



SEPHAKU
HOLDINGS LTD

Notice of annual
general meeting

21 September 2022

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LETTER TO SHAREHOLDERS

We invite you to attend the Sephaku Holdings Limited annual general meeting (AGM), which will be held electronically on Wednesday, 21 September 2022 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 2022.

The AGM will 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, 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 in this booklet, including the detailed notice, the summarised consolidated financial statements and other supporting documentation. The integrated annual report and annual financial statements (AFS) are 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 signature 'Acorim' is written in a black, cursive, handwritten-style font.

Acorim Proprietary Limited

Group company secretary

29 July 2022

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, 21 September 2022 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) has determined in terms of section 62(3)(a), read together with section 59(1)(b) of the Companies Act, the record date on which a shareholder must be in the securities register of SepHold for the purposes of determining which shareholders are entitled to:

- receive notice of the AGM is Friday, 22 July 2022; and
- participate in, and vote on the resolutions to be proposed at the AGM is Friday, 16 September 2022

Accordingly, the last day to trade SepHold shares to be entitled to participate in and vote during the AGM will be Tuesday, 13 September 2022.

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 by Monday, 19 September 2022. Forms of proxy may also be submitted electronically to the chairperson before the start of the AGM or voting on any 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 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 as soon as possible, but in any event no later than 10:00HS on Monday, 19 September 2022. 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.

PURPOSE

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

- The board will present the consolidated audited annual financial statements of SepHold and its subsidiaries (as approved by the board) for the financial year ended 31 March 2022 (2022 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.

Shareholders will be liable for their own network charges, and it will not be for the expense of the JSE, SepHold or TMS. Neither the JSE, SepHold or TMS can be held accountable in the case of loss of network connectivity or network failure including, but not limited to, insufficient airtime, internet connectivity or power outages which would prevent you from voting or participating in the virtual AGM.

AGENDA

Presentation of 2022 AFS

The FY 2022 SepHold integrated annual report and AFS, were made available to shareholders on 29 July 2022. The 2022 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. The complete 2022 AFS and the integrated annual report of which this notice is part are available on the Company's website: www.sephakuholdings.com.

Report from the social and ethics committee

In accordance with Regulation 43(5)(c) of the Companies Regulations, 2011 promulgated under the Companies Act, a member of the social and ethics committee (the committee) is required to report to shareholders on the matters within the mandate of the committee. The committee's report is contained in the 2022 integrated report available at www.sephakuholdings.com.

ORDINARY RESOLUTIONS

To consider and, if deemed fit, to pass, with or without modification, all 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 (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 agreed audit fees for FY 2022 for both SepHold and the subsidiary Métier mixed concrete was R1 million.

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 considering the mandatory audit firm rotation requirements issued by the Independent Regulatory Board for Auditors (IRBA), effective on 1 April 2023. Given the above, this will be the final term that BDO serves as the Company's auditors and a new audit firm will be appointed for the next term. 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.

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. Martie Janse van Rensburg, 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.”

Ordinary resolution 2.3: “**Resolved** that the re-election of Mr. Brent Williams, as an independent, 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 and according to the Board charter, a director serving more than 9 years will be subject to an annual re-election by shareholders at the AGM. Accordingly, Ms. Martie Janse van Rensburg, Mr. Moss Ngoasheng and Mr. Brent Williams 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 and Mr. Brent Williams has been a member of the Board for 10 years. Mr. Ngoasheng’s and Mr. William’s independence has been scrutinised by the board with the assistance of the remuneration and nomination committee. Although Mr. Ngoasheng 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.

The Board believes that Mr. William’s wealth of knowledge and experience adds value to the Board because he is skilled in the context of the Company’s long-term strategy and the evolving market environment. Furthermore, he has a relationship with management that has not exceeded acceptable limits of comfort such that it would impact his ability to maintain an independent mind. 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 Ms. Martie Janse van Rensburg as a member and chairperson of the audit and risk committee, be and is hereby confirmed, subject to the passing of ordinary resolution 2.1.”

Ordinary resolution 3.2: “**Resolved** that the re-election of Mr. Brent Williams as a member of the audit and risk committee, be and is hereby confirmed, subject to the passing of ordinary resolution 2.3.”

Ordinary resolution 3.3: “**Resolved** that the re-election of Ms. Bukelwa Bulo 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 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 Ms. Martie Janse van Rensburg, Mr. Brent Williams, and Ms. Bukelwa Bulo 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, save therefore that related parties may participate in a general issue for cash through a bookbuild process provided that (i) related parties may only participate with a maximum bid price at which they are prepared to take-up shares or at book close price. In the event of a maximum bid price and the book closes at a higher price the relevant related party will be “out of the book” and not be allocated shares; and (ii) equity securities must be allocated equitably “in the book” through the bookbuild process and the measures to be applied must be disclosed in the JSE’s Stock Exchange News Service (“SENS”) announcement launching the bookbuild;
- 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;
- 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, and
- 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 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 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 only one 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 more than 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.

In terms of paragraph 11.26 of the JSE Listings Requirements the following disclosures are contained in the 2022 integrated annual report of SepHold:

- Major shareholders set out on page 27; and
- The share capital of SepHold set out on page 28.

Material change

Other than the facts and developments reported in the 2022 AFS (as set out in the 2022 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 consider, 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 2023 be approved."

