



SEPHAKU  
HOLDINGS LTD

Notice of annual  
general meeting

**15 September 2021**



# INDEX

<b>Letter to shareholders</b>	<b>02</b>
<b>Notice of annual general meeting (AGM)</b>	<b>03</b>
<b>Annexure 1 – summarised consolidated financial results</b>	<b>10</b>
<b>Annexure 2 – board of directors (subject to re-election and election)</b>	<b>19</b>
<b>Annexure 3 – remuneration policy and directors’ emoluments</b>	<b>20</b>
<b>Annexure 4 – shareholders’ analysis</b>	<b>26</b>
<b>Annexure 5 – stated capital and related party transactions</b>	<b>27</b>
<b>Annexure 6 – directors’ responsibility statement and material changes statement</b>	<b>29</b>
<b>Annexure 7 – form of proxy</b>	<b>31</b>
<b>Annexure 8 – electronic participation in the Sephaku Holdings Limited AGM</b>	<b>33</b>
<b>Corporate information</b>	<b>IBC</b>

# LETTER TO SHAREHOLDERS

We invite you to attend the Sephaku Holdings Limited annual general meeting (AGM), which will be held electronically on Wednesday, 15 September 2021 at 10:00HS SAST. We encourage you to participate and vote in the AGM electronically and, for administrative ease, to make use of proxy voting as outlined in the notice of AGM (notice). The AGM is your opportunity to engage with company executives regarding the group's performance for the year ended 31 March 2021.

In light of the continued COVID-19 outbreak in South Africa, its status as an ongoing pandemic and the announcement by the President, Cyril Ramaphosa on Sunday, 27 June 2021 that the nation would immediately transition to the restrictive Level 4 protocols for two weeks, it may not be possible or responsible to hold the AGM in person. The board of directors has, in the unpredictable circumstances, determined that it is necessary, prudent and preferable that the AGM be held by way of electronic participation only, and not by way of a physical meeting.

The AGM will accordingly only be accessible through electronic communication, in accordance with the provisions of the Companies Act, 71 of 2008, as amended (the Companies Act) and the company's memorandum of incorporation (MOI). The company has retained the services of The Meeting Specialist Proprietary Limited (TMS) to remotely host the AGM on an interactive electronic platform, in order to facilitate remote participation and voting by shareholders. TMS will also act as scrutineer for the purposes of the AGM.

The integrated annual report will not be mailed to shareholders as part of our strategy to contain costs. However, all the information that you may require for voting at the AGM is included in this booklet, including the detailed notice, the summarised consolidated financial statements and other supporting documentation. The integrated annual report is available on <https://sephakuholdings.com/investor-centre/results-and-reports/>.

If you are not able to participate in the AGM, you may vote by proxy according to the instructions in the notice and form of proxy. For a summary of the shareholders' rights in respect of proxy appointments as contained in section 58 of the Companies Act refer to the notes to the form of proxy on page 32.

Yours sincerely

The logo for Acorim, featuring the word "Acorim" in a stylized, cursive script font.

**Acorim Proprietary Limited**

*Group company secretary*

30 July 2021

# NOTICE OF ANNUAL GENERAL MEETING



## **Sephaku Holdings Limited**

Incorporated in the Republic of South Africa

Registration number: 2005/003306/06

JSE share code: SEP

ISIN: ZAE000138459

In terms of section 62(3)(a) of the Companies Act, 71 of 2008, as amended (the Companies Act) and, subject to any cancellation, postponement or adjournment, notice is hereby given to shareholders of Sephaku Holdings Limited (“SepHold” or “the company”) that the annual general meeting (AGM) will be held by way of electronic communication on Wednesday, 15 September 2021 at 10:00HS.

The AGM is for SepHold shareholders to (i) consider and, if deemed fit, adopt with or without modification, the ordinary and special resolutions as set out in this notice of AGM (notice) in the manner required by the Companies Act, as read with the Listings Requirements (Listings Requirements) of the JSE Limited (JSE), and (ii) deal with such other business as may lawfully be dealt with at the AGM.

## **RECORD DATES**

The board of directors of SepHold (the board) in accordance with section 62(3)(a) as read with section 59(1)(b) of the Companies Act, determined that shareholders recorded in the SepHold securities register for determining which shareholders are entitled to:

- receive the notice by Friday, 23 July 2021; and
- participate in, and vote on the resolutions to be proposed at the AGM by Friday, 10 September 2021.

Accordingly, the last day to trade SepHold shares to be recorded in the securities register of SepHold to be entitled to participate in and vote during the AGM will be Tuesday, 7 September 2021.

## **ACTION BY SHAREHOLDERS**

Certificated shareholders or “own name” registered dematerialised shareholders are entitled to participate and vote during the AGM or any adjournment thereof or may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a shareholder or member of the board.

Completion of a form of proxy will not preclude such shareholder from participating and voting (in preference to that shareholder’s proxy) during the AGM or any adjournment thereof.

Dematerialised shareholders (not with “own name” registration) must notify their Central Securities Depository Participant (CSDP) or broker of their intention to participate in the AGM for such CSDP or broker to be able to issue them with the necessary letter of representation to enable them to participate in the AGM or should the dematerialised shareholder not wish to participate in the AGM, they should provide their CSDP or broker with their voting instructions.

For administrative purposes only, we request that completed forms be emailed to [proxy@tmsmeetings.co.za](mailto:proxy@tmsmeetings.co.za).

Forms of proxy may also be submitted electronically to the chairperson before the start of the AGM or voting on any particular resolution commences as set out in this notice. During the AGM, each shareholder will have voting rights determined in terms of the shares held by such shareholder as set out in the memorandum of incorporation of the company (MOI). AGM participants will be required to provide identification to the reasonable satisfaction of the chairperson of the AGM.

An official identification document issued by the South African Department of Home Affairs, a driver’s licence or a valid passport will be accepted as sufficient identification. Shareholders who have any doubt as to the action they are required to take in respect of the following resolutions should consult their CSDP, broker, banker, attorney, accountant, or other professional advisers immediately.



## ELECTRONIC PARTICIPATION

Shareholders who wish to participate electronically in and/or vote at the AGM are required to contact The Meeting Specialist (TMS) on [proxy@tmsmeetings.co.za](mailto:proxy@tmsmeetings.co.za) as soon as possible, but in any event no later than 10:00HS on Monday, 13 September 2021. TMS will assist shareholders with the requirements for electronic participation in, and/or voting at, the AGM.

In terms of section 61(10) read with sections 63(2) and (3) of the Companies Act, every shareholder meeting of a public company must be reasonably accessible within South Africa for electronic participation by shareholders. The application form with details on how to participate electronically forms part of this notice and can be accessed from the company website on: [www.sephakuholdings.com](http://www.sephakuholdings.com)

## PURPOSE

The purpose of the AGM is for the following business to be transacted:

- The board will present the annual financial statements of SepHold for the financial year ended 31 March 2021 (2021 AFS), including the reports of the independent auditors, the directors, the remuneration and nomination committee, the social and ethics committee and the audit and risk committee to shareholders;
- The shareholders will consider and, if deemed fit, pass, with or without modification, the ordinary and special resolutions (resolutions) set out in this notice (which are to be proposed at the AGM) per the requirements of the MOI of SepHold, the Companies Act, the JSE Listings Requirements, and to the extent applicable, the principles and recommended practices set out in the King Report on Corporate Governance™ for South Africa, 2016 (King IV)\*; and
- Consider all matters of SepHold as may lawfully be dealt with at the AGM.

## AGENDA

### Presentation of 2021 AFS

The integrated annual report of SepHold for 2021, incorporating, among other things, the directors' report, the 2021 AFS, the report of the independent auditors, the report of the remuneration and nomination committee, social and ethics committee and the report of the audit and risk committee were made available to shareholders on 30 July 2021. The 2021 AFS together with the report of the independent auditors and the reports of the directors will be presented to the shareholders at the AGM as required in terms of the Companies Act, read with the Companies Regulations, 2011.

### Report from the social and ethics committee

Following regulation 43(5)(c) of the Companies Regulations, 2011, the chairperson of the social and ethics committee or, in his absence, any member of the committee, will present the committee's report to shareholders at the AGM.

## ORDINARY RESOLUTIONS

To consider and, if deemed fit, to pass, with or without modification, all of the ordinary resolutions relating to the business set out below. Unless otherwise stated, the minimum percentage of voting rights required for each of the ordinary resolutions set out below to be adopted is more than 50% (fifty percent) of the voting rights exercised on each of the resolutions by shareholders present or represented by a proxy at the AGM.

Ordinary resolution number 4.1 and ordinary resolution number 4.2 are non-binding resolutions which are of an advisory nature only, and failure to pass these resolutions will not have any legal consequences relating to existing arrangements. In terms of the JSE Listings Requirements, ordinary resolution number 7 must be passed by at least 75% (seventy-five percent) majority of the votes cast in favour of the resolution by shareholders present or represented by a form of proxy at the AGM.

### ORDINARY RESOLUTION NUMBER 1

#### Re-appointment of independent external auditors

**Resolved that** on the recommendation of the current audit and risk committee, BDO South Africa Inc be and is hereby appointed as the independent external auditors of SepHold (until the conclusion of the next AGM of SepHold). Jacques Barradas, as the individual designated registered auditor, and the audit and risk committee be and is hereby authorised to determine the auditor's remuneration."

#### Explanatory note

The audit and risk committee assessed the performance and accreditation of the proposed independent auditor and the proposed individual registered auditor (i.e., the designated auditor) in terms of the applicable regulations and legislation and is satisfied with their independence, accreditation, and performance. The audit and risk committee are also satisfied that the audit firm is accredited to appear on the JSE List of Accredited Auditors and that the individual registered auditor of SepHold does not appear on the JSE List of Disqualified Auditors.

The audit and risk committee confirms that independent assessments of the current audit firm and the designated individual auditor of SepHold will continue to be conducted and that the audit and risk committee is cognisant of the timing of audit firm rotation in light of the mandatory audit firm rotation requirements issued by the Independent Regulatory Board for Auditors (IRBA), effective on 1 April 2023. Having reviewed the IRBA's finding and inspection report as well as a summary of internal review findings provided by the auditors, in terms of paragraph 22.15(h) of the JSE Listings Requirements, the audit and risk committee is satisfied that both BDO and Jacques Barradas are accredited in terms of the JSE Listings Requirements and are independent from the company.

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**ORDINARY RESOLUTION NUMBER 2****Appointment and re-election of directors**

“**Resolved** to individually re-elect each of the following directors (ordinary resolutions 2.1 to 2.3 to be voted on and adopted as separate resolutions). The board recommends the re-election of these directors.”

