INTEGRATED ANNUAL REPORT

2017

AFRICAN & OVERSEAS
ENTERPRISES LIMITED

SCOPE, BOUNDARY AND APPROVAL OF THE INTEGRATED ANNUAL REPORT

AFRICAN AND OVERSEAS ENTERPRISES LIMITED ("AFRICAN AND OVERSEAS ENTERPRISES", "AOE" OR "THE COMPANY") IS PLEASED TO PRESENT ITS INTEGRATED ANNUAL REPORT TO STAKEHOLDERS IN LINE WITH THE REQUIREMENTS OF THE KING REPORT ON GOVERNANCE FOR SOUTH AFRICA, 2009 ("KING III"). WE NOTE IN THIS REGARD THAT WHILE KING III HAS NOW BEEN REPLACED BY THE KING REPORT ON CORPORATE GOVERNANCE FOR SOUTH AFRICA, 2016 ("KING IV"), DISCLOSURE ON THE APPLICATION OF KING IV IS EFFECTIVE FOR FINANCIAL YEARS STARTING ON OR AFTER 1 APRIL 2017 AND IS ACCORDINGLY NOT APPLICABLE FOR THE FINANCIAL YEAR COVERED BY THIS INTEGRATED ANNUAL REPORT.

REPORT CONTENT

This integrated annual report covers the annual financial reporting period 1 July 2016 to 30 June 2017. Due to African and Overseas Enterprises' investment in Rex Trueform Clothing Company Limited ("Rex Trueform") this integrated annual report is limited to matters which are not addressed in the Rex Trueform integrated annual report. This integrated annual report should be read in conjunction with the Rex Trueform integrated annual report.

We have only included a general narrative on strategy, risks, opportunities and sustainability issues identified. All financial information provided, which is supported by the annual financial statements, has been prepared in terms of International Financial Reporting Standards, while financial key performance indicators and ratios calculated using non-financial information have been provided based on internal management information, and are defined within the integrated annual report.

This integrated annual report includes summarised extracts from the group's annual financial statements. The full set of annual financial statements can be found on the company's website at www.rextrueform.com.

EXTERNAL ASSURANCE

Assurance on the financial statements contained in this integrated annual report has been provided by the external auditors, KPMG Inc. These financial statements form the basis of the financial disclosure in the integrated annual report.

APPROVAL OF INTEGRATED ANNUAL REPORT

The board of directors ("the board") acknowledges its responsibility to ensure the integrity of the integrated annual report. The board has accordingly applied its mind to the integrated annual report and in its opinion the integrated annual report addresses all material issues and presents fairly the integrated performance of the organisation. The board authorised the integrated annual report for release on 26 September 2017.

Michael Krawitz
Chairman
Authorised director

Catherine Radowsky
Chief executive officer
Authorised director

Cape Town, 26 September 2017

www.queenspark.com

www.facebook.com/queenspark

@QueensparkSA

FINANCIAL PERFORMANCE

TURNOVER DECREASED BY

1.6%

OPERATING LOSS

R0.8m

(2016: R9.3m profit)

EARNINGS PER SHARE

1.3 cents

(2016: 37.2 cents)

GROUP PROFILE

AFRICAN AND OVERSEAS ENTERPRISES LIMITED HAS BEEN LISTED ON THE JSE LIMITED SINCE 1948. THE COMPANY HAS A CONTROLLING INTEREST IN REX TRUEFORM CLOTHING COMPANY LIMITED WHICH IN TURN IS INVESTED IN THE RETAIL AND PROPERTY INDUSTRIES.

African and Overseas Enterprises Limited
Investment in Rex Trueform Clothing Company Limited
Shareholding:
Ordinary shares – 2 110 169 (72.62%)
"N" ordinary shares – 9 212 565 (51.94%)
(Translates into an economic interest of 54.85% in Rex Trueform)

Rex Trueform Clothing Company Limited
Investment in retail and property holdings
Company Operating Segments:
Retail – Investment in Queenspark Proprietary Limited and its subsidiary in Namibia, Queenspark (Proprietary) Limited
Property – Owns and manages a property portfolio directly in the company and has an investment in Queenspark Distribution Centre Proprietary Limited
Group services – Manages the group's corporate responsibility

100% owned

Queenspark Distribution Centre Proprietary Limited
Owns and manages the distribution centre property which is leased to Queenspark Proprietary Limited

Queenspark Proprietary Limited
Operates in the clothing retail sector

Anglo American Export & Import Company Limited
Dormant

100% owned

Queenspark (Proprietary) Limited (incorporated in Namibia)
Operates in the clothing retail sector

MISSION AND VISION

AFRICAN AND OVERSEAS ENTERPRISES' MISSION IS TO OPERATE AS AN INVESTMENT HOLDING COMPANY WHILE PROVIDING A FAIR RETURN TO ITS SHAREHOLDERS

STRATEGY

THE COMPANY STRATEGY IS TO MAINTAIN ITS INVESTMENT IN REX TRUEFORM CLOTHING COMPANY LIMITED IN THE LONG TERM

BUSINESS MODEL

- Owns controlling share in subsidiary
- Receives investment income

FIVE-YEAR REVIEW

GROUP RESULTS

	2017 R'000	2016 R'000	2015 R'000	2014 R'000	2013 R'000
STATEMENTS OF COMPREHENSIVE INCOME					
Turnover	**528 759**	537 588	516 086	492 079	474 438
Cost of sales	**(237 200)**	(248 937)	(225 698)	(249 774)	(231 176)
Gross profit	**291 559**	288 651	290 388	242 305	243 262
Other income	**15 243**	15 176	16 509	5 118	2 608
Trading expenses	**(307 583)**	(294 550)	(278 227)	(265 971)	(266 220)
Operating profit/(loss)	**(781)**	9 277	28 670	(18 548)	(20 350)
Dividends received	**21**	20	18	16	13
Interest income	**4 549**	5 445	3 604	3 630	6 458
Interest expense	**(163)**	(222)	(214)	(251)	(241)
Profit/(loss) before tax	**3 626**	14 520	32 078	(15 153)	(14 120)
Income tax expense	**(1 939)**	(4 946)	(9 501)	3 900	3 380
Profit/(loss) for the year	**1 687**	9 574	22 577	(11 253)	(10 740)
Profit/(loss) attributable to ordinary and "N" ordinary shareholders	**147**	4 241	11 821	(6 930)	(6 659)
STATEMENTS OF CASH FLOWS					
Operating profit/(loss) before working capital changes	**25 640**	36 013	50 328	1 811	(2 971)
Working capital changes	**(17 731)**	4 737	4 849	9 190	(18 225)
Cash generated/(utilised) by operating activities	**7 909**	40 750	55 177	11 001	(21 196)
Interest received	**4 549**	5 445	3 604	3 630	6 458
Interest paid	**(163)**	(222)	(214)	(251)	(241)
Dividends paid	**(4 556)**	(9 832)	(50)	(9 827)	(9 827)
Dividends received	**21**	20	18	16	13
Income tax paid	**(862)**	(5 676)	(814)	708	(777)
Net cash inflows/(outflows) from operating activities	**6 898**	30 485	57 721	5 277	(25 570)
Net cash outflows from investing activities	**(31 705)**	(27 748)	(34 627)	(46 814)	(35 805)
Net cash inflows from financing activities	**234**	–	–	57	263
Net (decrease)/increase in cash and cash equivalents	**(24 573)**	2 737	23 094	(41 480)	(61 112)