FY 2022 annual fee

Chairperson of the board	R440 000
Non-executive	R335 000

FY 2023 proposed annual fee

Chairperson of the board	R440 000
Non-executive	R360 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 2023, 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 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, 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

29 July 2022



ANNEXURE 1 – SUMMARISED CONSOLIDATED FINANCIAL RESULTS

STATEMENT OF FINANCIAL POSITION

as at 31 March 2022

	GROUP		
	2022 Audited R	2021 Restated* Audited R	2020 Restated* Audited R
ASSETS			
Non-current assets			
Property, plant and equipment	136 616 822	102 748 478	124 271 483
Right-of-use assets	53 535 740	55 480 134	42 138 008
Goodwill	223 421 981	223 421 981	223 421 981
Investment in joint ventures	1	120 552	120 552
Investment in associate*	838 361 313	809 369 073	793 398 872
Other financial assets	8 702 890	10 761 835	10 761 735
Loans receivable	961 173	4 619 849	–
Other investment	2 000 000	2 000 000	2 000 000
	1 263 599 920	1 208 521 902	1 196 112 631
Current assets			
Inventories	18 076 838	17 036 206	16 763 507
Loans receivable	3 658 670	3 378 272	–
Current tax receivable	–	–	1 643 331
Trade and other receivables	87 190 895	90 294 047	79 070 855
Cash and cash equivalents	29 476 556	32 752 474	6 381 459
	138 402 959	143 460 999	103 859 152
Non-current assets held for sale	–	–	18 503 897
Total assets	1 402 002 879	1 351 982 901	1 318 475 680
EQUITY AND LIABILITIES			
Equity			
Stated capital	682 965 910	682 965 910	682 782 720
Reserves	5 903 868	11 052 071	10 643 889
Retained income*	458 410 976	408 387 153	388 059 427
	1 147 280 754	1 102 405 134	1 081 486 036
Liabilities			
Non-current liabilities			
Instalment sale liabilities	25 384 965	–	–
Other financial liabilities	34 863 130	58 006 387	71 846 168
Lease obligation	54 897 551	56 046 957	45 497 397
Deferred income	–	–	199 670
Deferred taxation	17 584 930	18 028 323	15 848 539
	132 730 576	132 081 667	133 391 774
Current liabilities			
Instalment sale liabilities	6 026 405	–	–
Other financial liabilities	13 410 551	13 311 072	21 640 732
Lease obligation	12 178 585	11 360 944	7 974 561
Current taxation payable	328 087	1 081 405	–
Trade and other payables	90 047 921	91 426 002	71 672 558
Deferred income	–	316 677	677 887
Bank overdraft	–	–	1 632 132
	121 991 549	117 496 100	103 597 870
Total liabilities	254 722 125	249 577 767	236 989 644
Total equity and liabilities	1 402 002 879	1 351 982 901	1 318 475 680

* See page 15 Prior period error. The group comparative figures are restated due to a correction of an error on the associate's financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2022

	GROUP	
	Year ended 31 March 2022 Audited R	Year ended 31 March 2021 Audited R
Revenue	785 791 090	634 252 530
Cost of sales	(484 062 792)	(390 567 079)
Gross profit	301 728 298	243 685 451
Other operating income	4 322 893	10 336 510
Operating gains	–	611 995
Operating expenses	(271 819 556)	(234 169 475)
Operating profit	34 231 635	20 464 481
Investment income	2 037 346	1 516 826
Income from equity-accounted investment	28 992 240	15 970 201
Finance costs	(12 851 844)	(13 817 663)
Profit before taxation	52 409 377	24 133 845
Taxation	(7 831 832)	(4 211 933)
Profit for the year	44 577 545	19 921 912
Other comprehensive income	–	–
Total comprehensive income for the year	44 577 545	19 921 912
Basic earnings per share (cents)	17.52	7.83
Diluted earnings per share (cents)	17.52	7.83

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

	GROUP			
	Stated capital R	Equity-based share option reserve R	Retained income R	Total equity R
Opening balance as previously reported	682 782 720	10 643 889	407 339 227	1 100 765 836
Adjustments				
Prior period error (page 15)	–	–	(19 279 800)	(19 279 800)
Balance at 01 April 2020 as restated	682 782 720	10 643 889	388 059 427	1 081 486 036
Profit for the year	–	–	19 921 912	19 921 912
Total comprehensive income for the year	–	–	19 921 912	19 921 912
Rights issue expenses refunded	183 190	–	–	183 190
Employees' share option scheme	–	408 182	405 814	813 996
Total contributions by and distributions to owners of group recognised directly in equity	183 190	408 182	405 814	997 186
Balance at 01 April 2021	682 965 910	11 052 071	408 387 152	1 102 405 133
Profit for the year	–	–	44 577 545	44 577 545
Other comprehensive income	–	–	–	–
Total comprehensive income for the year	–	–	44 577 545	44 577 545
Employees' share option scheme	–	(5 148 203)	5 446 279	298 076
Total contributions by and distributions to owners of group recognised directly in equity	–	(5 148 203)	5 446 279	298 076
Balance at 31 March 2022	682 965 910	5 903 868	458 410 976	1 147 280 754