**Ordinary resolution 2.1:** “**Resolved** that the re-election of Ms. Bukelwa Bulu, as an independent non-executive director, who retires by rotation at this AGM, but being eligible to do so, offers herself for re-election, is hereby confirmed.”

**Ordinary resolution 2.2:** “**Resolved** that the re-election of Mr. Moss Ngoasheng, as a non-executive director, who retires by rotation at this AGM, but being eligible to do so, offers himself for re-election, is hereby confirmed.”

**Explanatory note**

Under the MOI of SepHold, one-third of all non-executive directors are required to retire at the AGM. Accordingly, they will retire and, being eligible, offer themselves for re-election to serve as directors of SepHold. Accordingly, Ms. Bukelwa Bulu, Mr. Moss Ngoasheng will retire and being eligible, offer themselves for re-election to serve as directors of SepHold.

The remuneration and nomination committee reviewed the composition of the board against corporate governance, individual performance and diversity requirements and has recommended the re-election and appointment of the directors listed above. The performance of each retiring director has been assessed.

The board recognises that Mr. Moss Ngoasheng has been a member of the board for 13 years. Mr. Ngoasheng’s independence has been scrutinised by the board with the assistance of the remuneration and nomination committee. Although he is a shareholder of SepHold through Safika Resources Proprietary Limited, the board is satisfied that his ownership constitutes a small portion of his overall wealth and is unlikely to influence his independence. The assessment highlighted that Mr. Ngoasheng’s extensive knowledge in deal structuring and the building materials sector is valuable to SepHold’s strategic intent. The board values the depth of his experience and concluded that his independence of character and judgement is not in any way affected or impaired by his years of service to SepHold.

Following such review, the board recommends to shareholders the re-election of the directors mentioned above, by way of 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.

Abbreviated *curricula vitae* in respect of each director listed above appears in Annexure 2 of this notice.

**ORDINARY RESOLUTION NUMBER 3****Appointment of the chairperson and members of the audit and risk committee**

“**Resolved** to individually elect the following independent non-executive directors (ordinary resolutions 3.1 to 3.3) of SepHold as the chairperson and members of the audit and risk committee until the conclusion of the next AGM of SepHold. The board recommends the appointment of these members.”

**Ordinary resolution 3.1:** “**Resolved** that the re-election of Mr. Brent Williams as a member of the audit and risk committee, be and is hereby confirmed.”

**Ordinary resolution 3.2:** “**Resolved** that the re-election of Ms. Martie Janse van Rensburg as a member and chairperson of the audit and risk committee, be and is hereby confirmed.”

**Ordinary resolution 3.3:** “**Resolved** that, subject to the passing of ordinary resolution 2.1, the re-election of Ms. Bukelwa Bulu as a member of the audit and risk committee, be and is hereby confirmed.”

**Explanatory note**

In terms of section 94(2) of the Companies Act, an audit committee comprising at least 3 (three) members must be elected by shareholders at each AGM of a public company. Further, in terms of regulation 42 of the Companies Regulations, 2011, at least one-third of the members of a public company’s audit committee members at any particular time must have appropriate academic qualifications or experience in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.

Having reviewed the composition of the audit and risk committee and the qualifications, experience, expertise and independence of each of the members of the audit and risk committee, the remuneration and nomination committee satisfied itself that the members of the audit and risk committee continue to meet the requirements of the Companies Act.

The board recognises that King IV recommends against the appointment of a board chairperson to the audit committee. The decision to re-appoint Mr. Brent Williams to the audit and risk committee was informed by the number of independent, non-executive directors on the board and their availability. Consideration was also made of the SepHold cost reduction programme in deciding not to appoint a new board member to fill the position. The remuneration and nomination committee decided that Mr. Brent Williams is best qualified to fulfil the position without the appointment of an additional independent, non-executive director to comply with the requisites of the composition of the committee.

The remuneration and nomination committee, with the support of the board, unanimously recommends and supports the re-election of Mr. Brent Williams, Ms. Martie Janse van Rensburg and Ms. Bukelwa Bulu to the audit and risk committee.

Abbreviated *curricula vitae* in respect of each member of the audit and risk committee, appears in Annexure 2 of this notice.

## **NON-BINDING ADVISORY VOTES (COMPRISING NON-BINDING ADVISORY VOTE NUMBERS 4.1 AND 4.2, ALL INCLUSIVE)**

### **Non-binding advisory votes on the SepHold remuneration policy and implementation report**

**Ordinary resolution 4.1:** “Resolved that as a separate non-binding advisory vote that SepHold’s remuneration policy, as set out in Annexure 3, be and is hereby approved.”

**Ordinary resolution 4.2:** “Resolved that as a separate non-binding advisory vote that the implementation report, as set out in Annexure 3, be and is hereby approved.”

### **Explanatory note**

In terms of King IV, read with the JSE Listings Requirements, the company’s remuneration policy and implementation report must each be tabled to shareholders for a non-binding advisory vote at each AGM of the company. These non-binding advisory votes enable shareholders to express their views on the company’s remuneration policy and on how the company implements the remuneration policy.

The non-binding resolutions are of an advisory nature only, and failure to pass these resolutions will not have any legal consequences relating to existing arrangements. The board will take the outcome of each of the non-binding advisory votes in consideration when considering SepHold’s future remuneration policy and remuneration implementation report. In terms of paragraph 3.84 (j) of the JSE Listings Requirements, the remuneration policy must record the measures that the board commits to take in the event these non-binding resolutions are voted against by 25% (twenty-five percent) or more of the voting rights exercised. SepHold will, as recommended by King IV and required by the JSE, implement certain measures, including:

- an invitation to dissenting shareholders (those who voted against the remuneration policy and/or implementation report) to engage with the company; and
- the manner and timing of such engagement.

After that, the company will engage with the dissenting shareholders to address the matters of concern.

## **ORDINARY RESOLUTION NUMBER 5**

### **Signature of documents**

“Resolved that each director of SepHold, or the company secretary, be and is hereby individually authorised to sign all such documents and do all such things as may be necessary for, or incidental to, the implementation of those resolutions set out in this notice.”

## **ORDINARY RESOLUTION NUMBER 6**

### **Control of authorised but unissued ordinary shares**

“Resolved that the authorised but unissued ordinary shares in the capital of the company be and are hereby placed under the control and authority of the directors of the company (“directors”) and that the directors be and are hereby authorised and empowered to allot and issue all or any of such ordinary shares, or to issue any options in respect of all or any of such ordinary shares, to such person/s on such terms and conditions and at such times as the directors may from time to time and in their discretion deem fit, subject to the provisions of sections 36 and 38 of the Companies Act, clause 8.7 of the company’s MOI and the provisions of the JSE Listings Requirements, when applicable.

## **ORDINARY RESOLUTION NUMBER 7**

### **General authority to issue shares for cash**

“Resolved that, subject to the Companies Act and the JSE Listings Requirements, SepHold be and is hereby given a general authority to allot and issue the unissued ordinary shares in the capital of SepHold (or options to subscribe for, or securities that are convertible into such ordinary shares) as an issue for cash as and when suitable situations arise and, on such terms, and conditions as they deem fit, subject to the following:

- the authority shall be valid until the date of the next AGM of SepHold, provided it shall not extend beyond 15 (fifteen) months from the date of this AGM;
- issues in terms of this authority will not, in any financial year, in aggregate, exceed 5% (five percent) of the number of ordinary shares in SepHold’s issued share capital as at the date of this notice being 12 724 322 shares. In the event of a subdivision or consolidation of issued equity securities, this authority must be adjusted accordingly to represent the same allocation ratio;
- the shares, which are the subject of the issue for cash, must be of a class already in issue or, where this is not the case, must be limited to such equity securities or rights that are convertible into a class already in issue;
- the shares must be issued only to public shareholders (as defined in the JSE Listings Requirements) and not to related parties;
- the maximum discount at which such shares may be issued is 10% (ten percent) of the weighted average traded price of the company’s shares over the 30 (thirty) business days before the date that the price of the issue is agreed between the company and the party subscribing for the securities; and
- upon any issue of shares for cash which, on a cumulative basis within the validity period of this general authority, constitute 5% (five percent) or more of the number of shares of the class in issue as at the date of this AGM, the company shall by way of an announcement on SENS, give full details thereof in compliance with the JSE Listings Requirements.
- this resolution and the restrictions contained herein do not apply to any pro rata rights offer to shareholders. In terms of the JSE Listings Requirements, this resolution requires more than 75% (seventy-five percent) of the voting rights in favour thereof to be adopted.

**Explanatory note**

The purpose of this ordinary resolution number 7 is to obtain a general authority for, and to authorise, SepHold by way of a general authority in terms of the JSE Listings Requirements and the Companies Act, to issue ordinary shares for cash in SepHold. The effect of the passing of this ordinary resolution will be to authorise SepHold, from time to time, to issue ordinary shares as may be required, *inter alia*, in terms of capital raising exercises.

**SPECIAL RESOLUTIONS**

To consider and, if deemed fit, to pass, with or without modification, all of the special resolutions relating to the business set out below. At least 75% (seventy-five percent) of the voting rights exercised on each resolution must be exercised in favour of those resolutions for it to be validly adopted.

**SPECIAL RESOLUTION NUMBER 1****General authority to repurchase securities**

**“Resolved that** an acquisition by the company or any subsidiary of the group<sup>#</sup> is hereby authorised, by way of a general authority, from time to time, to repurchase any of the shares issued by SepHold, upon such terms and conditions and in such amounts as the directors may from time to time determine. It will be subject to the provisions of section 46 and 48 of the Companies Act, the MOI of any subsidiary of the group and the JSE Listings Requirements, which may be amended from time to time. Acquisitions by SepHold of its shares may not, in the aggregate, exceed in any one financial year 20% (twenty percent) of its issued share capital of that class of shares acquired from the date of the grant of this general approval. In respect of any other group entity, such acquisition of SepHold shares may not exceed 10% (ten percent), provided that:

- the repurchase of securities will be implemented through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the group entity and the counterparty (reported trades are prohibited);
- this general authority shall be valid only until the next AGM or for 15 (fifteen) months from the date of this resolution, whichever period is shorter;
- repurchases may not be made at a price greater than 10% (ten percent) above the weighted average of the market value for the securities for the 5 (five) business days immediately preceding the date on which the transaction is affected;
- at any point in time, SepHold may appoint only 1 (one) agent to affect any repurchase on the company's behalf;
- no group entity may repurchase securities during a prohibited period, as defined in the JSE Listings Requirements unless a repurchase programme is in place in terms of which the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and full details of such programme have been submitted to the JSE in writing before the commencement of the prohibited period;
- SepHold will instruct an independent third party, which makes its investment decisions about the company's securities independently of, and uninfluenced by, the company, before the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
- SepHold may only repurchase the securities once authorised by the board through a resolution confirming that SepHold has applied and passed the solvency and liquidity test as contemplated in section 4 of the Companies Act (test), and that since the test was done, there have been no material changes to the financial position of the group; and
- an announcement will be published on SENS as soon as the company or any subsidiary of the group has acquired securities constituting, on a cumulative basis, 3% (three percent) of the number of securities in issue and for each 3% (three percent) in aggregate of the initial number acquired after that.”

