of the Companies Act requires a public company, at each AGM, to elect an audit committee.

Section 94(4)(a) of the Companies Act requires, among other things, that each member of the audit committee must be a director of the company. Brief résumés of these directors are presented on page 73 of the integrated annual report. Each of the proposed nominees is an independent non-executive director of the company.

The minimum percentage of votes required for these resolutions to be adopted is 50% plus one of the votes cast on the resolution.

6. To provide financial assistance to related and/or inter-related companies.

**Special resolution number 1:**

"Resolved that in terms of and subject to the provisions of section 45 of the Companies Act, the shareholders of the company hereby approve of, as a general approval, the company providing (subject to the requirements of the company's memorandum of incorporation, the Companies Act and the Listings Requirements of the JSE Limited from time to time), at any time and from time to time, during the period of two years commencing on the date of passing of this special resolution, any direct or indirect financial assistance contemplated in the Companies Act to any one or more related and/or inter-related companies or corporations of the company on such terms and conditions as the board of directors of the company, or any one or more persons authorised by the board of directors of the company from time to time for such purpose, deems fit."

**Explanatory note:**

The reason for special resolution number 1 is to obtain approval from the shareholders for the company to provide financial assistance, when the need arises, in accordance with the provisions of section 45 of the Companies Act. The effect of special resolution number 1 is that the company will have the necessary authority to provide such financial assistance to any one or more related and/or inter-related companies or corporations of the company as contemplated in special

resolution number 1 as and when required to do so. The board of the company undertakes that, in so far as the Companies Act requires, it will not adopt a resolution to authorise such financial assistance, unless the directors are satisfied that (i) immediately after providing such financial assistance, the company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Companies Act, and that (ii) the terms under which such financial assistance is to be given are fair and reasonable to the company as required by section 45(3)(b)(ii) of the Companies Act. The proposed resolution does not authorise the provision of financial assistance to any director or executive of the company.

The minimum percentage of votes required for this resolution to be adopted is 75% of the votes cast on the resolution.

7. To resolve as a special resolution that the non-executive directors' annual remuneration, in their capacity only as directors of the company, from 1 July 2020 be approved.

**Special resolution number 2:**

“Resolved that the non-executive directors' annual remuneration, in their capacities only as directors of the company, from 1 July 2020 be paid in accordance with the following, plus such amount of Value-Added Tax (“VAT”) as may be attributable thereto:

	Rand
For services as:	
Basic remuneration as a member of the board and its committees (other than the audit/risk committee)	300 000
In addition:	
Chairman of the board	430 000
Chairman of the audit/risk committee	70 000
Chairman of the audit/risk committee (additional remuneration)	75 000
Member of the audit/risk committee	50 000
Chairman of the remuneration committee	25 000
Chairman of the social and ethics committee	25 000”

**Explanatory note:**

In terms of sections 66(8) and (9) of the Companies Act, remuneration may only be paid to directors for their service as directors in accordance with a special resolution approved by the shareholders within the previous two years.

It is noted that the remuneration payable to non-executive directors in their capacities as such and for their services as directors, as set out in the above special resolution, reflects a decrease of approximately 44% from the prior year, recognising the simplification of the group, which includes the retirement of two directors. In the case of the chairman of the audit/risk committee, additional remuneration of R75 000 is proposed in respect of time and effort expended in the recent past beyond what would normally be expected. In addition to reducing board fees, the role and functions of the nomination and the corporate governance committees will revert to the board itself, retaining only the statutorily

required audit and social and ethics committees, as well as the remuneration committee.

It is noted that the remuneration referred to in this resolution is only in respect of remuneration payable to non-executive directors of the company in their capacities as such.

The minimum percentage of votes required for this resolution to be adopted is 75% of the votes cast on the resolution.