STATEMENT OF CASH FLOWS

for the year ended 31 March 2022

	Group	
	2022	2021
	R	R
Cash flows from operating activities		
Cash generated from operations	66 022 736	47 336 451
Interest income	1 519 584	957 476
Taxation (paid)/received	(9 028 544)	692 588
Net cash from operating activities	58 513 776	48 986 515
Cash flows from investing activities		
Purchase of property, plant and equipment	(14 359 181)	(2 746 725)
Sale of property, plant and equipment	1 023 903	8 771 346
Sale of non-current assets held for sale	–	18 500 000
Proceeds from repayment of loans	2 058 946	–
Loans advanced	–	(100)
Net cash (used in)/generated from investing activities	(11 276 332)	24 524 521
Cash flows from financing activities		
Rights issue expenses refunded	–	119 561
Repayment of principal on instalment sales	(2 487 183)	–
Repayment of interest on instalment sales	(1 411 613)	–
Repayment of principal on other financial liabilities	(23 311 072)	(22 405 161)
Repayment of interest on other financial liabilities**	(4 859 481)	(7 109 199)
Finance costs – other**	(1 316)	(64 256)
Payments of principal on leases	(12 135 444)	(9 270 664)
Payments of interest on leases	(6 307 253)	(6 778 170)
Net cash (used in) financing activities	(50 513 362)	(45 507 889)
Total cash movement for the year	(3 275 918)	28 003 147
Cash at the beginning of the year	32 752 474	4 749 327
Total cash at end of the year	29 476 556	32 752 474

** Refer page 15 Reclassification of finance costs on the statements of cash flows for further details.

NOTES TO THE SUMMARISED FINANCIAL STATEMENTS

for the year ended 31 March 2022

BASIS OF PREPARATION

The summarised consolidated financial results for the year ended 31 March 2022 (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.

During the year the statements of financial position were restated due to a prior year error. Refer page 15 for further details.

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.

EFFECTS OF CHANGES IN ACCOUNTING POLICIES

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9

When there is a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform then the entity is required to apply paragraph B5.4.5 as a practical expedient. This expedient is only available for such changes in basis of determining contractual cash flows.

Additional temporary exemptions from applying specific hedge accounting requirements as well as additional rules for accounting for qualifying hedging relationships and the designation of risk components have been added to hedge relationships specifically impacted by interest rate benchmark reform.

The effective date of the group is for years beginning on or after 01 January 2021.

The group has adopted the amendment for the first time in the 2022 annual financial statements.

The financial liabilities impacted by the adoption of this standard is the Métier term loan of R48 273 681 and the SepCem facility loan of R674 467 000. The impact of the amendment is not known as the South African benchmark rate has not yet been revised.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 16

If there is a lease modification as a result of the interest rate benchmark reform, then as a practical expedient the lessee is required to apply paragraph 42 of IFRS 16 to account for the changes by remeasuring the lease liability to reflect the revised lease payment.

The amendment only applies to modifications as a result of the interest rate benchmark reform.

The effective date of the group is for years beginning on or after 01 January 2021.

The group has adopted the amendment for the first time in the 2022 annual financial statements.

The adoption of this amendment has not had a material impact on the results of the group, but has resulted in more disclosure than would have previously been provided in the annual financial statements.

Further amendment COVID-19 – Related Rent Concessions beyond 30 June 2021

In March 2021 the IASB issued "COVID-19 Related Rent Concessions beyond 30 June 2021", in which the application was extended to also include rent concessions related to payments originally due on or before 30 June 2022.

The amendment is effective for annual reporting periods beginning on or after 01 April 2021, with earlier application permitted for financial statements not authorised for issue at 31 March 2021.

The group has adopted the amendment for the first time in the 2022 annual financial statements.

The impact of the amendment is not material.

RECLASSIFICATION OF FINANCE COSTS ON THE STATEMENTS OF CASH FLOW

During the year management assessed the reporting requirements of IAS 7. Given the nature of the debt and the consistent application of the standard, it is believed it will provide more useful information for the user if the interest portion is presented in financing activities too. The finance costs on the statements of cash flows now form part of cash flows from financing activities instead of operating activities. This resulted in the reclassification of finance costs of R7 173 455 for the group in the prior period.

The full details on the prior year are as follows:

	Previously reported R	Reclassification R	31 March 2021 R
Statements of cash flows			
Cash flows from operating activities			
Finance costs	(7 173 455)	7 173 455	–
Net cash from operating activities	41 813 000	7 173 455	48 986 515
Cash flows from financing activities			
Finance costs – other	–	(64 256)	(64 256)
Repayment of interest on other financial liabilities	–	(7 109 199)	(7 109 199)
Net cash used in financing activities	(38 334 434)	(7 173 455)	(45 507 889)

PRIOR PERIOD ERROR

During 2022 the group discovered that the deferred tax asset of the associate, SepCem had been erroneously overstated with R53 555 000, due to the incorrect calculation of temporary differences relating to certain capital allowances in prior years (2020 and earlier).

As a consequence, the group retained earnings and related investment in associate were overstated. The error has been corrected by restating each of the affected financial statement line items for the prior periods in the group. The total impact on the group financials statements at 36% equates to R19 279 800.

The error had no impact on profit or loss and cash flows for the years ended 31 March 2021 and 31 March 2020.