Although there is no immediate intention to repurchase SepHold's securities, the directors would utilise the general authority to repurchase securities as and when suitable opportunities present themselves, which opportunities may require prompt and immediate action.

**Adequacy of working capital**

At the time that the contemplated repurchase is to take place, the directors will ensure that, after considering the effect of the maximum repurchase and for a period of 12 (twelve) months thereafter:

- the company and the group will be able to pay their debts as they become due in the ordinary course of business;
- the assets of the company and the group will be in excess of the liabilities of the company and the group. For this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited consolidated AFS;
- the share capital and reserves of the company and the group will be adequate for the purpose of the ordinary business of the company and the group;
- the working capital to the company and the group will be adequate for ordinary business purposes; and
- the board will authorise the repurchase, that the company and the group have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the group.

<sup>#</sup> SepHold, Métier Mixed Concrete Proprietary Limited (Métier or the subsidiary) and Dangote Cement SA Proprietary Limited (SepCem or the associate) are collectively referred to as the group.

## Other disclosures in terms of paragraph 11.26 of the JSE Listings Requirements

The JSE Listings Requirements require the following disclosures, which are contained in the 2021 integrated annual report of SepHold:

- Major shareholders set out on page 26; and
- The share capital of SepHold set out page 27.

## Material change

Other than the facts and developments reported in the 2021 AFS (as set out in the 2021 integrated annual report of SepHold), there have been no material changes in the financial or trading position of the group since the date of the audit report and up to the date of this notice.

## Directors' responsibility statement

The directors, whose names are set out in the corporate information section of this notice, collectively and individually accept full responsibility for the accuracy of the information on special resolution number 1 and certify that to the best of their knowledge and belief, there are no facts concerning it that have been omitted which would make any statement about this special resolution false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this special resolution contains all the information required by the JSE Listings Requirements.

## Explanatory note

The purpose of this special resolution number 1 is to obtain a general authority for, and to authorise, the company or any subsidiary of the group, by way of a general authority in terms of the JSE Listings Requirements and the Companies Act, to acquire SepHold issued ordinary shares which general authority shall be valid until the earlier of the next AGM of SepHold or the variation or revocation of such general authority by special resolution by any subsequent general meeting of SepHold, provided that the general authority shall not extend beyond 15 (fifteen) months of the date of this AGM.

The effect of the passing of this special resolution will be to authorise any group entity to acquire the issued ordinary shares in SepHold. The board intends to use such authority should prevailing circumstances (including the financial position of the company, tax dispensations and market conditions) in the opinion of the board warrant it. In this regard, the board will take into account, among other things, an appropriate capitalisation structure for the long-term cash needs and the best interest of SepHold.

## SPECIAL RESOLUTION NUMBER 2

### Non-executive directors' remuneration

**“Resolved that** to the extent applicable in terms of section 66(9) of the Companies Act, the payment by SepHold of remuneration to its non-executive directors for their services as non-executive directors of SepHold during the financial year ending 31 March 2022 be approved.”

### 2021 – annual fee

Chairperson of the board	R440 000
Independent non-executive	R335 000

### Proposed fee structure 2022 – annual fee

Chairperson of the board	R440 000
Independent non-executive	R335 000

## Explanatory note

The Companies Act requires that fees paid to directors for their services as directors be authorised by shareholders by way of a special resolution. The passing of this special resolution will have the effect of approving the directors' fees payable by SepHold for the year ending 31 March 2022, per section 66(9) of the Companies Act. The non-executive directors' fees have not been increased for three years since FY 2019 due to the weak building materials demand and the impact of COVID-19 restrictions.

## SPECIAL RESOLUTION NUMBER 3

### Financial assistance for any beneficiary participating in any SepHold incentive scheme

**“Resolved that** shareholders hereby approve of SepHold providing any or indirect financial assistance, as contemplated as such in section 44 of the Companies Act, as may apply to any beneficiary participating in any SepHold group share incentive scheme or a person related to any beneficiary.”

## Explanatory note

Section 44 of the Companies Act regulates the provision of financial assistance by the company to any person by way of a loan, guarantee, the provision of security, or otherwise, for or in connection with:

- the subscription of any option, or any securities, issued or to be issued by the company or related or inter-related company; or
- for the purchase of any securities of the company, or a related or inter-related company.

It may be necessary for the company to provide financial assistance to directors and employees who participate in the SepHold share incentive scheme. This assistance is only envisaged under the circumstances where options are exercised, and an election is made to dispose of some or all of these shares to cover the issue price and the resulting income tax liability. On a strict interpretation, financial assistance is provided from the time of exercise of the option until the proceeds of the sale are paid to the company. This is the only assistance envisaged to directors and employees under this section.

**SPECIAL RESOLUTION NUMBER 4****Financial assistance for present or future subsidiaries**

“**Resolved that** shareholders hereby approve, in terms of section 45 of the Companies Act, of the provision by SepHold of direct or indirect financial assistance to any of its present or future subsidiaries.”

Special resolutions 3 and 4 are hereby approved provided that no such financial assistance may be provided at any time in terms of this authority after the expiry of 2 (two) years from the date of the adoption of the special resolutions (for the avoidance of doubt, these special resolutions above will be voted on by the shareholders as separate special resolutions) and provided that:

- the recipient(s) of such financial assistance, the form, nature and extent of such financial assistance, and the terms and conditions under which such financial assistance is provided, are determined by the board of SepHold from time to time;
- the board may not authorise SepHold to provide any financial assistance according to these special resolutions unless the board meets all those requirements of sections 44 and 45 of the Companies Act, which it is required to meet to authorise SepHold to provide such financial assistance; and
- such financial assistance to a recipient thereof is, in the opinion of the board, required for meeting all or any of such recipient's operating expenses (including capital expenditure), and/or funding the growth, expansion, re-organisation or restructuring of the businesses or operations of such recipient, and/or funding such recipient for any other purpose which, in the opinion of the board of SepHold, is directly or indirectly in the interests of SepHold.

**Explanatory note**

Section 45 of the Companies Act provides, among other things, that any financial assistance to related or inter-related companies and corporations, including, *inter alia*, to subsidiaries of the company, must be provided only according to a special resolution of the shareholders, adopted within the previous 2 (two) years, which approved such assistance either for the specific recipient or generally for a category of potential recipients. If a specific recipient falls within that category, the Board of directors must be satisfied that:

- immediately after providing the financial assistance, SepHold would satisfy the solvency and liquidity test, as defined in section 4 of the Companies Act;
- the terms under which the financial assistance is proposed to be given are fair and reasonable to the company; and
- any conditions or restrictions in respect of the granting of financial assistance set out in SepHold's MOI have been satisfied.

As part of the ordinary conduct of the business, SepHold, where necessary, may provide guarantees and other support undertakings to third parties which enter into financial agreements with its subsidiaries and joint ventures in which the company or members of the group have an interest. In the circumstances and to, among other things, ensure that the group and other related and inter-related companies and entities continue to have access to financing for purposes of refinancing existing facilities and funding their corporate and working capital requirements, it is necessary to obtain approval of the shareholders as set out in this special resolution. This will allow the board, always subject to applicable law, in particular, the solvency and liquidity requirements as set out in the Companies Act, to provide financial assistance to any person for the purposes envisaged in section 44(2) of the Companies Act.

**Other business**

To transact such other business as may be transacted at an AGM or raised by shareholders with or without advance notice to SepHold.

**By order of the board**

**30 July 2021**



# ANNEXURE 1 – SUMMARISED CONSOLIDATED FINANCIAL RESULTS

## STATEMENT OF FINANCIAL POSITION

as at 31 March 2021

	GROUP	
	2021 Audited R	2020 Audited R
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	102 748 478	124 271 483
Right-of-use assets	55 480 134	42 138 008
Goodwill	223 421 981	223 421 981
Intangible assets	–	–
Investment in joint ventures	120 552	120 552
Investment in associate	828 648 873	812 678 672
Other financial assets	10 761 835	10 761 735
Loans receivable	4 619 849	–
Other investment	2 000 000	2 000 000
	<b>1 227 801 702</b>	1 215 392 431
<b>Current assets</b>		
Inventories	17 036 206	16 763 507
Loans receivable	3 378 272	–
Current tax receivable	–	1 643 331
Trade and other receivables	90 294 047	79 070 855
Cash and cash equivalents	32 752 474	6 381 459
	<b>143 460 999</b>	103 859 152
Non-current assets held for sale	–	18 503 897
<b>Total assets</b>	<b>1 371 262 701</b>	1 337 755 480
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Stated capital	682 965 910	682 782 720
Reserves	11 052 071	10 643 889
Retained income	427 666 953	407 339 227
	<b>1 121 684 934</b>	1 100 765 836
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Other financial liabilities	58 006 387	71 846 168
Lease obligation	56 046 957	45 497 397
Deferred income	–	199 670
Deferred taxation	18 028 323	15 848 539
	<b>132 081 667</b>	133 391 774
<b>Current liabilities</b>		
Other financial liabilities	13 311 072	21 640 732
Lease obligation	11 360 944	7 974 561
Current taxation payable	1 081 405	–
Trade and other payables	91 426 002	71 672 558
Deferred income	316 677	677 887
Bank overdraft	–	1 632 132
	<b>117 496 100</b>	103 597 870
<b>Total liabilities</b>	<b>249 577 767</b>	236 989 644
<b>Total equity and liabilities</b>	<b>1 371 262 701</b>	1 337 755 480
Net asset value per share (cents)	440.74	432.54
Tangible net asset value per share (cents)	352.95	344.75
Ordinary shares in issue	254 486 436	254 486 436

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2021

	<b>GROUP</b>	
	<b>Year ended 31 March 2021 Audited R</b>	Year ended 31 March 2020 Audited R
Revenue	<b>634 252 530</b>	727 040 453
Cost of sales	<b>(390 567 079)</b>	(448 827 639)
<b>Gross profit</b>	<b>243 685 451</b>	278 212 814
Operating income	<b>10 336 510</b>	994 265
Operating gains	<b>611 995</b>	–
Operating expenses	<b>(234 169 475)</b>	(283 773 403)
<b>Operating profit/(loss)</b>	<b>20 464 481</b>	(4 566 324)
Investment income	<b>1 516 826</b>	882 879
Income from equity-accounted investment	<b>15 970 201</b>	476 798
Finance costs	<b>(13 817 663)</b>	(18 712 646)
<b>Profit/(loss) before taxation</b>	<b>24 133 845</b>	(21 919 293)
Taxation	<b>(4 211 933)</b>	4 546 657
<b>Profit/(loss) for the year</b>	<b>19 921 912</b>	(17 372 636)
Other comprehensive income	–	–
<b>Total comprehensive income/(loss) for the year</b>	<b>19 921 912</b>	(17 372 636)
Basic earnings/(loss) per share (cents)	<b>7.83</b>	(8.12)
Diluted earnings/(loss) per share (cents)	<b>7.83</b>	(8.12)

# STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2021

	GROUP			
	Stated capital R	Equity-based share option reserve R	Retained income R	Total equity R
<b>Balance at 31 March 2019</b>	648 003 095	14 351 157	419 428 025	1 081 782 277
Loss for the year	-	-	(17 372 636)	(17 372 636)
<b>Total comprehensive income for the year</b>	-	-	(17 372 636)	(17 372 636)
Issue of shares	37 478 911	-	-	37 478 911
Rights issue expense capitalised	(2 699 286)	-	-	(2 699 286)
Employees' share option scheme	-	(3 707 268)	5 283 838	1 576 570
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	34 779 625	(3 707 268)	5 283 838	36 356 195
<b>Balance at 31 March 2020</b>	682 782 720	10 643 889	407 339 227	1 100 765 836
Profit for the year	-	-	<b>19 921 912</b>	<b>19 921 912</b>
Other comprehensive income for the year	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	<b>19 921 912</b>	<b>19 921 912</b>
Rights issue expense refunded	<b>183 190</b>	-	-	<b>183 190</b>
Employees' share option scheme	-	<b>408 182</b>	<b>405 814</b>	<b>813 996</b>
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	<b>183 190</b>	<b>408 182</b>	<b>405 814</b>	<b>997 186</b>
<b>Balance at 31 March 2021</b>	<b>682 965 910</b>	<b>11 052 071</b>	<b>427 666 953</b>	<b>1 121 684 934</b>

**STATEMENT OF CASH FLOWS**

for the year ended 31 March 2021

	<b>Group</b>	
	<b>2021 R</b>	2020 R
<b>Cash flows from operating activities</b>		
Cash generated from operations	<b>47 336 451</b>	34 647 822
Interest income	<b>957 476</b>	882 879
Finance costs	<b>(7 173 455)</b>	(10 831 740)
Taxation paid/(received)	<b>692 588</b>	(467 600)
<b>Net cash from operating activities</b>	<b>41 813 060</b>	24 231 361
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	<b>(2 746 725)</b>	(12 373 063)
Sale of property, plant and equipment	<b>8 771 346</b>	2 459 119
Sale of non-current assets held for sale	<b>18 500 000</b>	–
Loans (advanced)/repaid	<b>(100)</b>	156 645
<b>Net cash from/(used in) investing activities</b>	<b>24 524 521</b>	(9 757 299)
<b>Cash flows from financing activities</b>		
Proceeds on share issue	–	34 779 624
Rights issue expenses refunded	<b>119 561</b>	–
Repayment of other financial liabilities	<b>(22 405 161)</b>	(30 286 588)
Payments of principal on leases	<b>(9 270 664)</b>	(6 468 123)
Payments of interest on leases	<b>(6 778 170)</b>	(5 843 084)
<b>Net cash (used in) financing activities</b>	<b>(38 334 434)</b>	(7 818 171)
<b>Total cash and cash equivalents movement for the year</b>	<b>28 003 147</b>	6 655 891
Cash and cash equivalents at the beginning of the year	<b>4 749 327</b>	(1 906 564)
<b>Total cash and cash equivalents at end of the year</b>	<b>32 752 474</b>	4 749 327

# NOTES TO THE SUMMARISED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## BASIS OF PREPARATION

The summarised consolidated financial results for the year ended 31 March 2021 (annual reporting period) have been prepared in accordance with the Companies Act, the JSE Listings Requirements, the framework concepts and the measurement and recognition requirements of the International Financial Reporting Standards (IFRS), the South African Institute of Chartered Accountants Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council as required by International Accounting Standard 34 Interim Financial Reporting. The results have been prepared on a historical cost basis, except for the measurement of investment property which is carried at fair value.

The accounting policies applied in the preparation of the consolidated annual financial statements, from which the consolidated financial statements were derived, are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the previous consolidated AFS, except for the change in accounting policy as set out below. As a result of the adoption of new and amended standards and interpretations in issue that were effective for the first time in the current reporting period, a number of new policies were introduced. However, the adoption of these new amendments and interpretations did not have a material impact on the results for the current period.

The preparation of the AFS has been supervised by Mr. NR Crafford-Lazarus CA(SA).

## AUDIT OPINION

The summarised financial information included in this announcement is extracted from audited information but is not itself audited. The directors take full responsibility for the preparation of the summarised financial information and that it has been correctly extracted from the underlying AFS.

The underlying AFS have been audited by the group's external auditors, BDO South Africa Incorporated. A copy of their unqualified report, as well as the AFS, are available for inspection at the company's registered office and the website: [www.sephakuholdings.com](http://www.sephakuholdings.com).

## EFFECTS OF CHANGES IN ACCOUNTING POLICIES

### IFRS 3 Business Combinations (Amendment – Definition of Business)

As a result of the post-implementation review of IFRS 3, these amendments modify the definition of a business. These changes will result in fewer acquisitions being accounted for as a business combination within the scope of IFRS 3. The amendments also introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is a business. These amendments in IFRS 3 did not have any impact on the amounts recognised in the group's current and prior periods.

### IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative

**Definition of material:** The amendments clarify and align the definition of material and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS standards. The impact of this amendment was not material on the group.

### IFRS 16 Leases Covid-19-Related Rent Concessions

In response to the COVID-19 pandemic, in May 2020 the IASB issued amendments to IFRS 16, which permits lessees not to assess whether a rent concession received meets the definition of a lease modification, if certain criteria are satisfied. Instead, lessees apply other applicable IFRS standards, which will often result in a rent concession being recorded as a negative variable payment (e.g. DR lease liability, CR profit or loss).

The amendments were adopted during the financial year under review. This resulted in other operating gains of R553 438 that was recorded in the statement of profit and loss and other comprehensive income in the current period.

## NET ASSET VALUE PER SHARE AND EARNINGS PER SHARE

	GROUP	
	Year ended 31 March 2021 Audited R	Year ended 31 March 2020 Audited R
<b>Net asset value and tangible net asset value per share</b>		
Total assets	<b>1 371 262 701</b>	1 337 755 480
Total liabilities	<b>(249 577 767)</b>	(236 989 644)
Net asset value attributable to equity holders of parent	<b>1 121 684 934</b>	1 100 765 836
Goodwill	<b>(223 421 981)</b>	(223 421 981)
Tangible net asset value	<b>898 262 953</b>	877 343 855
Shares in issue	<b>254 486 436</b>	254 486 436
Net asset value per share (cents)	<b>440.76</b>	432.54
Tangible net asset value per share (cents)	<b>352.97</b>	344.75

	2021 Gross R	2021 Net R	2020 Gross R	2020 Net R
<b>Earnings, diluted earnings and headline earnings per share (HEPS)</b>				
<b>Reconciliation of basic earnings/(loss) to diluted earnings (loss) and headline earnings/(loss):</b>				
Profit attributable to ordinary equity holders of the parent entity		<b>19 921 912</b>		(17 372 636)
Less undeclared cumulative preference share dividend and related taxation		–		–
<b>IAS 33 earnings</b>		<b>19 921 912</b>		(7 372 636)
Less IAS 16 gains on the disposal of plant and equipment	<b>(6 131 547)</b>	<b>(4 414 714)</b>	442 042	318 273
Headline earnings/(loss) and diluted headline earnings attributable to equity holders of parent		<b>15 507 198</b>		(17 054 373)
Basic weighted average number of shares		<b>254 486 436</b>		214 047 496
Diluted weighted average number of shares		<b>254 486 436</b>		214 047 496
Basic earnings/(loss) per share (cents)		<b>7.83</b>		(8.12)
Diluted earnings/(loss) per share (cents)		<b>7.83</b>		(8.12)
Headline earnings/(loss) per share (cents)		<b>6.09</b>		(7.97)
Diluted headline earnings/(loss) per share (cents)		<b>6.09</b>		(7.97)

## SEGMENT INFORMATION

	Ready-mixed concrete R	Head office R	Group totals R
<b>2021</b>			
Segment revenue – external revenue	634 252 530	–	634 252 530
Segment cost of sales	(390 567 079)	–	(390 567 079)
Segment expenses	(221 532 189)	(12 637 288)	(234 169 477)
Profit from equity-accounted investment	–	15 970 201	15 970 201
Profit on sale of property, plant and equipment	6 131 547	–	6 131 547
Segment profit after taxation	16 588 212	3 333 700	19 921 912
Taxation	(4 211 933)	–	(4 211 933)
Interest received	1 516 012	814	1 516 826
Interest paid	(13 817 635)	(27)	(13 817 662)
Depreciation and amortisation	(22 017 484)	(27 366)	(22 044 850)
Segment assets	299 388 479	1 071 874 222	1 371 262 701
Investment in associate included in the above total segment assets	–	828 648 873	828 648 873
Capital expenditure included in segment assets	3 038 118	–	3 038 118
Segment liabilities	(248 465 612)	(1 112 155)	(249 577 767)
<b>2020</b>			
Segment revenue – external revenue	727 040 453	–	727 040 453
Segment cost of sales	(448 827 639)	–	(448 827 639)
Segment expenses	(267 152 926)	(16 620 477)	(283 773 403)
Profit from equity-accounted investment	–	476 798	476 798
(Loss) on sale of property, plant and equipment	(442 032)	–	(442 032)
Segment (loss) after taxation	(614 783)	(16 757 853)	(17 372 636)
Taxation	4 386 074	160 583	4 546 657
Interest received	881 377	1 502	882 879
Interest paid	(17 936 389)	(776 257)	(18 712 646)
Depreciation and amortisation	(22 602 601)	(673 282)	(23 239 883)
Segment assets	265 340 375	1 072 415 105	1 337 755 480
Investment in associate included in the above total segment assets	–	812 678 672	812 678 672
Capital expenditure included in segment assets	12 373 063	–	12 373 063
Segment liabilities	(235 048 871)	(1 940 773)	(236 989 644)

The only commodity actively managed by Métier Mixed Concrete Proprietary Limited (Métier) is ready-mixed concrete.

The group does not rely on any single external customer or group of entities under common control for 10% or more of the group's revenue as disclosed in the annual financial statements. SepCem is an associate of SepHold. No segment report has been presented for cement (the commodity) as the amounts attributable to cement (the commodity) have been included in the head office segment.