	2017 R'000	2016 R'000	2015 R'000	2014 R'000	2013 R'000
STATEMENT OF FINANCIAL POSITION					
Assets					
Non-current assets	**159 628**	155 705	151 146	142 159	114 458
Current assets	**170 987**	185 827	175 955	154 697	204 901
Total assets	**330 615**	341 532	327 101	296 856	319 359
Equity and liabilities					
Ordinary shareholder's interest	**142 969**	144 459	143 847	132 039	142 962
Preference share capital	**550**	550	550	550	550
Non-controlling interest	**117 276**	117 401	117 563	106 869	116 952
Total equity	**260 795**	262 410	261 960	239 458	260 464
Non-current liabilities	**22 549**	22 274	21 548	15 775	16 123
Current liabilities	**47 271**	56 848	43 593	41 623	42 772
Total equity and liabilities	**330 615**	341 532	327 101	296 856	319 359

GROUP RATIOS

		2017	2016	2015	2014	2013
Returns						
Return on equity	(%)	**0.1**	3.6	9.0	(4.6)	(4.0)
Return on capital	(%)	**1.4**	5.6	12.9	(6.0)	(5.1)
Return on assets	(%)	**1.1**	4.4	10.4	(4.9)	(4.3)
Productivity						
Total asset turn	(times)	**1.6**	1.6	1.7	1.6	1.5
Gross margin	(%)	**55.1**	53.7	56.3	49.2	51.3
Operating margin	(%)	**(0.1)**	1.7	5.6	(3.8)	(4.3)
EBITDA margin	(%)	**5.5**	7.1	10.6	1.6	0.8
Profit/(loss) margin before tax	(%)	**0.7**	2.7	6.2	(3.1)	(3.0)
Inventory turn	(times)	**3.4**	3.8	3.0	2.9	3.1
Effective tax rate	(%)	**53.5**	34.1	29.6	25.7	23.9
Solvency and liquidity						
Total liabilities to total equity	(%)	**26.8**	30.2	24.9	24.0	22.6
Current ratio	:1	**3.6**	3.3	4.0	3.7	4.8
Acid test ratio	:1	**2.0**	2.2	2.4	1.7	2.7
Dividend cover	(times)	**–**	2.0	2.6	–	(1.7)
Annual growth on operations						
Turnover	(%)	**(1.6)**	4.2	4.9	3.7	(10.6)
Operating (loss)/profit	(%)	**(108.4)**	(67.6)	254.6	(8.9)	(181.5)
Profit/(loss) for the year	(%)	**(82.4)**	(57.6)	300.6	(4.8)	(148.6)

SHARE PERFORMANCE

		2017	2016	2015	2014	2013
Earnings/(loss) per share	(cents)	**1.3**	37.2	103.8	(60.9)	(58.5)
Headline earnings/(loss) per share	(cents)	**3.3**	34.3	90.3	(53.0)	(59.6)
Proposed dividend per ordinary share	(cents)	**–**	17.0	35.0	–	35.0
Dividend declared per ordinary share	(cents)	**17.0**	35.0	–	35.0	35.0
Dividend cover – based on headline (loss)/earnings	(cents)	**–**	2.0	2.6	–	(1.7)
Total number of shares in issue	(000's)	**11 387**	11 387	11 387	11 387	11 387
Weighted average shareholders' return	(%)	**6.5**	2.5	(7.4)	(18.3)	(6.8)
Net asset value per share	(cents)	**1 231**	1 243	1 238	1 137	1 231
Ratio closing price/net asset value						
– Ordinary shares		**1.3**	0.9	1.0	1.1	1.3
– "N" ordinary shares		**0.9**	0.9	0.9	1.1	1.2
Ordinary shares						
Market price per share						
– at year-end	(cents)	**1 600**	1 100	1 200	1 200	1 600
– high	(cents)	**1 600**	1 100	1 200	1 400	1 750
– low	(cents)	**1 500**	726	1 200	1 200	1 550
Shares traded						
– value	(R'000)	**32**	49	28	8	159
– volume	(000's)	**2**	4	2	1	10
Shares in issue	(000's)	**1 250**	1 250	1 250	1 250	1 250
Percentage traded	(%)	**0.2**	0.3	0.2	0.1	0.8
Closing price/earnings	(ratio)	**480.7**	32.1	13.3	(22.6)	(26.8)
Closing dividend yield – proposed dividend	(%)	**–**	1.5	2.9	–	2.2
"N" ordinary shares						
Market price per share						
– at year-end	(cents)	**1 104**	1 104	1 100	1 200	1 500
– high	(cents)	**–**	1 160	1 200	1 400	1 900
– low	(cents)	**–**	1 100	910	702	1 500
Shares traded						
– value	(R'000)	**–**	390	28 901	282	1 368
– volume	(000's)	**–**	35	346	34	84
Shares in issue	(000's)	**10 137**	10 137	10 137	10 137	10 137
Percentage traded	(%)	**–**	0.3	3.4	0.3	0.8
Closing price/earnings	(ratio)	**331.7**	32.2	12.2	(22.6)	(25.2)
Closing dividend yield – proposed dividend	(%)	**–**	1.5	3.2	–	2.3
Market capitalisation						
– Ordinary shares	(R million)	**20.0**	13.8	15.0	15.0	20.0
– "N" ordinary shares	(R million)	**111.9**	111.9	111.5	121.6	152.1
– Total	(R million)	**131.9**	125.7	126.5	136.6	172.1