The following table summarises the impact on the group financial statements for 31 March 2020:

	Previously reported R	Adjustments R	As restated R
Assets			
Non-current assets			
Investment in associate	812 678 672	(19 279 800)	793 398 872
Total non-current assets	1 215 392 431	(19 279 800)	1 196 112 631
Total assets	1 337 755 480	(19 279 800)	1 318 475 680
Equity			
Stated capital	682 782 720	–	682 782 720
Reserves	10 643 889	–	10 643 889
Retained earnings	407 339 227	(19 279 800)	388 059 427
Total equity	1 100 765 836	(19 279 800)	1 081 486 036
Total equity and liabilities	1 337 755 480	(19 279 800)	1 318 475 680
Net assets value and tangible net asset value per share			
Total assets	1 337 755 480	(19 279 800)	1 318 475 680
Total liabilities	(236 989 644)	–	(236 989 644)
Net asset value attributable to equity holders of parent	1 100 765 836	(19 279 800)	1 081 486 036
Goodwill	(223 421 981)	–	(223 421 981)
Tangible net asset value	877 343 855	(19 279 800)	858 064 055
Shares in issue	254 486 436	–	254 486 436
Net asset value per share (cents)	432.54	(7.57)	424.97
Tangible net asset value per share (cents)	344.75	(7.57)	337.18

NET ASSET VALUE PER SHARE AND EARNINGS PER SHARE

	GROUP	
	Year ended 31 March 2022 Audited R	Year ended 31 March 2021 Restated* Audited R
Net asset value and tangible net asset value per share		
Total assets	1 402 002 879	1 351 982 901
Total liabilities	(254 722 125)	(249 577 767)
Net asset value attributable to equity holders of parent	1 147 280 754	1 102 405 134
Goodwill	(223 421 981)	(223 421 981)
Tangible net asset value	923 858 773	878 983 153
Shares in issue	254 486 436	254 486 436
Net asset value per share (cents)	450.82	433.19
Tangible net asset value per share (cents)	363.03	345.40

	2022 Gross R	2022 Net R	2021 Gross R	2021 Net R
Reconciliation of basic earnings to diluted earnings and headline earnings:				
Profit attributable to ordinary equity holders of the parent entity		44 577 544		19 921 912
IAS 33 earnings		44 577 544		19 921 912
Add/Less IAS 16 gains on the disposal of plant and equipment	389 942	280 758	(6 131 547)	(4 414 714)
Add IAS 36 Impairment of investment		120 551		
Headline earnings and diluted headline earnings attributable to equity holders of parent		44 978 853		15 507 198
Basic weighted average number of shares		254 486 436		254 486 436
Diluted weighted average number of shares		254 486 436		254 486 436
Basic earnings per share (cents)		17.52		7.83
Diluted earnings per share (cents)		17.52		7.83
Headline earnings per share (cents)		17.67		6.09
Diluted headline earnings per share (cents)		17.67		6.09

* See page 15 for details on the restated prior year net asset value and tangible net asset value per share.

SEGMENT INFORMATION

	Ready-mixed concrete R	Head office R	Group totals R
2022			
Segment revenue – external revenue	785 791 090	–	785 791 090
Segment cost of sales	(484 062 792)	–	(484 062 792)
Segment expenses	(257 825 431)	(13 994 125)	(271 819 556)
Profit from equity-accounted investment	–	28 992 240	28 992 240
Loss on sale of property, plant and equipment	(389 942)	–	(389 942)
Segment profit after taxation	29 579 105	14 998 440	44 577 545
Taxation	(7 831 832)	–	(7 831 832)
Interest received	2 037 015	331	2 037 346
Interest paid	(12 851 838)	(6)	(12 851 844)
Depreciation and amortisation	(26 718 733)	–	(26 718 733)
Segment assets	325 307 335	1 076 695 544	1 402 002 879
Investment in associate included in the above total segment assets	–	838 361 313	838 361 313
Capital expenditure included in segment assets	48 229 012	–	48 229 012
Segment liabilities	(251 544 361)	(3 177 764)	(254 722 125)
2021			
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	1 052 594 422	1 351 982 901
Investment in associate included in the above total segment assets*	–	809 369 073	809 369 073
Capital expenditure included in segment assets	3 038 118	–	3 038 118
Segment liabilities	(248 465 612)	(1 112 155)	(249 577 767)

The only commodity actively managed by 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.

* See page 15 for further details on the change in the prior year segment assets and investment in associate.

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.

The prior period values are restated due to the correction of an error on the deferred tax asset of the associate. Refer page 15 for the full details of the prior period error. The net asset value of the associate is R1 816 004 000 (2021: R1 734 093 000) as indicated below.

Summarised financial information of SepCem and its subsidiaries

	Year ended 31 December 2022 R'000	Year ended 31 December 2021 Restated R'000	Year ended 31 December 2020 Restated R'000
Non-current assets	2 787 478	2 921 799	3 084 173
Current assets	870 093	975 154	985 420
Total assets	3 657 571	3 896 953	4 069 593
Total equity	1 816 004	1 734 093	1 566 269
Non-current liabilities	(716 306)	(1 355 774)	(1 544 719)
Current liabilities	(1 125 261)	(807 086)	(958 605)
Total liabilities	(1 841 567)	(2 162 860)	(2 503 324)

	Year ended 31 December 2022 R'000	Year ended 31 December 2021 R'000
Revenue for the period	2 564 262	2 400 546
Cost of sales	(2 180 328)	(2 018 365)
Gross profit	383 934	382 181
Operating profit	219 393	219 414
Investment income	11 593	13 322
Finance costs	(119 502)	(163 771)
Profit before taxation	111 484	68 965
Taxation expense	(29 573)	(24 602)
Profit after taxation for the year	81 911	44 363
Total comprehensive income for the period	81 911	44 363
Total comprehensive income attributable to owners of the parent	80 534	44 363

STATED CAPITAL

During the prior year R183 190 of the capitalised rights issue expenses were refunded. This related to the rights offer circulated to the company's shareholders during January 2020. No new shares were issued during the current or prior period. The unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual 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.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The company's current liabilities exceeds the current assets, however if the loan from group company is required to be repaid, the board will approve Métier to pay a dividend to SepHold. The dividend received will be utilised to repay the loan in full. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

KwaZulu-Natal (KZN) and Gauteng saw the outbreak of violent riots in July 2021. The group's operations in these provinces were not affected and as such had no impact on the group's ability to continue as a going concern.