## INVESTMENT IN ASSOCIATE

Due to the fact that the debt service ratio was 1.225 during the 2017 year instead of the required 1.3, negotiations were entered into with Nedbank to reshape the payment profile. This was successfully completed during the second half of 2017 and required a further R95 million contribution by shareholders. DCP made this contribution and in terms of the relationship agreement; SepHold will have to contribute 36% of this on demand or face dilution of approximately 1.2 percentage points. The shareholders are still in agreement with regards to the postponement of the timing of the repayment or dilution. SepHold has a potential liability of R34,2 million or a dilution in investment.

SepCem started the previous financial year with a cash balance of R500 million and was in the process of agreeing a pre-payment of R200 million on its bank debt in order to get relief of R25 million per payment on the next eight scheduled payments. Just before the payment was made, the government-enforced lockdown due to COVID-19 commenced and the overhead costs during this period required all these excess funds. It was envisaged that the impact of COVID-19 on SepCem could be a reduction in EBITDA levels that would not be able to service debt for the current year. The lenders were approached to waive capital payments for the balance of 2020 and receive interest only, but this was only to be considered if shareholders made a contribution of R125 million. DCP undertook to make this contribution in August 2020 and shareholders have agreed to treat this as a shareholders' loan.

**Summarised financial information of SepCem and its subsidiaries**

	<b>Year ended 31 December 2021 R</b>	Year ended 31 December 2020 R
Non-current assets	<b>2 975 354 023</b>	3 137 728 002
Current assets	<b>975 153 973</b>	985 419 948
<b>Total assets</b>	<b>3 950 507 996</b>	4 123 147 950
<b>Total equity</b>	<b>1 787 647 578</b>	1 619 823 998
Non-current liabilities	<b>(1 355 774 834)</b>	(1 544 718 955)
Current liabilities	<b>(807 085 584)</b>	(958 604 997)
<b>Total liabilities</b>	<b>(2 162 860 418)</b>	(2 503 323 952)
Revenue for the period	<b>2 400 546 294</b>	2 184 713 377
Cost of sales	<b>(2 018 365 098)</b>	(1 838 460 514)
<b>Gross profit</b>	<b>382 181 196</b>	346 252 863
Operating profit	<b>219 412 872</b>	178 680 758
Investment income	<b>13 322 396</b>	26 641 729
Finance costs	<b>(163 770 554)</b>	(234 675 157)
Profit/(loss) before taxation	<b>68 964 714</b>	(29 352 670)
Taxation (expense)/income	<b>(24 602 045)</b>	30 677 092
Profit after taxation for the year	<b>44 362 669</b>	1 324 422
<b>Total comprehensive income for the year</b>	<b>44 362 669</b>	1 324 422

**STATED CAPITAL**

The total number of 46 270 261 shares for a value of R0.81 per share, issued during the prior year related to the rights offer.

The company distributed a circular to the company's shareholders dated 27 January 2020 relating to the partially underwritten, renounceable rights offer to raise funds. The rights offer closed on Friday, 14 February 2020 and the directors announced that 43% of the rights offer shares, as well as excess applications for 4%, were subscribed for. The remainder of the shares were allocated to the underwriter as per the underwriting agreement (53%). This resulted in an amount of R37 478 911 being raised and R2 699 287 worth of expenses incurred were capitalised. During the current year R183 190 of the capitalised expenses were refunded.

The unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

**STATEMENT ON GOING CONCERN**

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Various cost-saving initiatives have been identified and implemented by both operating companies. This ranged from reduction in fleet and employment costs across all the operating plants to negotiations with all suppliers of premises and raw materials. With the impact of COVID-19 on the cash resources of both operating companies where overheads were incurred during periods of total lockdown and when operating at 50% during alert levels 5 and 4 respectively, both companies concluded negotiations with the banks to service interest, but not capital, for the second half of the 2020 calendar year. These savings enabled the group companies to fulfil their bank debt commitments and managed to build up sufficient cash reserves to cover the payments of the following years commitments. The repayment profile agreed for Métier's outstanding debt is substantially reduced from what was paid over the last five years and will be achieved with relative ease.

## EVENTS AFTER THE ANNUAL REPORTING PERIOD

While operations are currently at normal levels of output, the COVID-19 pandemic had an impact on group performance for the year ended 31 March 2021 as reported and seen in Q2 of the calendar year. The group entities continue to comply fully with the government directives applicable to the level of lockdown. The directors are not aware of any material fact or circumstance arising between the end of the reporting period and the date of this report that would require adjustments to or disclosure in the financial results.

## CHANGES TO THE BOARD

KJ Capes was re-appointed on 1 April 2020 as an executive director of SepHold and as the chief executive officer of Métier.

SepCem's chief executive officer, PF Fourie, was admitted to a hospital on 9 May 2021 after suffering a stroke and sadly passed away on 19 May 2021. He became CEO of SepCem in May 2007, and he was subsequently appointed a SepHold board director on 20 November 2009 following the JSE listing.

## COMPANY SECRETARY

There were no changes to the Company Secretary during the financial year.

By order of the board



**Neil Crafford-Lazarus**

*CEO and financial director (FD)*

**23 June 2021**



**Brent Williams**

*Chairperson – independent  
non-executive director*

# ANNEXURE 2 – BOARD OF DIRECTORS (SUBJECT TO RE-ELECTION AND ELECTION)

## **Bukelwa Bulo (43)**

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

*BBusSc (Finance) and PGDip in Accounting (University of Cape Town), CFA®, Leadership Development Program at Harvard Business School*

Bukelwa was appointed a director of SepHold on 26 October 2018. She has over 10 years' experience in private equity with exposure to a wide spectrum of sectors including industrial services and retail.

Bukelwa has expertise in investment and divestment evaluation, deal structuring, strategic and stakeholder management. She is a cofounder of Jade Capital Partners, an investment holding company focused primarily on the property, industrial, construction and building and construction materials sectors. Her current directorships include non-executive directorships on the boards of Value Group, Capital Appreciation Limited and Netcare Limited.

## **Brent Williams (57)**

### **Chairperson – independent non-executive director**

*BA (University of Cape Town), BProc (University of Western Cape), LLM (Harvard University Law School)*

Brent was appointed as director and chairperson of SepHold on 3 March 2012. He was admitted as an attorney in 1992 and has held a number of key positions. He is currently the CEO of Cliffe Dekker Hofmeyr.

## **Martie Jacoba Janse van Rensburg (64)**

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

*BCompt (University of the Free State), BCompt (Hons) (University of South Africa), CA(SA), Executive Programme in Strategy and Organisation (Stanford University Business School), TCTA Leadership Development Programme (Gordon Institute of Business Science), AltX Director Programme (JSE and Wits Business School)*

Martie was appointed as a director of SepHold on 22 September 2016. Between 1994 and 2008, she was the chief financial officer (five years) and then CEO (10 years) of the Trans-Caledon Tunnel Authority. Martie has served as a non-executive director and member or chairperson of audit committees for Bond Exchange of South Africa, Airports Company South Africa, Johannesburg Water SOC, Denel SOC and the Independent Regulatory Board of Auditors. She is a non-executive director of the Development Bank of Southern Africa, Etion Limited, Ivanhoe Mines Limited and a non-executive member of the FirstRand Wholesale credit committee (international and specialised finance) and Ashburton credit committee.

## **Moses Modidima Ngoasheng (64)**

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

*BA (Economics and International Politics) (University of South Africa), BSocSci (Hons) (University of Natal), MPhil (University of Sussex)*

Moss was appointed a director of SepHold on 1 February 2008. He was instrumental in the industrial policy of the African National Congress and an economic advisor to President Thabo Mbeki from 1995 to 2000. He consulted for the World Bank and National Housing Forum (South Africa) on aspects of economic policy in South Africa. Moss is a CEO, deputy chairman, and cofounder of Safika Holdings, an investment holding company with a broad range of interests in the mining, industrial, gaming, financial services, telecommunication, and technology sectors. He is a board member of Trakka Corp (Pty) Ltd (an Australian-based company), and chairman of South African Breweries Foundation, to mention but a few. Moss is a Trustee of the Nelson Mandela Children's Hospital.

# ANNEXURE 3 – REMUNERATION POLICY AND DIRECTORS’ EMOLUMENTS



**Moses Modidima Ngoasheng**  
*Chairperson: remuneration and nomination committee*

**“I believe that our responsiveness in implementing shareholders’ feedback on the executive directors’ scoreboard resulted in the resounding support for the remuneration policy and its implementation.”**

## REMUNERATION REPORT

### Chairperson’s statement

#### Introduction

I am pleased to report that at the AGM on 14 September 2020, shareholders approved the non-binding advisory resolutions on the SepHold remuneration policy and implementation report by 93%, an improvement from 83% in the previous year. I believe that our responsiveness in implementing shareholders’ feedback on the executive directors’ scoreboard resulted in the resounding support for the remuneration policy and its implementation. Due to the economic circumstances and weak group performance, SepHold management did not submit proposals for annual bonuses for FY 2020. Therefore, there were no bonuses paid during FY 2021. As the REMCO, we remain committed to continuous improvement in the remuneration framework and believe that the policy stated below is appropriate for the current level of trading. Therefore, the policy will be maintained until there is a material change in business activities to warrant a review of the scorecard.

#### Response to COVID-19

Métier and SepHold executive management and employees took salary cuts. All salary increases were suspended for FY 2022 pending improvement in operational performance and profitability.

#### JSE special dispensation for dual CEO and FD role

We applied for a further extension for the special dispensation from the JSE to allow SepHold’s FD, N Crafford-Lazarus, to hold the dual CEO and FD roles. The JSE granted a further 24 months until 31 December 2022. The extension is subject to the ARC providing an assessment report on the prevailing economic conditions by 4 January 2022, motivating if they warrant the continuation of the dual role for a further year.

#### Feedback on statutory duties

The REMCO is constituted of myself as chairperson, B Williams and MJ Janse van Rensburg. The REMCO fulfils its obligations as contained in the Companies Act, the board charter, memorandum of incorporation and terms of reference. As a committee, we are satisfied that we fulfilled all of our responsibilities under the terms of reference for FY 2021. To contribute to the group’s implementation of the strategic objectives, the REMCO achieved the following:

1. We reviewed Métier’s initial succession plan; and
2. We successfully extended the special dispensation for N Crafford-Lazarus to hold the dual role of CEO and FD until 31 December 2022.

Métier’s updated succession plan and talent map were presented to the REMCO. The plan will be discussed and approved during FY 2022. Although we were unable to apply the remuneration policy’s stated objectives related to executive bonuses and salary increases due to the COVID-19 impact in FY 2021, we believe that we broadly achieved the spirit of the policy by temporarily diverting in line with the prevailing challenges caused by the pandemic.