GROUP DEFINITIONS

Return on equity:	Earnings/(loss) attributable to ordinary and "N" ordinary shareholders divided by average total equity
Return on capital:	Total group profit/(loss) before interest paid and tax divided by average total net assets
Return on assets:	Total group profit/(loss) before interest paid and tax divided by average total assets
Total asset turn:	Total group turnover divided by average total assets
Gross margin:	Gross profit divided by turnover
Operating margin:	Operating profit/(loss) divided by turnover
EBITDA margin:	Earnings before interest expense, tax, depreciation and amortisation divided by turnover
Inventory turn:	Total group cost of sales for the year divided by average inventory
Effective tax rate:	Income tax expense divided by profit/(loss) before tax
Total liabilities to equity:	Total closing liabilities divided by total closing equity
Current ratio:	Total closing current assets divided by total closing current liabilities
Acid test ratio:	Total closing current assets less closing inventories divided by total closing current liabilities
Dividend cover:	Headline earnings/(loss) per share divided by total ordinary dividends proposed for the year
Weighted average number of shares in issue:	The number of shares in issue at the beginning of the year increased by shares issued during the year and decreased by shares repurchased during the year, weighted on a time basis for the period during the year in which they were in issue
Weighted average shareholder return:	Weighted average share price at the end of the year minus the weighted average share price at the beginning of the year plus dividends declared, divided by the weighted average share price at the beginning of the year
Net asset value per share:	Total capital and reserves less non-controlling interest divided by the number of ordinary and preference shares in issue at the end of the reporting period
Market capitalisation:	The closing share price at year-end as per the JSE multiplied by the total number of shares in issue at the end of the year

DIRECTORATE

AFRICAN & OVERSEAS
ENTERPRISES LIMITED

Michael Laurence Krawitz (78)

Diploma in Law and Higher Diploma in Tax Law

NON-EXECUTIVE CHAIRMAN

Non-executive chairman of Rex Trueform Clothing Company Limited, Queenspark Proprietary Limited and Queenspark Distribution Centre Proprietary Limited

14 years of service on the board

No other significant directorships

Catherine Elizabeth Anne Radowsky (50)

BA

CHIEF EXECUTIVE OFFICER

Director of Rex Trueform Clothing Company Limited, Queenspark Proprietary Limited, Queenspark Distribution Centre Proprietary Limited and Queenspark (Proprietary) Limited (Namibia)

18 years of service on the board

No other significant directorships

Damian Steven Johnson (49)

BCompt (Hons), CA (SA)

EXECUTIVE FINANCIAL DIRECTOR

Director of Rex Trueform Clothing Company Limited, Queenspark Proprietary Limited, Queenspark Distribution Centre Proprietary Limited and Queenspark (Proprietary) Limited (Namibia)

8 years of service on the board

No other significant directorships

Marcel Anthony Golding (57)

BA (Hons)

NON-EXECUTIVE DIRECTOR

Director of Rex Trueform Clothing Company Limited, Queenspark Proprietary Limited and Queenspark Distribution Centre Proprietary Limited

1 year of service on the board

Other significant directorships include: Tsogo Sun Holdings Limited, Vunani Limited and Geomer Investments Proprietary Limited

Patrick Martin Naylor (71)

BSc (Eng)

LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR

Director of Rex Trueform Clothing Company Limited, Queenspark Proprietary Limited and Queenspark Distribution Centre Proprietary Limited

14 years of service on the board

Other directorships include: Fruitways Group Proprietary Limited

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Romain Victor Orlin (75)

BA (Econ) (Wits)

INDEPENDENT NON-EXECUTIVE DIRECTOR

Director of Rex Trueform Clothing Company Limited, Queenspark Proprietary Limited and Queenspark Distribution Centre Proprietary Limited

8 years of service on the board

Other directorships include: Investec Import Solutions Proprietary Limited

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Humphrey John Borkum (72)

INDEPENDENT NON-EXECUTIVE DIRECTOR

Director of Rex Trueform Clothing Company Limited, Queenspark Proprietary Limited and Queenspark Distribution Centre Proprietary Limited

2 years of service on the board

No other significant directorships

Note: Patricia Shub was a non-executive director of the company until her retirement in August 2016 at which point a vacancy arose on the board. In September 2016 Marcel Golding was appointed as a director of the company by the board in order to fill such vacancy. Marcel retired as a director at the company's 2016 annual general meeting and was thereafter appointed by shareholders as a director of the company. Michael Krawitz has retired as chairman of the board of directors of the company and as a non-executive director of the company and Romain Orlin and Humphrey Borkum have retired as independent non-executive directors of the company, with effect from 30 September 2017. Marcel Golding has been elected as the chairman of the board of directors of the company with effect from 30 September 2017.

ADMINISTRATION

Registered office
Rex Buildings
263 Victoria Road
Salt River, Cape Town, 7925
PO Box 1856, Cape Town, 8000
Tel: 021 460 9400
Fax: 021 460 9575

Company secretary
AT Snitcher (LLB)
Rex Buildings
263 Victoria Road
Salt River, Cape Town, 7925
PO Box 1856, Cape Town, 8000

Transfer secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers,
15 Biermann Avenue,
Rosebank, 2196

PO Box 61051, Marshalltown, 2107
Tel: 011 370 5000
Fax: 011 688 5248

Sponsors
Java Capital Trustees and Sponsors Proprietary Limited
2nd Floor 6A,
Sandown Valley
Crescent
Sandton, Johannesburg, 2031
PO Box 2087, Parklands, 2121

Auditors
KPMG Inc.
MSC House
1 Mediterranean Street
Foreshore, Cape Town, 8001

Principal banker
The Standard Bank of South Africa Limited

Attorneys
Michael Krawitz & Co.
25 Bompas Road
Dunkeld West, 2196

Website addresses
http://www.rextrueform.com
http://www.queenspark.com

FINANCIAL DIRECTOR'S REPORT

INTRODUCTION

Group

The company and its subsidiary companies are collectively referred to as "the group". As the group consolidated results are directly impacted by the results of the subsidiary, Rex Trueform, this integrated annual report is to be read in conjunction with the Rex Trueform integrated annual report and Rex Trueform annual financial statements.

The group performance over the last five years is reflected on pages 6 and 7 of this integrated annual report.

FINANCIAL PERFORMANCE

This review of the group's consolidated financial performance for the year ended 30 June 2017 should be read in conjunction with the annual financial statements.