EVENTS AFTER THE ANNUAL REPORTING PERIOD

KZN province flooding

Métier has been impacted by the intermittent flooding events in the KZN province since April 2022, which have had a slight negative impact on revenue to date. Although the flooding has not impacted the subsidiary's operations, the disruption has predominantly been on the inability to access selected project sites due to damaged roads and or suspension of projects.

Q1 2022 performance

Following the DCP first-quarter results announcement for the three months ended 31 March 2022, released on 29 April 2022, SepCem's revenue increased by 2% to R553 million (Q1 2021: R541 million) mainly due to price increases implemented in January 2022.

CHANGES TO THE BOARD

SepCem's chief executive officer, PF Fourie, 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)

21 June 2022



Brent Williams

Chairperson – independent non-executive director

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

Bukelwa Bulo (44)

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 Capital Appreciation Limited and Netcare Limited.

Brent Williams (58)

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 (65)

Independent non-executive director

BCom (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 (65)

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 and chairman of South African Breweries Foundation as well as a Trustee of the Nelson Mandela Children's Hospital, just to mention a few.

ANNEXURE 3 – REMUNERATION POLICY AND DIRECTORS’ EMOLUMENTS



Moses Modidima Ngoasheng
*Chairperson: remuneration committee**

“A key objective for the committee is to achieve appropriate levels of gender and racial diversity across the group in the long term.”

REMUNERATION AND NOMINATION COMMITTEE REPORT

Feedback on statutory duties

The REMCO consists of myself as chairperson of remuneration, B Williams as chairperson of nominations, and MJ Janse van Rensburg. As a committee, we are satisfied that we have fulfilled all our responsibilities under the terms of reference. In summary, we reviewed the committee charter, the board diversity, and nominations policies to identify how to enhance their effectiveness.

Furthermore, as detailed below, we extensively reviewed the succession plans as well as management appointments, resignations, and retirements for the group entities. A key objective for the committee is to achieve appropriate levels of gender and racial diversity across the group in the long term. We are cognisant that the lack of skills in the targeted population groups is a limiting factor. However, we are committed to achieving this goal one step at a time.

* Brent Williams is the chairperson of the nominations committee.

Succession planning

SepCem

In FY 2022 we prioritised succession planning for all key management positions in the group entities. Even before Pieter Fourie’s untimely death in May 2021, we had begun assessing the possibility of an internal successor at his retirement in the following year. Therefore, the appointment of Duan Claassen as the SepCem acting CEO was a relatively quick and confident decision. Duan brings a depth of technical skills and industry knowledge built over a 25-year career in cement manufacturing.

To date as the SepCem CEO, Duan has improved the sales strategy and introduced better controls on expenses, resulting in higher profitability. We believe that with his institutional memory, he is best placed to implement the appropriate strategies to improve SepCem’s overall performance in the shortest possible time. The succession plan for SepCem’s management, which is mainly based on internal promotion, was reviewed and approved by the committee. Several SepCem employees have been identified for training to ensure they are equipped to perform optimally in the event of being promoted.

Métier

We recognised that due to the technical nature of the skills required for key managerial positions in Métier, external appointments would be the main method of ‘succession’. We encouraged management to develop a pool of external experts for the critical positions. The subsidiary has also established an in-house graduate learnership programme to develop scarce skills, with the goal of enhancing the talent pool with an emphasis on transformation.

SepHold

At SepHold, we have maintained the dual CEO and FD role because of the prevailing trading conditions that have limited investment opportunities. This current dispensation of a dual executive role was granted by the JSE to expire in December 2022. Therefore, we are exploring several management configurations that would be appropriate for potential economic situations beyond December 2022.

Remuneration reviews

We reviewed and approved proposals for salary increases and incentives following the improvement of the group’s performance. To determine the optimal magnitude of remuneration, we considered prevailing trading conditions and the forecasted group performance in the medium term. At the SepHold executive level, we reviewed the key performance indicators and considered them to still be relevant for the current level of business activity. Details on the executive remuneration are in the implementation report on pages 43 – 45.

In the same vein, I am pleased to report that at the AGM held on 15 September 2021, shareholders approved the non-binding advisory resolutions on the SepHold remuneration policy and implementation report by 93%. We have not amended the policy, because we believe that the policy stated below is appropriate for the current level of trading. Therefore, although we remain committed to continuous improvement in the remuneration framework, the policy will be maintained until a material change in business activities warrants a review of the scorecard.

In conclusion, besides implementing our statutory duties in FY 2023, we will focus on:

1. Finalising the appropriate executive management structure for SepHold beyond the dual CEO and FD role dispensation.
2. Benchmarking the non-executive director fees.
3. Evaluating the board tenure and independence reviews for directors that have served for more than nine years.

Moses Modidima Ngoasheng

*Chairperson: remuneration 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:

1. appropriately reward employees for services provided
2. ensure equitable and fair remuneration
3. ensure that variable remuneration is aligned to performance
4. 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
5. comply with all relevant legal requirements

The fixed total guaranteed pay (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 are 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.