### Moses Modidima Ngoasheng

*Chairperson: remuneration and nomination committee*

## Remuneration policy

The group applies a total cost to company approach in remunerating its employees. The main objectives of the remuneration framework are to:

- appropriately reward employees for services provided;
- ensure equitable and fair remuneration;
- ensure that variable remuneration is aligned to performance;
- implement a competitive remuneration structure that:
  - is tailored to the specific circumstances of the group;
  - is referenced to appropriate benchmarks;
  - reflects the market and industry practices;
- comply with all relevant legal requirements.

The total guaranteed package (TGP) is based on an employee's level of demonstrated competency, qualifications, experience and performance. The TGP of new employees is normally at the low end of the salary range. As the employee demonstrates increased experience, learning and performance, the package is adjusted based on the objective outcome of performance reviews.

The following performance measurement criteria is used:

**Entry point:** New to the job or building the skill.

**Needs improvement:** The skill needs enhancing to improve performance.

**Effective:** Meets expectations.

**Excellent:** Exceeds expectations.

**World-class:** Expert and fully competent.

The table below summarises the main components of the reward package for group employees. SepCem applies a different framework as a subsidiary of DCP.

Objective		Practice
<b>Total guaranteed package</b>	<ul style="list-style-type: none"> <li>• Remunerate above the market and industry average for key positions.</li> <li>• Remunerate market-related salaries for all other positions.</li> <li>• Review total guaranteed pay annually in March.</li> </ul>	<ul style="list-style-type: none"> <li>• The level of skill and experience, the scope of responsibility and the total remuneration package are considered when rewarding employees.</li> <li>• Appropriate market percentiles based on skills, experience and competitiveness are applied.</li> </ul>
<b>Short-term incentive (STI)</b>	<ul style="list-style-type: none"> <li>• To motivate employees and incentivise the delivery of performance over the financial year.</li> <li>• The appropriateness of measures and weightings are reviewed annually to ensure ongoing support of the strategy.</li> </ul>	<ul style="list-style-type: none"> <li>• Performance over the financial year is measured against targets set in the balanced scorecards.</li> <li>• Target bonus (30%, 50% and 70%) of the total guaranteed pay aligned with the level achieved as defined in the performance management policy.</li> <li>• The executive committee annual bonus is paid in cash in July each year for performance over the previous financial year.</li> </ul>
<b>Long-term incentive (LTI)</b>	<ul style="list-style-type: none"> <li>• To motivate and incentivise delivery over the long term.</li> <li>• Continued support of the company strategy is through awards relating to total shareholder return. The vesting of these awards is against a pre-determined framework.</li> </ul>	<ul style="list-style-type: none"> <li>• Performance over three financial years is measured against targets for the performance period with vesting ranging between 0%, 50%, 100% and 200% of the total guaranteed pay. The award will consist of a share award bought in the open market.</li> </ul>
<b>Termination benefits</b>	<ul style="list-style-type: none"> <li>• To retain executive management.</li> </ul>	<ul style="list-style-type: none"> <li>• The CEO role is on a permanent contract, and there will be no unusual obligation for the group at retirement, which is set at 65 years.</li> <li>• The CEO's and FD's employment contracts have a provision for a minimum payment equivalent to annual remuneration on termination of employment due to change of control.</li> <li>• The long-term incentive scheme also provides for early vesting in case of change of control.</li> </ul>



## SepHold executive management performance criteria

The board-approved performance indicators to measure executive management's performance are reviewed annually. The indicators are broadly categorised into financial (75%) and non-financial measures (25%).

### STI SCORECARD

#### Financial measures (75%)

Performance indicator	Weighting %	Performance condition detail	Minimum (30%)	Target (50%)	Stretch (70%)
Real* growth in headline earnings per share (HEPS)	<b>37.5</b>	HEPS growth over the previous year above inflation	Real HEPS growth of more than 0%	Real HEPS growth greater than 4% per annum	Real HEPS growth greater than 8% per annum
Gearing, debt covenants and free cash flow	<b>37.5</b>	Measuring 1. Total debt to equity 2. Debt service coverage ratio 3. Free cash flow	Company-specific	Company-specific	Company-specific

#### Non-financial measures (25%)

Performance indicator	Weighting %	Performance criteria	Executive(s) responsible
Implementation of corporate governance best practices.	<b>15</b>	Level of group compliance and standards achieved <ul style="list-style-type: none"> <li>• JSE compliance</li> <li>• Application of King IV principles</li> <li>• Attainment of BBBEE rating</li> <li>• Achievement of safety and environment targets as determined by the company will be measured against a portfolio of evidence</li> </ul>	SepHold and Métier CEOs and FD
Achievement of job-specific personal goals. The achievement of job-specific personal goals as determined by the company will be measured against a portfolio of evidence.	<b>10</b>	Stakeholder engagement and relationship management <ul style="list-style-type: none"> <li>• Satisfactory resolution of main stakeholder issues</li> </ul>	CEO
		Optimisation of group funding structures to enable sustainability during negative cycle and value accretive expansion during positive cycle  Investigating and mitigating risk on alternative funding sources for deals <ul style="list-style-type: none"> <li>• Achieve targeted debt:equity ratio</li> <li>• Compliance with all debt loan covenants</li> <li>• Increase free cash flow</li> </ul>	FD
		Operational executives to demonstrate the ability to: <ul style="list-style-type: none"> <li>• Utilise and maintain core competencies</li> <li>• Develop human capital and sustain an effective high-performance organisational culture</li> <li>• Promote ethical practices</li> <li>• Establish robust organisational controls</li> </ul>	Métier CEO

\* Real relative to CPI.

### LTI SCORECARD

Performance	Performance indicator	Weighting % condition detail	Minimum (50%)	Target (100%)	Stretch (200%)
Total shareholder return (TSR)	<b>100</b>	TSR is measured against the median of six comparable companies.	Median	Median +15%	Median +40%

**Illustration of single total remuneration figure for minimum, target and stretch performance**

The table below summarises the assumption of the delivery of the minimum, target and stretch performance achievement on total remuneration of the SepHold and Métier CEOs in a single total figure. The projections are based on the policy framework detailed on page 21.

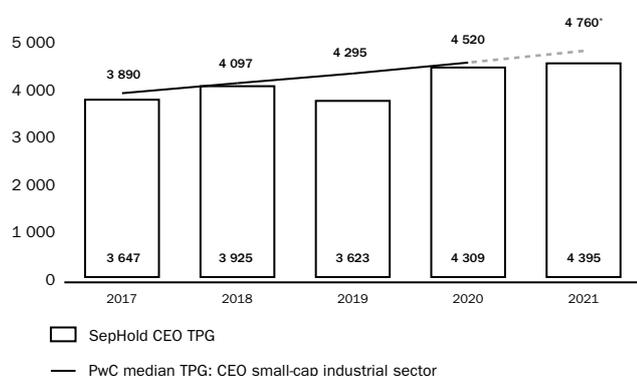
2022	SepHold CEO/FD			
	TGP R	STI	LTI	Total R
Base	4 550 000	–	–	4 550 000
Min	4 550 000	1 365 000	2 275 000	8 190 000
Target	4 550 000	2 275 000	4 550 000	11 375 000
Stretch	4 550 000	3 185 000	9 100 000	16 835 000

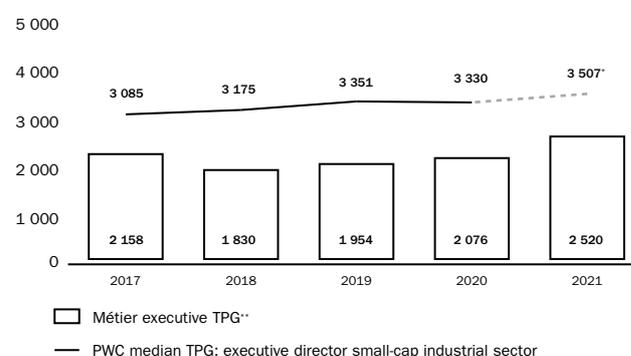
2021	Métier CEO			
	TGP R	STI	LTI	Total R
Base	2 925 000	–	The LTIs will	2 925 000
Min	2 925 000	877 500	only be	3 802 500
Target	2 925 000	1 462 500	measurable	4 387 500
Stretch	2 925 000	2 047 500	from FY 2023	4 972 500

**Determination of the guaranteed executive base salary**

As in previous years, the REMCO researched the guaranteed base salary benchmark extensively and used PwC's 2020 executive directors' remuneration and practices report for the period 1 May 2019 to 29 February 2020. The report covered 10 instead of the usual 12 months to avoid the impact of COVID-19 on the results. The report summarised its findings for JSE-listed entities based on sectors and market capitalisation enabling the REMCO to focus on the small-cap remuneration findings for the industrial sector as illustrated on the graphs below. Based on the small-cap industrial sector, the board was satisfied that the current executive remuneration is within the median to upper quartile bands. The PwC remuneration report can be downloaded from: <https://www.pwc.co.za/en/publications/executive-directors-report.html>. No remuneration consultants were engaged during the period.

**Comparison of SepHold executive remuneration to JSE median for industrial small-cap sector (R000)**

\* The 2021 JSE median estimate is based on the 5.3% forecast provided in the PwC report.

**Comparison of Métier executive remuneration to JSE median for industrial small-cap sector (R000)**

\* The 2021 JSE median estimate is based on the 5.3% forecast provided in the PwC report.

\*\* The remuneration for 2018 to 2020 was for the managing director WJ du Toit who resigned in June 2020.

## Non-executive directors' remuneration

### Elements and purpose

The group aims to attract and retain suitably skilled and experienced non-executive directors. An appropriate level of competitive remuneration is necessary to reward them for their time and commitment. The non-executive directors are remunerated by an annual fee paid in recognition of board and committee membership. The non-executive directors, including the group's chairperson, do not receive any other employment benefits, performance-related remuneration, or any form of compensation for loss of office. The fee structure is reviewed and benchmarked annually to ensure that the proposed fees are aligned to market levels and support the attraction and retention of high-quality individuals.

### Service contracts

None of the directors have a written service contract with the group, and all of the directors rotate in terms of the memorandum of incorporation.

### Non-binding shareholder advisory vote

In terms of the Listings Requirement 3.84(J), the remuneration policy must record the measures that the board commits to take if these non-binding resolutions are voted against by 25% or more of the voting rights exercised. The company will:

- invite dissenting shareholders (those who voted against the policy and/or the implementation report) to engage with the group; and
- provide details on the manner and timing of such engagement.

Subsequently, the REMCO and executive management will engage with the shareholders to address matters of concern.