The group performance did not meet expectations mainly due to the underperformance of the group's retail segment. During the year the group was expanded and now includes a Queenspark retail company in Namibia.

GROUP STATEMENT OF COMPREHENSIVE INCOME

Revenue

Total revenue comprising turnover, rental income, royalties, interest and dividends decreased by 1.7% to R548.6 million (2016: R558.2 million).

Profit for the year

The group produced a profit of R1.7 million for the year (2016: R9.6 million).

STATEMENT OF FINANCIAL POSITION

Equity and reserves

The group's capital and reserves decreased by 0.6% to R260.8 million (2016: R262.4 million).

Cash on hand/cash utilisation

The group generated cash inflows from operating activities of R6.9 million compared to R30.5 million in 2016. The cash and cash equivalents decreased to R59.9 million at year-end (2016: R84.5 million).

SHAREHOLDER DISTRIBUTION

The directors have not proposed a dividend for the 2017 year in respect of the ordinary and "N" ordinary shares.

Damian Johnson
Financial director

26 September 2017

CORPORATE GOVERNANCE REPORT

STATEMENT OF COMMITMENT

The directors subscribe to the principles of corporate governance as set out in King III, as read with the Companies Act 71 of 2008 (as amended) ("the Companies Act") and the Listings Requirements of the JSE Limited ("Listings Requirements"). The directors therefore recognise the need to conduct the business of the company with integrity and responsibility and are committed to the application of high ethical standards in the conduct of the business. As noted above, while King III has now been replaced by the King IV, disclosure on the application of King IV is effective for financial years starting on or after 1 April 2017 and is accordingly not applicable for the financial year covered by this integrated annual report. The company will report on the implementation of King IV through the application of the King IV disclosure and application regime in respect of its financial year commencing 1 July 2017 in the integrated annual report in respect of such financial year.

The company is, however, continually engaged in reassessing its compliance with the principles of corporate governance and working to improve compliance where it is deemed appropriate. During the financial year under review the board has endeavoured to ensure either the application of the King III principles, or explanation, in accordance with the "apply or explain" approach contemplated in King III.

Where, to the extent applicable, the board has elected not to apply a particular recommended principle contained in King III, or where an alternative practice has been applied which achieves a similar result, the board is able to explain the reasons therefor.

APPLICATION OF KING III

The board is of the opinion that, during the year under review, the company was substantially compliant with those aspects of King III that are material to the effective corporate governance of the company.

When considering the application of the principles of corporate governance as set out in King III in relation to the company, the simple business model and structure is taken into account by the directors.

The company's full King III compliance checklist is available on the company's website at www.rextrueform.com.

The 27 principles in respect of chapter 2 of King III are noted in the adjacent table. General non-compliance or part-compliance comments are noted in the following table.

Principle and response

Principle	Description	Status
2.1	The board should act as the focal point for and custodian of corporate governance.	Applied
2.2	The board should appreciate that strategy, risk, performance and sustainability are inseparable.	Applied
2.3	The board should provide effective leadership based on an ethical foundation.	Applied
2.4	The board should ensure that the company is and is seen to be a responsible corporate citizen.	Applied
2.5	The board should ensure that the company's ethics are managed effectively.	Applied
2.6	The board should ensure that the company has an effective and independent audit committee.	Applied
2.7	The board should be responsible for the governance of risk.	Applied
2.8	The board should be responsible for information technology ("IT") governance.	Partly applied
2.9	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	Applied
2.10	The board should ensure that there is an effective risk-based internal audit.	Partly applied
2.11	The board should appreciate that stakeholders' perceptions affect the company's reputation.	Applied
2.12	The board should ensure the integrity of the company's integrated report.	Applied
2.13	The board should report on the effectiveness of the company's system of internal controls.	Applied
2.14	The board and its directors should act in the best interests of the company.	Applied
2.15	The board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the Companies Act.	Applied
2.16	The board should elect a chairman of the board who is an independent non-executive director. The chief executive officer ("CEO") of the company should not also fulfil the role of chairman of the board.	Partly applied
2.17	The board should appoint the CEO and establish a framework for the delegation of authority.	Applied
2.18	The board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent.	Applied
2.19	Directors should be appointed through a formal process.	Applied
2.20	The induction of, and ongoing training and development of directors should be conducted through formal processes.	Applied
2.21	The board should be assisted by a competent, suitably qualified and experienced company secretary.	Applied
2.22	The evaluation of the board, its committees and the individual directors should be performed every year.	Applied
2.23	The board should delegate certain functions to well-structured committees but without abdicating its own responsibilities.	Applied
2.24	A governance framework should be agreed between the group and its subsidiary boards.	Applied
2.25	Companies should remunerate directors and executives fairly and responsibly.	Applied
2.26	Companies should disclose the remuneration of each individual director and persons falling within the definition of prescribed officers of the company.	Applied
2.27	Shareholders should approve the company's remuneration policy.	Applied

Notes on the aforementioned principles

2.8 In order to manage the group's resources more effectively the company receives certain IT-related services from its subsidiary, Queenspark Proprietary Limited. The company therefore does not have its own IT infrastructure but rather utilises the services of its subsidiary in this regard. Queenspark Proprietary Limited owns and manages various IT facilities and resources utilised to provide the services to the company and is responsible for the implementation and maintenance of IT governance. The company (and the board) has access to relevant information regarding matters of IT governance within Queenspark Proprietary Limited including its policies and procedures relating thereto.

2.10 Due to low inherent risk within the company having regard to, amongst other things, the simple business model and structure of the company, it was decided that no internal audit would be necessary during the year. The group has internal audit resources which are available to the company should the risk environment change.

2.16 The chairman, Michael Krawitz, although a non-executive director, is not considered independent in the manner contemplated in King III. Patrick Naylor, an independent non-executive director, has been appointed as lead independent director.

INTEGRATED REPORTING

King III recommends that annual reporting to stakeholders be in the form of an integrated annual report, so as to provide a holistic and integrated representation of the performance of the company, in terms of both finances and sustainability.

The board is satisfied that the integrated annual report for the 2017 financial year will enable our stakeholders to obtain insight into the operations of the company's business, business strategy and the financial and sustainability performance of the company.

The board acknowledges its ultimate responsibility for the integrity of the integrated annual report as a whole. In this regard the board has accepted the recommendation of the audit committee regarding the reliability of these documents and has approved the integrated annual report for the year ended 30 June 2017.