Component	Objective	Practice
Total guaranteed package	<ul style="list-style-type: none"> • Remunerate above the market and industry average for key positions. • Remunerate market-related salaries for all other positions. • Review total guaranteed pay annually in November. 	<ul style="list-style-type: none"> • The level of skill and experience, the scope of responsibility and the total remuneration package are considered when rewarding employees. • Appropriate market percentiles based on skills, experience and competitiveness are applied.
Short-term incentive (STI)	<ul style="list-style-type: none"> • To motivate employees and incentivise the delivery of performance over the financial year. • The appropriateness of measures and weightings are reviewed annually to ensure ongoing support of the strategy. 	<ul style="list-style-type: none"> • Performance over the financial year is measured against targets set in the balanced scorecards. • Target bonus (30%, 50% and 70%) of the total guaranteed pay aligned with the level achieved as defined in the performance management policy. • The executive committee annual bonus is paid in cash in July each year for performance over the previous financial year.
Long-term incentive (LTI)	<ul style="list-style-type: none"> • To motivate and incentivise delivery over the long term. • Continued support of the company strategy through awards relating to total shareholder return. These awards are vested against a pre-determined framework. 	<ul style="list-style-type: none"> • 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.
Termination benefits	<ul style="list-style-type: none"> • To retain executive management. 	<ul style="list-style-type: none"> • 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. • The SepHold CEO's and FD's employment contracts have a provision for a minimum payment equivalent to annual remuneration on termination of employment due to a change of control. • The long-term incentive scheme also provides for early vesting in case of a change of control.



SEPHOLD EXECUTIVE MANAGEMENT PERFORMANCE CRITERIA

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

The executive remuneration is constituted of the TGP and the variable short and long-term incentives that are based on performance against key performance indicators (KPIs). The determination of the appropriate TGP is based on the executive's level of experience, responsibilities, prevailing trading conditions and comparative level for JSE listed companies in the same sector. 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.

2023	SepHold CEO/FD			
	TGP ZAR	STI	LTI	Total
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

2023	Métier CEO			
	TGP ZAR	STI	LTI	Total
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 SepHold executive management fixed TGP

As in previous review periods, the REMCO utilised the PwC executive directors' remuneration and, practices report* for 1 March 2020 to 28 February 2021 to review SepHold's executive management TGP. The report focuses on JSE listed entities and includes analyses of the seven sub-Saharan African stock exchanges. The data used in the report was obtained from publicly available information on 28 February 2021. There were no remuneration consultants engaged during the period.

The appropriate industry sector benchmark for SepHold's executive remuneration is the small-cap industrial with the remuneration profile for the CEO, CFO and ED indicated in the table below. Therefore, based on the TGP ranges for the sector, REMCO was satisfied that the current executive remuneration is appropriately within the median to upper quartile bands.

* The report can be accessed online using the link: <https://www.pwc.co.za/en/assets/pdf/executive-directors-report-2021.pdf>

JSE industrial industry small-cap TGP ranges for the period 1 March 2020 to 28 February 2021: R'million

	Chief executive officer	Chief financial officer	Executive director
Upper quartile	5,62	3,73	4,12
	SepHold CEO & FD R4,5 million		
Median	4,20	3,06	3,64
	Métier CEO R2,95 million		
Lower quartile	3,64	2,44	2,77

Determination of the SepHold executive management variable remuneration

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%).

SHORT-TERM INCENTIVES SCORECARD*Financial measures (75%)*

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

* Real relative to CPI.

LONG-TERM INCENTIVES SCORECARD

Performance indicator	Weighting %	Performance criteria	Executive(s) responsible
Implementation of corporate governance best practices.	15	Level of group compliance and standards achieved <ul style="list-style-type: none"> • JSE Listing requirements compliance • Application of King IV principles • Attainment of BBBEE rating • Achievement of safety and environment targets as determined by the company will be measured against a portfolio of evidence 	SepHold CEO & FD and Métier CEO
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.	10	Stakeholder engagement and relationship management <ul style="list-style-type: none"> • Satisfactory resolution of main stakeholder issues 	CEO
		Optimisation of group funding structures to enable sustainability during a negative cycle and value-accretive expansion during a positive cycle Investigating and mitigating risk on alternative funding sources for deals 1. Achieve targeted debt:equity ratio 2. Compliance with all debt loan covenants 3. Increase free cash flow	FD
		Operational executives to demonstrate the ability to: <ol style="list-style-type: none"> 1. Utilise and maintain core competencies 2. Develop human capital and sustain an effective high-performance organisational culture 3. Promote ethical practices 4. Establish robust organisational controls 	Métier CEO

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 to attract and retain high-quality individuals. However, 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. Due to the improvement in the group performance, SepHold has recommended an increase of approximately 8% for FY 2023 to the shareholders to be decided at the September 2022 AGM.

Service contracts

None of the non-executive directors has a written service contract with the group, and all the directors rotate in terms of the memorandum of incorporation.

IMPLEMENTATION REPORT

Short-term incentives

The recovery of the group's performance during FY 2021 for the 12 months ended 31 March 2021 warranted the awarding of bonuses to the SepHold CEO and Métier CEO to be paid in FY 2022 in line with the remuneration policy. The following FY 2021 performance parameters were considered in the decision to award the short-term incentives:

FY 2021 SHORT-TERM INCENTIVES SCORECARD

Financial measures (75%)

Performance indicator	Weighting %	Performance condition detail	Achieved growth	Achieved score on stretch (70%)	Bonus allocation as % of TGF
Real* growth in headline earnings per share (HEPS)	37.5	HEPS growth over the previous year above inflation	176% increase in HEPS from a loss of 7.97 cents to a profit of R6.09 cents CY 2020 average CPI = 3.3% Therefore, real growth of 173%	Real HEPS growth greater than 8% per annum	37.5%* 0,7 = 26.25%

* Real relative to CPI.