### Implementation report

There were no bonuses paid in FY 2021 for the FY 2020 performance to executive management and no increases in non-executive director fees for the third year since FY 2019. The SepHold executive management did not motivate for bonuses related to its achievement against the non-financial targets of approximately 13%. For instance, the BBBEE equity ownership score improved through Safika's participation in the Rights Issue in February 2020. Management's decision not to motivate for the bonus was informed by the overall weak FY 2020 performance due to the depressed building materials demand and adverse impact of the COVID-19 pandemic. The FY 2021 remuneration is detailed below.

## Directors' and prescribed officer's emoluments

### Executive

	Emoluments R	Prior year performance bonuses** R	Travel allowances R	Pension fund R	IFRS 2 share-based payments expense R	Total R
<b>2021</b>						
NR Crafford-Lazarus	4 094 812	–	150 000	150 188	220 110	4 615 110
KJ Capes*	2 520 000	–	–	–	–	2 520 000
	<b>6 614 812</b>	<b>–</b>	<b>150 000</b>	<b>150 188</b>	<b>220 110</b>	<b>7 135 110</b>
<b>2020</b>						
Dr. L Mohuba***	2 157 148	300 000	–	92 852	298 112	2 848 112
NR Crafford-Lazarus	4 012 017	418 000	150 000	147 151	392 836	5 120 004
	6 169 165	718 000	150 000	240 003	690 948	7 968 116

\* KJ Capes was re-appointed as CEO of Métier and executive director of SepHold on 1 April 2020.

\*\* The bonus paid in FY 2020 relates to the FY 2019 performance. No bonuses were awarded for FY 2020 performance for the 12 months ended 31 March 2020.

\*\*\* Dr. L Mohuba retired during the prior year as CEO of SepHold and was appointed as a non-executive director on 1 January 2020.

**ANNEXURE 3 – REMUNERATION POLICY AND DIRECTORS' EMOLUMENTS** *continued*
**Non-executive**

	Fees for services as director R	Remuneration R	Performance bonus R	IFRS 2 share-based payments expense R	Total R
<b>2021*</b>					
B Williams	440 000	–	–	–	440 000
MM Ngoasheng	335 000	–	–	–	335 000
MJ Janse van Rensburg	335 000	–	–	–	335 000
B Bulo	335 000	–	–	–	335 000
Dr. L. Mohuba**	335 000	–	–	220 110	555 110
PF Fourie***	–	5 742 921	1 810 120	–	7 553 041
	<b>1 780 000</b>	<b>5 742 921</b>	<b>1 810 120</b>	<b>220 110</b>	<b>9 553 151</b>
<b>2020</b>					
B Williams	440 000	–	–	–	440 000
MM Ngoasheng	335 000	–	–	–	335 000
MJ Janse van Rensburg	335 000	–	–	–	335 000
B Bulo	335 000	–	–	–	335 000
Dr. L. Mohuba**	83 750	–	–	99 371	183 121
PF Fourie***	–	5 594 213	1 947 514	–	7 541 727
	1 528 750	5 594 213	1 947 514	99 371	9 169 848

\* Third year without an increment

\*\* Dr. L. Mohuba retired during the prior year as CEO of SepHold and was appointed as a non-executive director on 1 January 2020.

\*\*\* PF Fourie was a non-executive director of SepHold and an executive director of SepCem. Therefore all remuneration as disclosed was paid to him by the associate, SepCem.

**Other prescribed officer**

	Emoluments R	Performance bonus R	Travel allowance R	Pension fund R	IFRS 2 share-based payments expense R	Total R
<b>2021</b>						
WJ du Toit*	216 468	–	2 520	4 390	13 066	236 444
<b>2020</b>						
WJ du Toit	1 873 758	230 046	25 200	177 223	122 029	2 428 256

\* WJ du Toit resigned during the financial year as managing director of Métier. All remuneration paid to him by the subsidiary company has been disclosed.

# ANNEXURE 4 – SHAREHOLDERS’ ANALYSIS

## SHAREHOLDERS HOLDING GREATER THAN 5% OF THE ISSUED SHARE CAPITAL AT YEAR-END

	Number of shares	%
Safika Resources Proprietary Limited (dematerialised)	30 734 981	12.08
Citiclient Nominees No8 NY GW	27 061 078	10.63
Safika Resources Proprietary Limited (certificated)	19 043 228	7.48

## RANGE OF SHAREHOLDINGS

	Number of shareholders	% of shareholders	Number of shares
<b>Share range</b>			
1 – 1 000	2 135	61.51	407 762
1 001 – 10 000	711	20.48	2 733 443
10 001 – 50 000	339	9.77	8 656 970
50 001 – 100 000	99	2.85	6 989 805
100 001 – 500 000	126	3.63	27 859 079
500 001 – 1 000 000	27	0.78	18 905 531
1 000 001 shares and over	34	0.98	188 933 846
<b>Total</b>	<b>3 471</b>	<b>100.00</b>	<b>254 486 436</b>

## PUBLIC AND NON-PUBLIC SHAREHOLDERS

	Shares held	%	Number of shareholders
Public	227 205 424	89.28	3 465
Non-public	27 281 012	10.72	6
– Directors’ direct holdings	13 674 186	5.37	3
– Directors’ indirect holdings	13 566 826	5.33	2
– Directors’ associates	40 000	0.02	1
	<b>254 486 436</b>	<b>100.0</b>	<b>3 471</b>

Further details on the directors’ shareholding, refer to pages 11 and 12 of the AFS.

# ANNEXURE 5 – STATED CAPITAL AND RELATED PARTY TRANSACTIONS

## STATED CAPITAL

	GROUP	
	2021 R	2020 R
<b>Authorised</b>		
1 000 000 000 ordinary shares with no par value		
<b>Issued – ordinary shares with no par value</b>		
254 486 436 (2020: 208 216 175) shares at beginning of period	<b>682 782 720</b>	648 003 095
nil (2020: 46 270 261) shares issued during the period	–	37 478 911
Rights issue expenses refunded/(capitalised)	<b>183 190</b>	(2 699 286)
<b>254 486 436 (2020: 254 486 436) shares at end of period</b>	<b>682 965 910</b>	682 782 720

## SHARE-BASED PAYMENTS

	Number	Weighted exercise price R	Total value R
<b>Share options granted on 29 June 2012</b>	3 500 000	1.90	6 650 000
Outstanding at 31 March 2019	2 623 354		
Expired in 2020	(2 623 354)		
Outstanding at 31 March 2021	–		
<b>Share options granted on 31 August 2012</b>	1 500 000	1.90	2 850 000
Outstanding at 31 March 2019	750 000		
Expired in 2020	(750 000)		
Outstanding at 31 March 2021	–		
<b>Share options granted on 10 December 2014</b>	1 565 000	6.80	10 642 000
Outstanding at 31 March 2020	1 465 000		
Exercised in 2021	–		
Outstanding at 31 March 2021	1 465 000		
<b>Share options granted on 31 March 2016</b>	1 630 000	4.40	7 172 000
Outstanding at 31 March 2020	1 630 000		
Cancelled in 2021 due to resignation	(41 667)		
Outstanding at 31 March 2021	1 588 333		
<b>Share options granted on 30 June 2017</b>	1 905 000	3.00	5 715 000
Outstanding at 31 March 2020	1 905 000		
Cancelled in 2021 due to resignation	(200 000)		
Outstanding at 31 March 2021	1 705 000		
Total share options outstanding at 31 March 2020	5 000 000		
Total share options outstanding at 31 March 2021	4 758 333		
Total share options exercisable at 31 March 2020	3 186 667		
Total share options exercisable at 31 March 2021	4 122 333		

## RELATED PARTIES

	GROUP	
	2021 R	2020 R
<b>Related-party balances</b>		
<b>Loan accounts – owing by/(to) related parties</b>		
Cross Company Management Proprietary Limited	9 688 781	9 688 681
Union Atlantic Minerals Limited	1 073 054	1 073 054
<b>Amounts included in trade receivables/(trade payables) regarding related parties</b>		
Dangote Cement South Africa Proprietary Limited	(8 686 676)	(10 027 849)
<b>Related-party transactions</b>		
<b>Purchases from related parties</b>		
Dangote Cement South Africa Proprietary Limited	76 416 321	74 966 979
<b>Rent paid to/(received from) related parties</b>		
Plazatique Corp 27 CC	1 080 000	–
WKRD Properties Proprietary Limited	892 867	–
Dangote Cement South Africa Proprietary Limited	336 033	312 945
<b>Utilities paid to/(received from) related parties</b>		
WKRD Properties Proprietary Limited	708 699	–

# ANNEXURE 6 – DIRECTORS’ RESPONSIBILITY STATEMENT AND MATERIAL CHANGES STATEMENT

## DIRECTORS’ RESPONSIBILITY STATEMENT

- (i) “The directors, whose names are stated below, hereby confirm that –
- (a) the annual financial statements fairly present in all material respects the financial position, financial performance, and cash flows of the issuer in terms of IFRS;
  - (b) no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
  - (c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer; and
  - (d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Code. Where we are not satisfied, we have disclosed to the audit committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors and have taken the necessary remedial action”.



**NR Crafford-Lazarus**

*Chief executive officer and financial director*

Centurion, South Africa

23 June 2021

## MATERIAL CHANGES STATEMENT

Other than the facts and developments reported on in the integrated annual report, there have been no material changes in the affairs or financial position of SepHold and its subsidiaries since the company’s year-end as at 31 March 2021 up to the date of this notice.





# ANNEXURE 7 – FORM OF PROXY

## For use only by shareholders who:

- hold shares in certificated form (certificated ordinary shareholders); or
- have dematerialised their ordinary shares (dematerialised ordinary shareholders) and are registered with “own name” registration, at the annual general meeting (AGM) to be held electronically on Wednesday, 15 September 2021 at 10:00HS.

Dematerialised ordinary shareholders holding ordinary shares other than with “own name” registration who wish to attend the AGM by way of electronic communication must inform their Central Securities Depository Participant (CSDP) or broker of their intention to attend the AGM and request their CSDP or broker to issue them with the relevant Letter of Representation to participate electronically at the AGM or by proxy. If they do not wish to attend the AGM or by proxy, they must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

## These ordinary shareholders must not use this form of proxy.

Participants will be able to vote during the AGM through an electronic participation platform. Such Participants, should they wish to have their vote(s) counted at the AGM, must provide The Meeting Specialist Proprietary Limited with the information as set out in the Electronic Participation Form, forming part of the notice. Each Participant, who has complied with the requirements as set out in the Electronic Participation Form, forming part of the notice, will be contacted during the course of business on 14 September 2021 via email or mobile number and will be provided with a unique link to enable them to participate in the virtual AGM.