8. To consider and, if deemed fit, to pass, with or without modification, the following special resolution:

**Special resolution number 3:**

“Resolved that the company hereby approves, as a general approval contemplated in section 48 of the Companies Act, the acquisition by the company or any of its subsidiaries from time to time of the issued shares of the company, upon such terms and conditions and in such amounts as the directors of the company may from time to time determine, but subject to the memorandum of incorporation of the company, the provisions of the Companies Act and the Listings Requirements of the JSE Limited (“JSE Listings Requirements”) as presently constituted and which may be amended from time to time, and provided that:

- (a) any such acquisition of shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited);
- (b) any such repurchase of shares is authorised by the company's memorandum of incorporation;
- (c) at any point in time, the company may only appoint one agent to effect any repurchase(s) on its behalf;
- (d) this general authority shall only be valid until the company's next annual general meeting, provided that it shall not extend beyond fifteen months from the date of passing of this special resolution;
- (e) the board of directors pass a resolution authorising the repurchase, confirming that the company passes the solvency and liquidity test and that at the time that the test is done there are no material changes to the financial position of the company;
- (f) a paid press announcement containing full details of the acquisitions will be published as soon as the company and/or its subsidiaries has/have acquired shares constituting, on a cumulative basis, 3% of the number of shares of that class in issue at the time of granting of this general authority, and for each 3% in aggregate of the initial number of that class acquired thereafter;
- (g) acquisitions by the company and its subsidiaries of shares in the share capital of the company may not, in the aggregate, exceed in any one financial year 20% (or 10% where such acquisitions relate to the acquisition by a subsidiary) of the company's issued share capital of any class as at the beginning of the financial year;

- (h) in determining the price at which the company's shares are acquired by the company or its subsidiaries in terms of this general authority, the maximum price at which such shares may be acquired may not be greater than 10% above the weighted average of the market price at which such shares are traded on the JSE, as determined over the five business days immediately preceding the date of the acquisition of such shares by the company or its subsidiaries;
- (i) the company or its subsidiaries are not acquiring shares during a prohibited period as defined in the JSE Listings Requirements unless they have in place a repurchase programme where the dates and quantities of shares to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE in writing prior to the commencement of the prohibited period. The company shall instruct an independent third party, which makes its investment decisions in relation to the company's securities independently of, and uninfluenced by, the company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE; and
- (j) any acquisitions are made subject to any Exchange Control approval required at that point in time."

**Explanatory note:**

The reason for this special resolution is to grant the company a general authority in terms of the Companies Act for the acquisition by the company or any of its subsidiaries of shares issued by the company, which authority shall be valid until the earlier of the next annual general meeting of the company or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the company, provided that the general authority shall not extend beyond fifteen months from the date of this AGM. The effect of the passing of this special resolution will be to authorise the company or any of its subsidiaries to acquire shares issued by the company. If relevant in the circumstances, compliance with section 48(8)(b) of the Companies Act will be required if the company is to acquire more than 5% of its shares.

The directors are of the opinion that it would be in the best interests of the company to extend the current authority for the repurchase of shares by the company or its subsidiaries, allowing the company or any of its subsidiaries to be in a position to repurchase or purchase, as the case may be, the shares issued by the company through the order book of the JSE, should the market conditions and price, as well as the financial position of the company, justify such action, as determined by the directors.

Repurchases or purchases, as the case may be, will only be made after careful consideration, where the directors consider that such repurchase or purchase, as the case may be, will be in the best interests of the company and its shareholders.

The minimum percentage of votes required for this resolution to be adopted is 75% of the votes cast on the resolution.

**STATEMENT BY THE BOARD OF DIRECTORS OF THE COMPANY REGARDING SPECIAL RESOLUTION NUMBER 3**

Pursuant to and in terms of the JSE Listings Requirements, the board of directors of the company hereby states that:

- (a) the intention of the directors of the company is to utilise the general authority to acquire shares in the company if at some future date the cash resources of the company are in excess of its requirements and/or there are other good grounds for doing so. In this regard the directors will take account of, *inter alia*, an appropriate capitalisation structure for the company, the long-term cash needs of the company, and the interests of the company;
- (b) in determining the method by which the company intends to repurchase its shares, the maximum number of shares to be acquired and the date on which such acquisition will take place, the directors of the company will only make the acquisition if at the time of the acquisition they are of the opinion that:
- the company and the group will be able to pay their debts as they become due in the ordinary course of business for the next twelve months after the date of the general repurchase;
  - the assets of the company and the group, fairly valued in accordance with International Financial Reporting Standards and recognised and measured in accordance with the accounting policies used in the latest audited financial statements, will be in excess of the liabilities of the company and the group for the next twelve months after the date of the general repurchase;
  - the issued share capital and reserves of the company and the group will be adequate for ordinary business purposes for the next twelve months after the date of the general repurchase; and
  - the working capital available to the company and the group will be sufficient for ordinary business purposes for the next twelve months after the date of the general repurchase.