Performance indicator	Weighting %	Performance condition detail	Achieved growth	Achieved score on target (50%)	Bonus allocation as % of TGF
Gearing	37.5	Debt to EBITDA	Métier ratio improved from 2.7 to 1.3. SepCem ratio improved from 3.8 to 2.7	Target at 3.0	37.5%* 0,5 = 18.75%
Free cash flow		Free cash flow	Métier improved significantly SepCem stabilised	Improve or stabilise free cashflow	
Debt ratios		Debt service coverage ratio	Improve ratio against bank debt covenants	DCSR at requisite level for both Métier and SepCem	

Non-financial measures (25%)				
Performance indicator	Weighting %	Performance achieved	Achieved score	Bonus allocation as % of TGF
Implementation of corporate governance best practices.	15	SepHold & Métier CEOs ensured the group compliance to <ul style="list-style-type: none"> • JSE Listing requirements compliance. • Application of King IV principles • Attainment of BBBEE rating Level 4 • HSSE targets 	Management achieved the minimum score of 30%. The score was agreed as fair between REMCO and executive management due to the challenges of accurately measuring performance within COVID-19 restrictions.	25.0 %* 0,3 = 7.5%
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	10	SepHold CEO & FD <ul style="list-style-type: none"> • Satisfactory resolution of main stakeholder issues. • Optimising structures to enable sustainability and achievement of financial measures. Métier CEO <ul style="list-style-type: none"> • Maintained core competences • Developed appropriate human capital • Promoted ethical practices • Established robust controls 		

The total bonus against the TGP based on 52.5%

- SepHold CEO at 52.5% against R4,5 million = R2,36 million.
- Métier CEO at 52.5% against R2,9 million = R1,52 million.
 - Métier CEO reduced his salary by 25% in FY 2021 in response to COVID-19, therefore the bonus based on the normalised salary of R3,65 million is R1,92 million.

Therefore, the resultant total bonus awards were R2 million for the SepHold CEO & FD and R1,7 million for the Métier CEO as indicated in the emoluments table below. The payments were not implemented by year-end in response to cashflow constraints.

Directors’ and prescribed officer’s emoluments

Executive

	TGP R	Performance bonuses* R	Travel allowances R	Pension fund R	IFRS 2 share-based payments expense R	Total R
2022						
NR Crafford-Lazarus	4 312 334	2 000 000	142 500	158 166	83 042	6 696 042
KJ Capes	2 740 500	1 700 000	–	–	–	4 440 500
	7 052 834	3 700 000	142 500	158 166	83 042	11 136 542
2021						
NR Crafford-Lazarus	4 094 812	–	150 000	150 188	220 110	4 615 110
KJ Capes	2 520 000	–	–	–	–	2 520 000
	6 614 812	–	150 000	150 188	220 110	7 135 110

* The bonus paid in FY 2022 relates to the FY 2021 performance. No bonuses were awarded for FY 2020 performance for the 12 months ended 31 March 2020.

Non-executive directors

The directors unanimously agreed not to increase their fees for the fourth consecutive year, due to the continuing challenging trading environment for the operational entities.

	Fees for services as director R	Bonuses and performance-related payments R	Expense allowances R	IFRS 2 share-based payments expense R	Total R
2022					
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	–	–	83 042	418 042
PF Fourie**	–	3 373 781	738 204	–	4 111 985
	1 780 000	3 373 781	738 204	83 042	5 975 027
2021					
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
	1 780 000	5 742 921	1 810 120	220 110	9 553 151

** PF Fourie (deceased 19 May 2021) was a non-executive director of SepHold and an executive director of SepCem. All remuneration paid to him by the associate company, SepCem, has therefore also been disclosed above.

Non-binding remuneration resolutions 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 the non-binding resolutions of shareholder approval of the remuneration policy and the implementation report are voted against by 25% or more of the voting rights exercised.

The company will:

1. invite dissenting shareholders (those who voted against the policy and/or the implementation report) to engage with the group; and
2. 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.

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
Citiclient Nominees No8 LDN GW	8 000 000	3.14

RANGE OF SHAREHOLDINGS

	Number of shareholders	% of shareholders	Number of shares
Share range			
1 – 1 000	6 944	80.93	908 949
1 001 – 10 000	982	11.45	3 560 706
10 001 – 50 000	372	4.34	8 983 130
50 001 – 100 000	104	1.21	7 331 348
100 001 – 500 000	117	1.36	27 050 620
500 001 – 1 000 000	31	0.36	21 956 974
1 000 001 shares and over	30	0.35	184 694 709
Total	8 580	100.00	254 486 436

PUBLIC AND NON-PUBLIC SHAREHOLDERS

	Shares held	%	Number of shareholders
Public	232 408 483	91.32	8 575
Non-public	22 077 953	8.68	5
– Directors’ direct holdings	13 674 186	5.37	3
– Directors’ indirect holdings	8 363 767	3.29	1
– Directors’ associates	40 000	0.02	1
	254 486 436	100.0	8 580

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	
	2022 R	2021 R
Authorised 1 000 000 000 ordinary shares with no par value		
Issued – ordinary shares with no par value 254 486 436 (2021: 254 486 436) shares at beginning of period	682 965 910	682 782 720
Rights issue expenses refunded/(capitalised)	–	183 190
254 486 436 (2021: 254 486 436) shares at end of period	682 965 910	682 965 910