OUR BOARD

The company has a unitary board structure which consisted during the year under review of five non-executive directors, three of whom are independent, and two executive directors. During August 2016 Patricia Shub, who was a (non-independent) non-executive director of the company, retired from the board and was replaced by Marcel Golding. The appointment of Marcel Golding in September 2016 as a (non-independent) non-executive director of the company did not affect the board's compliance with principle 2.16 of King III. The CEO and the financial director are included amongst the executive directors.

The board is responsible for setting the direction of the company through the establishment of strategic objectives and policies, and takes overall accountability for the company by taking responsibility for its management. It retains full and effective control over the company.

Board meetings

The board meets at least quarterly to consider performance, to monitor issues of strategic direction and to consider any other issues having a material effect on the company.

A formal agenda is prepared for each board meeting and comprehensive board packs containing the information required in order to enable directors to make informed decisions are forwarded to directors and invitees prior to board meetings.

Directorate

The chairman, Michael Krawitz, leads the board and is responsible for its efficient operation and for representing the board to shareholders. The chairman is a non-executive director and is elected by the board.

As noted above, as the non-executive chairman is not independent Patrick Naylor, an independent non-executive director, has been appointed as lead independent director.

Executive directors are involved in the day-to-day management of the company as opposed to the non-executive directors, who are chosen for their business acumen, skills and experience and bring an independent view to bear on key issues. They take responsibility for ensuring that the chairman encourages proper deliberation on all matters requiring the board's attention.

The CEO, Catherine Radowsky, is responsible for ensuring that the day-to-day business affairs of the company are properly managed.

The roles of chairman, CEO, financial director and the remaining non-executive directors are separated, with there being a clear division of responsibilities at board level, as informed by the Memorandum of Incorporation of the company, together with the company's board charter, including in order to ensure that no one director has unfettered powers of decision-making.

Composition and appointment

The composition of the board complied with the requirements of the Companies Act and King III for the financial year ended 30 June 2017, in that the board comprised a majority of non-executive directors who were independent.

Michael Krawitz has retired as chairman of the board and as a non-executive director, and Romain Orlin and Humphrey Borkum have retired as independent non-executive directors, with effect from 30 September 2017. Marcel Golding has been elected chairman of the board of directors with effect from 30 September 2017. As neither Marcel Golding nor Michael Krawitz are independent non-executive directors Partick Naylor has been re-appointed as the lead independent non-executive director. Persons to fill the vacancies arising on the board and the audit committee as a result of the retirements as aforesaid will be proposed to shareholders for election to the board and the audit committee of the company at the next annual general meeting.

The company's directors are subject to retirement by rotation and re-election in terms of the company's Memorandum of Incorporation as read with the Listings Requirements.

A policy on the promotion of gender diversity at board level was approved by the board during the financial year under review. When recommending persons for appointment or re-appointment (as the case may be) to the board the nomination committee has considered and applied such policy. The board has determined that, at this stage, no voluntary targets in relation to the gender diversity of the board will be set. The board will consider this on an annual basis when reviewing the policy.

Remuneration

Directors' remuneration, interest in shares and share options (to the extent applicable) have been audited by KPMG Inc, and can be found in the notes to the group financial statements. Further information regarding directors' remuneration is provided in the Human Capital and Remuneration Report. The CEO's service contract is for a period of three years and is subject to a three-month notice period (from the CEO) and the CEO is entitled to, under certain circumstances, the payment of the balance of her remuneration package, together with any and all leave pay due to her. These circumstances do not include the lawful termination of her service contract.

Independence assessment

The board annually assesses the independence of the independent non-executive directors and has ascertained that Patrick Naylor, Romain Orlin and Humphrey Borkum all satisfy the criteria for independence.

As noted above, neither the non-executive chairman, Michael Krawitz, nor the incumbent non-executive chairman, Marcel Golding, qualify as an independent director and as a consequence and as stated above, Patrick Naylor, an independent non-executive director, has been re-appointed as lead independent director. The board has determined that Patrick Naylor's independence of character and judgement has not in any way been affected or impaired by the length of his service.

Company secretary

The board has appointed a company secretary whose responsibilities include:

- providing the directors of the company with guidance as to their duties, responsibilities and powers; and
- providing a central source of guidance and advice to the board, and within the company, on matters of good governance and changes in legislation.

All directors have unlimited access to the advice and services of the company secretary.

The board considers and satisfies itself on an annual basis as to the competence, qualifications and experience of the company secretary and is satisfied that during the year under review the company secretary, given his competence, qualifications and experience, discharged his duties effectively and appropriately and maintained an arm's length relationship with the board.

Prior to the appointment of the company secretary, the board considered his experience and qualifications and was satisfied that he has the competence to undertake the role. The company secretary is not a director of the company and has no relationship with the board that interferes with his maintenance of an arm's length relationship with the board.

Directors' interests in conflict of interest

The company has formal disclosure processes in relation to the disclosure of interests of directors and conflicts of interest.

All board members are required to report any conflicts of interest that may arise in the course of their duties.

Audit committee

Name	Qualification	Date of first appointment
PM Naylor	BSc (Eng)	11/02/2006
RV Orlin	BA (Econ)	19/05/2009
HJ Borkum		15/01/2015

The audit committee is chaired by Patrick Naylor, the lead independent non-executive director of the company.

The board is of the view that the current audit committee members possess the skills, knowledge, capacity and experience necessary for them to carry out their duties and responsibilities.

The audit committee meets at least twice a year, specifically prior to the publication of the company's and group's interim and final results. These meetings are attended by the external auditors, the internal auditor, the chairman of the board and, where appropriate, executive directors and the financial manager of the group by invitation.

The audit committee is governed by terms of reference which set out the role of the audit committee, its processes and procedures.

Full details regarding the functioning of the audit committee are set out in the Audit Committee Report, which is included in the annual financial statements.

Remuneration committee

Name	Qualification	Date of first appointment
PM Naylor	BSc (Eng)	01/07/2006
RV Orlin	BA (Econ)	19/05/2009
ML Krawitz	Diploma in law and higher diploma in tax law	04/06/2004

The committee comprises Patrick Naylor (chairman) and Romain Orlin, both independent non-executive directors, together with Michael Krawitz, a non-executive director.

The role of the remuneration committee includes assisting the board in ensuring that the company's directors are fairly rewarded for their individual contributions to the company's overall performance.

Nomination committee

Name	Qualification	Date of first appointment
PM Naylor	BSc (Eng)	01/07/2006
RV Orlin	BA (Econ)	19/05/2009
ML Krawitz	Diploma in law and higher diploma in tax law	04/06/2004

The committee comprises Michael Krawitz (chairman), who is a non-executive director, and Romain Orlin and Patrick Naylor, both independent non-executive directors.