### Sephaku Holdings Limited

Incorporated in the Republic of South Africa  
 Registration number: 2005/003306/06  
 JSE share code: SEP  
 ISIN: ZAE000138459

I/we (please print names in full) \_\_\_\_\_

of (address) \_\_\_\_\_

Contact numbers (landline) \_\_\_\_\_

(mobile) \_\_\_\_\_

Email address \_\_\_\_\_

being the registered holder(s) of \_\_\_\_\_ ordinary shares in the capital of Sephaku Holdings does hereby appoint:

1. \_\_\_\_\_ or failing him/her;

2. \_\_\_\_\_ or failing him/her;

the chairperson of the AGM as my/our proxy to act for me/us and on my/our behalf at the AGM for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name/s, in accordance with the following instructions:

	Number of ordinary shares		
	For	Against	Abstain
<b>Ordinary resolutions</b>			
1. Re-appointment of independent external auditors			
2. Re-election of directors			
2.1 Re-election of Ms. Bukelwa Bulu as a director			
2.2 Re-election of Mr. Moss Ngoasheng as a director			
3. Appointment of the chairperson and members of the audit and risk committee			
3.1 Appointment of Mr. Brent Williams as a member of the audit and risk committee			
3.2 Appointment of Ms. Martie Janse van Rensburg as a member and chairperson of the audit and risk committee			
3.3 Appointment of Ms. Bukelwa Bulu as a member of the audit and risk committee			
4. Advisory endorsement of remuneration policy and implementation report			
4.1 Endorsement of the remuneration policy			
4.2 Endorsement of the remuneration implementation report			
5. Signature of documents			
6. Control of authorised but unissued ordinary shares			
7. General authority to issue shares for cash			
<b>Special resolutions</b>			
1. General authority to repurchase securities			
2. Non-executive directors' remuneration			
3. Financial assistance for any beneficiary participating in any Sephaku Holdings group share incentive scheme			
4. Financial assistance for present or future subsidiaries			

Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable. A member entitled to participate in and vote at the AGM may appoint one or more proxies to attend and act in his stead. A proxy so appointed need not be a member of SepHold.

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2021

Signature: \_\_\_\_\_

Assisted by me (where applicable) \_\_\_\_\_

Landline number \_\_\_\_\_ Mobile number \_\_\_\_\_

# NOTES TO THE FORM OF PROXY

1. The form of proxy must only be completed by shareholders who hold shares in certificated form or who are recorded on the sub-register in electronic form in "own name".
2. All other beneficial owners who have dematerialised their shares through a CSDP or broker and wish to attend the AGM must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.
3. A shareholder entitled to attend and vote at the AGM may insert the name of a proxy or the names of two alternate proxies (none of whom need be a shareholder of the company) of the shareholder's choice in the space provided, with or without deleting "the chairperson of the meeting". The person whose name stands first on this form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those proxy(ies) whose names follow. Should this space be left blank, the proxy will be exercised by the chairperson of the meeting.
4. A shareholder is entitled to one vote on a poll and one vote in respect of each ordinary share held. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. If an "X" has been inserted in one of the blocks to a particular resolution, it will indicate the voting of all the shares held by the shareholder concerned. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholders or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
5. A vote given in terms of an instrument of proxy shall be valid in relation to the AGM notwithstanding the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the ordinary shares in respect of which the proxy is given. For administrative purposes only, we request that forms of proxy be emailed to TMS on [proxy@tmsmeetings.co.za](mailto:proxy@tmsmeetings.co.za), by no later than 10:00HS, Monday 13 September 2021 (or 48 hours before any adjournments of the AGM, which date, if necessary, will be notified on the Stock Exchange News Service). Forms of proxy may also be submitted electronically to the chairperson via email to [proxy@tmsmeetings.co.za](mailto:proxy@tmsmeetings.co.za) before the start of the AGM.
6. If a shareholder does not indicate on this form that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the AGM be proposed, such proxy shall be entitled to vote as he/she thinks fit.
7. The chairperson of the AGM may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
8. A shareholder's authorisation to the proxy including the chairperson of the AGM, to vote on such shareholder's behalf, shall be deemed to include the authority to vote on procedural matters at the AGM.
9. The completion and lodging of this form of proxy will not preclude the relevant shareholder from participating at the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.  
Attention is also drawn to the "Notes to the Form of Proxy".
10. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the company's transfer secretaries or waived by the chairperson of the AGM.
11. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the transfer secretaries of the company.
12. Where there are joint holders of ordinary shares:
  - any one holder may sign the form of proxy;
  - the vote(s) of the senior ordinary shareholders (for that purpose seniority will be determined by the order in which the names of ordinary shareholders appear in the company's register of ordinary shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
13. Forms of proxy should be emailed to TMS at [proxy@tmsmeetings.co.za](mailto:proxy@tmsmeetings.co.za).
14. A deletion of any printed matter and the completion of any blank space need not be signed or initialled. Any alteration or correction must be signed and not merely initialled.
15. Summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Companies Act, 71 of 2008, as amended (the Companies Act):
  - A proxy appointment must be in writing, dated and signed by the shareholder appointing a proxy, and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the relevant shareholders meeting.
  - A proxy may delegate the proxy's authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.

The appointment of a proxy is suspended at any time and to the extent that the shareholder who appointed such proxy chooses to act directly and in person in the exercise of any rights as a shareholder.

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

# ANNEXURE 8 – ELECTRONIC PARTICIPATION IN THE SEPHAKU HOLDINGS LIMITED ANNUAL GENERAL MEETING (AGM)



**Sephaku Holdings Limited**  
Incorporated in the Republic of South Africa  
Registration number: 2005/003306/06  
JSE share code: SEP  
ISIN: ZAE000138459

Shareholders or their proxies who wish to participate in the AGM by way of electronic communication (Participants) must notify the company's meeting scrutineers by submitting the form below (the application) via email to the company's meeting scrutineers The Meeting Specialist Proprietary Limited (TMS) to [proxy@tmsmeetings.co.za](mailto:proxy@tmsmeetings.co.za) by no later than 10:00HS on Monday 13 September 2021.

- Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with "own name" registration, should contact their Central Securities Depository Participant (CSDP), broker or custodian in the manner and time stipulated in their agreement with their CSDP, broker or custodian:
  - to furnish them with their voting instructions; and
  - in the event that they wish to participate in the AGM electronically, to obtain the necessary authority to do so.

Participants will be able to vote during the AGM through an electronic participation platform. Such Participants, should they wish to have their vote(s) counted at the AGM, must provide TMS with the information requested below.

- Each Participant, who has complied with the requirements below, will be contacted during the course of business on 14 September 2021 via email or mobile number with a unique link to enable them to participate in the virtual AGM.
- The cost of the Participant's phone call or data usage will be at his/her own expense and will be billed separately by his/her own telephone or internet service provider.
- For administrative purposes, participants are requested to submit the application by 10:00HS on Monday 13 September 2021.
- The Participant's unique access credentials will be forwarded to the email or mobile number provided below.

APPLICATION FORM	
Full name of shareholder	
Full name of shareholder representative (if applicable)	
Registration number/identity number/passport of shareholder or representative	
Email address	
Mobile number	
Telephone number	
Name of CSDP, broker or custodian (If shares are held in dematerialised format)	
Shareholder number/SCA number/broker account number/ own name account number or custodian account number	
Number of shares	
Signature	
Date	

By signing this form, I agree and consent to the processing of my personal information above for the purpose of participation in the AGM.

**Important:** You are required to attach a copy of your identity/passport document when submitting the application.

**TERMS AND CONDITIONS FOR PARTICIPATION AT THE SEPHAKU HOLDINGS LIMITED AGM VIA ELECTRONIC COMMUNICATION**

The cost of dialling in using a telecommunication line/webcast/web streaming to participate in the AGM is for the expense of the Participant and will be billed separately by the Participant's own telephone or internet service provider.

- The Participant acknowledges that the telecommunication lines/webcast/web streaming are provided by a third party service provider and indemnifies Sephaku Holdings Limited, JSE Limited and TMS and/or its third party service providers against any loss, injury, damage, penalty or claim arising in any way from the use of the telecommunication lines/webcast/web streaming, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against, and indemnifies Sephaku Holdings Limited, JSE Limited and TMS and/or its third party service providers, whether for consequential damages or otherwise, arising from the use of the telecommunication lines/webcast/web streaming or any defect in it or from total or partial failure of the telecommunication lines/webcast/web streaming and connections linking the telecommunication lines/webcast/web streaming to the AGM.
- Participants will be able to vote during the AGM through an electronic participation platform. Such Participants, should they wish to have their vote(s) counted at the AGM, must act in accordance with the requirements set out above.
- Once the Participant has received the link to the electronic participation platform and/or the electronic voting platform, the onus to safeguard this information remains with the Participant.
- The application will only be deemed successful if this application form has been fully completed and signed by the Participant and delivered or emailed to TMS at [proxy@tmsmeetings.co.za](mailto:proxy@tmsmeetings.co.za).

**Shareholder name:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_





# CORPORATE INFORMATION

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<b>Directors</b>	B Williams* (Chairperson) MJ Janse van Rensburg* B Bulo* MM Ngoasheng* NR Crafford-Lazarus° (CEO) Dr L Mohuba KJ Capes° (Métier CEO) ° Executive * Independent
<b>Company secretary</b>	Acorim Proprietary Limited Email: <a href="mailto:sephaku@acorim.co.za">sephaku@acorim.co.za</a> Telephone: +27 11 325 6363
<b>Registered office</b>	Southdowns Office Park First floor, Block A Cnr Karee and John Vorster Streets Irene, X54 0062 PO Box 7651 Centurion 0046 Website: <a href="http://www.sephakuholdings.com">www.sephakuholdings.com</a>
<b>Transfer secretaries</b>	Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196 Private Bag X9000, Saxonwold, 2131 Telephone: +27 11 370 5000
<b>JSE sponsor</b>	QuestCo Corporate Advisory Proprietary Limited Telephone: +27 11 011 9200
<b>Auditors</b>	BDO South Africa Inc Chartered Accountants (SA) Registered Auditors
<b>Bankers</b>	Nedbank
<b>Métier Mixed Concrete (wholly owned subsidiary)</b>	Physical address: Romead Business Park, 23 Malone Road, Maxmead, 3610 Postal address: Postnet Suite #546, Private Bag X4, Kloof, 3640 Telephone: +27 31 716 3600 / 0861 638437 Website: <a href="http://www.metiersa.co.za">www.metiersa.co.za</a>
<b>Dangote Cement South Africa Proprietary Limited (Associate)</b>	Physical address: Southdowns Office Park, Block A, Ground Floor Cnr Karee and John Vorster Streets, Irene, X54, 0062 Postal address: PO Box 68149, Highveld, 0169 Telephone: +27 12 684 6300 Website: <a href="http://www.sephakucement.co.za">www.sephakucement.co.za</a>
<b>Investor relations officer</b>	Sakhile Ndlovu Email: <a href="mailto:info@sephold.co.za">info@sephold.co.za</a> Telephone: +27 12 648 6300

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