SHARE-BASED PAYMENTS

	Number	Weighted exercise price R	Total value R
Share options granted on 10 December 2014	1 565 000	6.80	10 642 000
Outstanding at 01 April 2021	1 465 000		
Exercised in 2022	(1 465 000)		
Outstanding at 31 March 2022	–		
Share options granted on 31 March 2016	1 630 000	4.40	7 172 000
Outstanding at 01 April 2021	1 630 000		
Cancelled in 2021 due to resignation	(41 667)		
Outstanding at 31 March 2022	1 588 333		
Share options granted on 30 June 2017	1 905 000	3.00	5 715 000
Outstanding at 01 April 2021	1 905 000		
Cancelled in 2021 due to resignation	(200 000)		
Outstanding at 31 March 2022	1 705 000		
Total share options outstanding at 31 March 2022	3 293 333		
Total share options outstanding at 31 March 2021	4 758 333		
Total share options exercisable at 31 March 2022	3 293 333		
Total share options exercisable at 31 March 2021	4 122 333		

RELATED PARTIES

	GROUP	
	2022 R	2021 R
Related-party balances		
Loan accounts – owing by related parties		
Cross Company Management Proprietary Limited	7 629 836	9 688 781
Union Atlantic Minerals Limited	1 073 054	1 073 054
Amounts included in trade receivables/(trade payables) regarding related parties		
Dangote Cement South Africa Proprietary Limited	(10 925 479)	(8 686 676)
Related-party transactions		
Purchases from related parties		
Dangote Cement South Africa Proprietary Limited	75 826 136	76 416 321
Rent paid to related parties		
Plazatique Corp 27 CC*	1 139 400	1 080 000
WKRD Properties Proprietary Limited*	982 153	892 867
Dangote Cement South Africa Proprietary Limited	–	336 033
Utilities paid to related parties		
Plazatique Corp 27 CC	708 583	708 699

* The amounts included represent the actual transactions as per the lease agreements. The IFRS 16 treatment for these form part of Lease obligations.



ANNEXURE 6 – DIRECTORS’ RESPONSIBILITY STATEMENT AND MATERIAL CHANGES STATEMENT

DIRECTORS’ RESPONSIBILITY STATEMENT

The director, whose name is stated below, hereby confirms 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) to the best of his knowledge and belief, 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;
- (d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled his role and function as executive director with primary responsibility for implementation and execution of controls;
- (e) where he is not satisfied, he has disclosed to the audit committee and the auditors the deficiencies in design and operational effectiveness of the internal controls and any fraud that involves directors and have taken the necessary remedial action; and
- (f) he is not aware of any fraud involving directors.



NR Crafford-Lazarus

Chief executive officer and financial director

Centurion, South Africa

21 June 2022

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 2022 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, 21 September 2022 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 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 20 September 2022 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
Ordinary resolutions			
1. Re-appointment of independent external auditors			
2. Re-election of directors			
2.1 Re-election of Ms. Martie Janse van Rensburg as a director			
2.2 Re-election of Mr. Moss Ngoasheng as a director			
2.3 Re-election of Mr. Brent Williams as a director			
3. Appointment of the chairperson and members of the audit and risk committee			
3.1 Appointment of Ms. Martie Janse van Rensburg as a member and chairperson of the audit and risk committee subject to the passing of resolution 2.1			
3.2 Appointment of Mr. Brent Williams as a member of the audit and risk committee subject to the passing of resolution 2.3			
3.3 Appointment of Ms. Bukelwa Bulo 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			
Special resolutions			
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 _____ 2022

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 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, by no later than 10:00HS, Monday 19 September 2022 (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 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.
14. A deletion of any printed matter and the completion of any blank space need not be signed or initialed. Any alteration or correction must be signed and not merely initialed.
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:
 - 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 by no later than 10:00HS on Monday 19 September 2022.

- 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 20 September 2022 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 19 September 2022.
- 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 dialing 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.

Shareholder name: _____

Signature: _____

Date: _____

CORPORATE INFORMATION

Directors	B Williams* (Chairperson) MJ Janse van Rensburg* B Bulo* MM Ngoasheng* NR Crafford-Lazarus° (CEO) Dr L Mohuba+ KJ Capes° (Métier CEO) ° Executive * Independent non-executive + Non-executive
Company secretary	Acorim Proprietary Limited Email: sephaku@acorim.co.za Telephone: +27 11 325 6363
Investor relations	Sakhile Ndlovu Email: info@sephold.co.za Telephone: +27 12 648 6300
Registered office	Southdowns Office Park First floor, Block A Cnr Karee and John Vorster Streets Irene, X54 0062 PO Box 7651 Centurion 0046 Website: www.sephakuholdings.com
Transfer secretaries	Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196 Private Bag X9000, Saxonwold, 2131 Telephone: +27 11 370 5000
JSE sponsor	QuestCo Corporate Advisory Proprietary Limited Telephone: +27 11 011 9200
Auditors	BDO South Africa Inc Chartered Accountants (SA) Registered Auditors
Bankers	Nedbank
Métier Mixed Concrete (wholly owned subsidiary)	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: www.metiersa.co.za
Dangote Cement South Africa Proprietary Limited (Associate)	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: www.sephakucement.co.za
The Meeting Specialist (Proprietary) Limited	JSE Building, One Exchange Square, 2 Gwen Lane, Sandown, 2196 and/or PO Box 62043, Marshalltown, 2107 South Africa



SEPHAKU
HOLDINGS LTD