The role of the nomination committee is to assist the board to ensure that:

- the board has an appropriate composition for it to execute its duties effectively;
- directors are appointed through a formal process;
- induction and ongoing training and development of directors take place; and
- formal succession plans for the board, the chief executive officer and senior management appointments are in place.

Risk committee

Name	Qualification
DS Johnson	BCompt (Hons), CA (SA)
CEA Radowsky	BA
ML Krawitz	Diploma in law and higher diploma in tax law
HJ Borkum	

The board is responsible for the governance of risk and is assisted by both the audit committee and a risk committee.

The role of the risk committee is to assist the board to ensure that:

- the company has implemented an effective policy and plan for risk management that will enhance the company's ability to achieve its strategic objectives; and
- the disclosure regarding risk is comprehensive, timely and relevant.

The risk committee for the year under review consisted of the non-executive chairman (Michael Krawitz), the financial director (Damian Johnson), the CEO (Catherine Radowsky) and an independent non-executive director (Humphrey Borkum).

The board believes the risk management processes are effective.

The material risks arising in respect of the group mainly relate to the company's subsidiary, Rex Trueform and its subsidiaries, and are accordingly addressed in the Rex Trueform integrated annual report.

Social and ethics committee

Name	Qualification
PM Naylor	BSc (Eng)
DS Johnson	BCompt (Hons), CA (SA)
CEA Radowsky	BA

The social and ethics committee for the year under review consisted of an independent non-executive director (Patrick Naylor) who is the chairman of the committee, the financial director (Damian Johnson) and the CEO (Catherine Radowsky).

Please refer to the Social and Ethics Committee Report which is found in this integrated annual report for further details.

Attendance at meetings

The attendance of directors at board meetings and at meetings of the risk committee, audit committee, social and ethics committee, remuneration committee and nomination committee held during the financial year ended 30 June 2017 was as follows:

	Board	Risk committee	Audit committee	Social and ethics committee	Remuneration committee	Nomination committee
Number of meetings	**5**	**2**	**2**	**2**	**2**	**3**
Non-executive directors						
ML Krawitz	5	2	2*	–	2	3
PM Naylor	5	–	2	2	2	3
RV Orlin	3	–	2	–	2	3
HJ Borkum	5	2	2	–	–	–
MA Golding**	3	–	–	–	–	–
Executive directors						
CEA Radowsky	5	1	2*	2	–	–
DS Johnson	5	2	2*	2	–	–
Company secretary	5*	2*	2*	2*	2*	3*

* By invitation.

** In August 2016 PE Shub retired as a non-executive director of the company and was replaced by MA Golding, who was appointed as a non-executive director of the company in September 2016. No board meetings were held between 1 July 2016 and the date on which PE Shub retired and she accordingly did not attend any board meetings during such period. PE Shub was furthermore not a member of any committees and accordingly did not attend any committee meetings during such period.

ACCOUNTABILITY AND AUDIT

Going concern

The directors have made an assessment of the company's ability to continue as a going concern. The directors have every reason to believe that the company has adequate resources in place to continue operating for the year ahead and the financial reports have been prepared on the basis of this assumption.

Internal financial control/internal audit

The company subscribes to a combined assurance model that attempts to limit or control risk in the business by making use of both internal and third party assurance providers. The board of directors is responsible for the company's internal control systems and for reviewing their effectiveness. Appropriate systems of internal control are maintained.

The year under review has seen the continued entrenchment of the risk assessment process. The risk assessment process, which is reviewed by the group's internal audit, forms part of the combined assurance framework.

The internal audit function examines and evaluates the company's activities and resultant business risks and, if necessary, will develop an annual internal audit plan that is approved by the audit committee. The audit committee (with the assistance of the external auditors where required), reviews and approves the internal audit charter and internal audit plans if applicable, and if applicable evaluates the independence, effectiveness and performance of the internal audit function.

No material loss or misstatement arising from a material breakdown in the functioning of the system of internal controls has been identified in respect of this financial year. The group's internal audit department continues to progress towards written assessments relating to the effectiveness of the internal control and risk management processes.

IT governance

The role that electronic communication and information technology play in the group is of central importance. In recognition thereof the group has previously adopted, and continues to entrench, applicable strategies, policies and processes.

Responsibility for the implementation of IT governance within the group is assigned to the information technology senior executive employed in the group. The risk committee within the group assists the group in the management of IT risks. The assistance of external experts is obtained to assist the group in the governance of IT.

Whistle-blowing ethics hotline

Please refer to the Social and Ethics Committee Report.

Shareholdings and share dealings

Directors and the company secretary are prohibited from trading in the listed shares of the company or its holding company during, amongst other things, "closed periods" as defined in the Listings Requirements. Prior to the commencement of a "closed period" all relevant parties are informed of their responsibilities with regard to dealing in the shares of the company. Any dealings in the shares of the company by directors or the company secretary would be reported to the company within three business days of the trade having been made and would be published on SENS within 24 hours thereafter. Directors are required to obtain clearance prior to dealing in the shares of the company.

Compliance

The board is committed to high standards of integrity and fair dealings in the conduct of the company and also the preservation of the group's integrity and reputation. It thus requires all business units, departments and subsidiaries within the group to have an understanding of and comply with those laws, regulations and standards applicable to the environment within which they operate.

To the best of the company's knowledge and belief, it has complied with all applicable Listings Requirements and every disclosure requirement for continued listing on the JSE Limited ("JSE") imposed by the JSE for the financial year under review.

The risk committee assists the company in complying with the regulatory requirements and promoting processes and procedures that are risk appropriate, so that the company achieves its goals without fear of penalties or reputational harm.

The group utilises the resources of experts when necessary to assist in the management of compliance. The group has appropriately qualified employees in executive positions (including an in-house legal adviser) to assist with matters of compliance and has appointed a company secretary (who also performs the role of the group's in-house legal adviser) to provide a central source of guidance and advice to the board, and within the company, on matters of good governance and of changes in legislation.

SOCIAL AND ETHICS COMMITTEE REPORT

THE SOCIAL AND ETHICS COMMITTEE ("THE COMMITTEE") IS PLEASED TO PRESENT ITS REPORT TO THE SHAREHOLDERS OF AFRICAN AND OVERSEAS ENTERPRISES, WHICH REPORT IS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017.