**OTHER DISCLOSURES IN TERMS OF SECTION 11.26 OF THE JSE LISTINGS REQUIREMENTS**

The integrated annual report to which this notice of this AGM is attached provides details of:

- the major shareholders of the company on page 71; and
- the share capital of the company in note 13 on page 44, and an analysis of the shareholders (including beneficial shareholders who hold 5% or more of the issued share capital of the company and of which the company is aware, but who are not registered shareholders) on page 71.

There have been no material changes to the company and the group's financial or trading position (other than as disclosed in the accompanying integrated annual report).

The directors, whose names are given on page 72 of the integrated annual report, 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 facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the integrated annual report and this notice contains all information required by law and the JSE Listings Requirements.

9. To present and consider the report of the social and ethics committee of the company as set out on pages 11 and 12 of the integrated annual report of which this notice of AGM forms part.
10. To transact such other business as may be transacted at an annual general meeting.

#### GENERAL INSTRUCTIONS AND INFORMATION

All shareholders are encouraged to attend, speak and vote at the AGM. On a show of hands, every shareholder of the company present in person or represented shall have one vote only. On a poll, every shareholder present in person, by proxy or represented shall have one vote for every share held.

If you hold certificated shares (i.e. have not dematerialised your shares in the company) or are registered as an own name dematerialised shareholder (i.e. have specifically instructed your Central Security Depository Participant ("CSDP") to hold your shares in your own name on the company's sub-register), then:

- you may attend and vote at the AGM; alternatively
- you may appoint a proxy (who need not also be a shareholder of the company) to represent you at the AGM by completing the attached form of proxy and, for administrative purposes, you are requested to return it to the office of the company's transfer secretaries not less than 24 hours before the time appointed for the holding of the AGM (excluding Saturdays, Sundays and public holidays). Any form of proxy not so lodged beforehand may be delivered to the company at any time before the AGM commences. Please note that your proxy may delegate his/her authority to act on your behalf to another person, subject to the restrictions set out in the attached form of proxy as stipulated in section 58(3)(b) of the Companies Act. Any form of proxy must be so delivered before your proxy may exercise any of your rights as a shareholder at the AGM.

Please note that if you are the owner of dematerialised shares (i.e. have replaced the paper share certificates representing the shares with electronic records of ownership under the JSE's electronic settlement system, Strate Limited ("Strate"), held through a CSDP or broker) and are not registered as an "own name" dematerialised shareholder, you are not registered as a shareholder of the company, but appear on the sub-register of the company held by your CSDP. Accordingly, in these circumstances subject to the mandate between yourself and your CSDP or broker, as the case may be:

- if you wish to attend the AGM you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from them; alternatively
- if you are unable to attend the AGM but wish to be represented at the meeting, you must contact your CSDP or broker, as the case may be, and furnish them with your voting instructions in respect of the AGM and/or request them to appoint a proxy. You must then not complete the attached form of proxy. The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be, within the time period required by them.

CSDPs, brokers or their nominees, as the case may be, recorded in the company's sub-register as holders of dematerialised shares held on behalf of an investor/beneficial owner in terms of Strate should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares in the company, vote by either appointing a duly authorised representative to attend and vote at the AGM or by completing the attached form of proxy in accordance with the instructions thereon and returning it, for administrative purposes, to the office of the company's transfer secretaries by no later than 10:00 on Wednesday, 3 June 2020, being 24 hours before the time appointed for the holding of the AGM (excluding Saturdays, Sundays and public holidays). Any form of proxy not so lodged beforehand may be delivered to the company at any time before the AGM commences.

Shareholders of the company, other than natural persons, that wish to participate in the AGM, may authorise any person to act as their representative at the annual general meeting.

Section 63(1) of the Companies Act requires that a person wishing to participate in the AGM (including any representative or proxy) must provide satisfactory identification (such as valid identity documents, driver's licences or passports) before they may attend or participate at such meeting.

By order of the board



Trencor Services Proprietary Limited  
Secretaries  
Per Guy Norval

Cape Town  
30 April 2020