INTRODUCTION

This report is made to shareholders in compliance with the requirements of the Companies Act and King III.

SOCIAL AND ETHICS COMMITTEE MANDATE

The committee is governed by formal terms of reference which incorporate the requirements of the Companies Act.

ROLE OF THE COMMITTEE

The committee is broadly responsible for monitoring the company's activities, having regard to relevant legislation, other legal requirements or prevailing codes of best practice (where practical) in terms of matters relating to:

- social and economic development;
- good corporate citizenship;
- the environment, health and public safety;
- consumer relationships; and
- labour and employment.

The committee is further responsible for:

- assisting in the implementation of an ethics management programme within the company;
- overseeing that the ethics of the company are correctly captured and conveyed;
- assessing ethics-related risks and opportunities;
- undertaking such other social and ethics-related duties delegated to it by the board;
- drawing matters within its mandate to the board as occasions require; and
- reporting to the board and the shareholders.

The committee plays an assessing, initiating, monitoring and reporting role, as opposed to an implementation role within the company and its subsidiaries.

COMPOSITION AND ATTENDANCE AT MEETINGS

The committee for the year under review consisted of an independent non-executive director (Patrick Naylor) who is the chairman of the committee and two executive directors (Damian Johnson and Catherine Radowsky).

Meetings of the committee are also attended by the company secretary by invitation.

Non-executive directors and executive directors do not receive a fee in respect of committee membership.

COMMITTEE FUNCTIONING

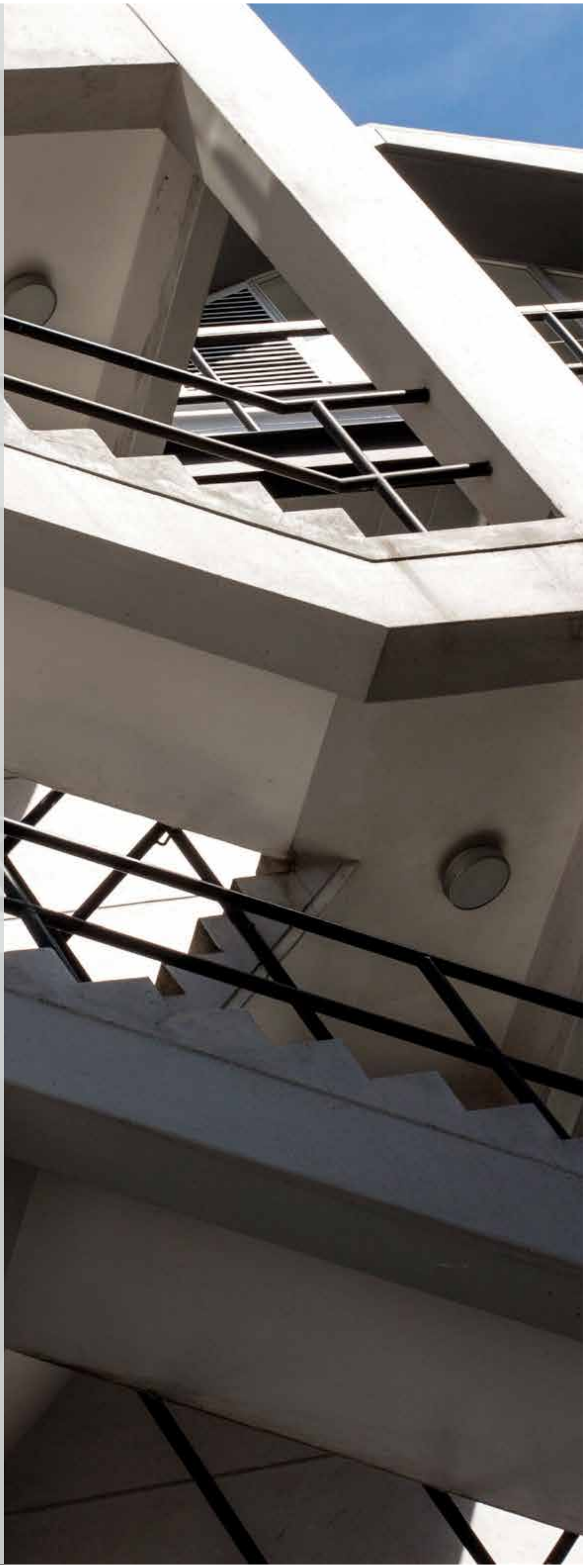
Feedback in respect of areas of focus in respect of the 2017 financial year and beyond:

AREA OF FOCUS	PROGRESS DURING THE YEAR
Environment	As the company is an investment holding company it has limited direct impact on the environment. The company's operating subsidiaries, however, have a greater impact on the environment. Further detail in respect of the subsidiaries may be found in the Environmental and Social Sustainability Report contained in the Rex Trueform integrated annual report.
Corporate social responsibility and donations	The group continues with various initiatives which include providing communities with training and donations.
Ethics and anti-corruption	There is an ongoing focus on ethics in line with good practice and employees are encouraged to act in terms of the group's vision and values.

AREAS OF FOCUS OF THE NEXT FINANCIAL YEAR (2018) AND BEYOND

The group is to consider and, where practical, implement improved social and ethical business practices.

HUMAN CAPITAL AND REMUNERATION REPORT



BACKGROUND STATEMENT AND REMUNERATION POLICY

African and Overseas Enterprises does not employ persons. Non-executive directors and executive directors do not receive directors' fees.

In the financial year under review ordinary and "N" ordinary shareholders, exercising 100% of the voting rights exercised, approved the company's remuneration policy – with no issues being raised by any such shareholders in this regard.

The remuneration policy and the implementation report will be tabled for separate non-binding advisory votes by shareholders at the company's annual general meeting. In the event that either the remuneration policy or the implementation report, or both, have been voted against by 25% or more of the voting rights exercised, then the company, in good faith and with best reasonable effort, will engage with dissenting shareholders to ascertain the reasons for the dissenting votes in an endeavour to appropriately address legitimate and reasonable objections and concerns raised.

IMPLEMENTATION REPORT

Regard being had to the remuneration policy, no remuneration was paid by African and Overseas Enterprises during the financial year under review.

The summarised consolidated financial statements have been prepared under the supervision of the group financial director, DS Johnson CA (SA). Included hereafter are the summarised consolidated financial statements which summarise the audited financial statements as at 30 June 2017.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation and fair presentation of the group and company annual financial statements of African and Overseas Enterprises Limited, comprising the statements of financial position at 30 June 2017 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The directors are furthermore responsible for the preparation of the Directors' Report, which forms part of the annual financial statements.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management, as well as preparation of the supplementary schedules included in the annual financial statements.

The directors have made an assessment of the ability of the company and its subsidiaries to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the group and company financial statements are fairly presented in accordance with the applicable financial reporting framework.

APPROVAL OF GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS

The group and company annual financial statements of African and Overseas Enterprises Limited, as identified in the first paragraph, were approved by the board of directors on 26 September 2017 and signed by:

ML Krawitz
Chairman
Authorised director

CEA Radowsky
Chief executive officer
Authorised director

26 September 2017

COMPANY SECRETARY'S CERTIFICATE

I certify that African and Overseas Enterprises Limited has filed all returns and notices as required by a public company in terms of the Companies Act and that all such returns and notices appear to be true, correct and up to date.

AT Snitcher
Company secretary

26 September 2017

REPORT OF THE INDEPENDENT AUDITOR

The report of the independent auditor can be found in the annual financial statements which are located on the company's website, www.rextrueform.com.

DIRECTORS' REPORT

CORPORATE GOVERNANCE

During the financial year under review, the directors subscribed to the principles of corporate governance as set out in King III. Specific disclosure requirements are dealt with in this integrated annual report. Please note the Corporate Governance Report in particular in this regard.

NATURE OF BUSINESS

The company is a holding company listed on the JSE Limited under the Sector: Consumer Services – Retail – General Retailers – Apparel Retailers. The company and its subsidiary companies are collectively referred to as "the group".

Its business is that of a holding company, in that it holds 72.62% of the ordinary shares and 51.94% of the "N" ordinary shares of Rex Trueform.

The group subsidaries, Queenspark Proprietary Limited and Queenspark (Proprietary) Limited (Namibia), continued their activities of retailing clothing and fashion accessories in South Africa and Namibia, and the franchising of a Queenspark retail store in Kenya.

Retail activities include the sale of ladies and mens clothing, shoes, costume jewellery, related fashion accessories and cosmetics through branded Queenspark outlets located in South Africa and Namibia, as well as through the Queenspark-branded franchised outlet in Kenya.

The group will continue to develop its property portfolio. The group's approach to development of its properties is a conservative one, having regard to prevailing financial and market conditions.

FINANCIAL RESULTS

The financial results of the company and the group for the year are set out in the financial statements.

SHARE CAPITAL

The share capital of the company, both authorised and issued, is set out in the notes to the financial statements.

DIVIDENDS

Details of dividends paid during the year are as follows:

	2017 R'000	2016 R'000
Dividends on ordinary and "N" ordinary shares:		
Dividend paid in respect of the ordinary shares	**213**	437
Dividend paid in respect of the "N" ordinary shares	**1 723**	3 548
Dividends on 6% cumulative participating preference shares:		
No. 166 for half-year to 31 December 2016	**16**	16
No. 167 additional dividend	**69**	149
No. 168 for half-year to 30 June 2017	**17**	17
Total	**2 038**	4 167

The directors have not proposed a distribution per share (2016: 17 cents) in respect of the ordinary and "N" ordinary shares.

SUBSIDIARIES

The required information relating to subsidiary companies is set out in the notes to the financial statements.

INVESTMENTS

Full details of the company's investments are set out in the notes to the financial statements.

DIRECTORATE

The names of the directors of the company are reflected in this integrated annual report.

The following changes in the composition of the board of directors occurred during the year:

Director	Event	Date
RV Orlin	Retired by rotation	17 November 2016
	Re-appointed	17 November 2016
HJ Borkum	Retired by rotation	17 November 2016
	Re-appointed	17 November 2016
CEA Radowsky	Retired by rotation	17 November 2016
	Re-appointed	17 November 2016
PE Shub	Retired	15 August 2016
MA Golding	Appointed by the board	2 September 2016
	Retired	17 November 2016
	Re-appointed	17 November 2016

PM Naylor and DS Johnson will retire at the annual general meeting in accordance with the Memorandum of Incorporation but, being eligible, will offer themselves for re-election. ML Krawitz, RV Orlin and HJ Borkum will retire with effect from 30 September 2017 and will not be offering themselves for re-election. Details of the persons who have been recommended by the nomination committee for election as directors of the company in place of the retiring directors are included in the notice of the annual general meeting.

The emoluments of the group executive and group non-executive directors are set out in the financial statements and the Human Capital and Remuneration report in the integrated annual report.

DIRECTORS' INTEREST IN SHARES

The interest of directors in the shares of the company at 30 June 2017 was:

	30 June 2017	30 June 2016
Ordinary and "N" ordinary shares		
Held directly:		
PE Shub***	**36 281**	36 281
CEA Radowsky	**263**	263
	36 544	36 544
Held indirectly:		
The Stewart and Pat Shub Family Trust*	**1 394 101**	1 394 101
Geomer Investments Proprietary Limited**	**2 995 112**	2 756 938
	4 389 213	4 151 039

* The beneficiaries of the Stewart and Pat Shub Family Trust include PE Shub and CEA Radowsky.

** The shares held indirectly by Geomer Investments Proprietary Limited represent its interest in this company. MA Golding, who was appointed as a director on 2 September 2016, is the majority shareholder and a director of Geomer Investments Proprietary Limited.

*** PE Shub retired as a non-executive director of the company on 15 August 2016.

CHANGE IN SHAREHOLDING

On or about 27 June 2017, a consortium consisting of Geomer Investments Proprietary Limited and Gingko Investments No. 2 Proprietary Limited (acting in concert with the Ceejay Trust and Gingko Trading Proprietary Limited) entered into an agreement to purchase, in aggregate, 726 600 African and Overseas Enterprises Limited ("AOE") ordinary shares, 604 045 AOE "N" ordinary shares, 1 241 Rex Trueform ordinary shares and 4 058 Rex Trueform "N" ordinary shares from the Trust, CEA Radowsky, A Shub and PE Shub which agreement came into full force and effect after the reporting date.

Other than the aforesaid, there have been no changes in the directors' interest in shares between 30 June 2017 and the date of approval of the annual financial statements of the company.

SECRETARY

The company secretary's business and postal address is that of the company's registered office.

EVENTS SUBSEQUENT TO THE REPORTING DATE

No events material to the understanding of the financial statements have occurred between the financial year-end and the date hereof.

AUDIT COMMITTEE REPORT

THE AUDIT COMMITTEE ("THE COMMITTEE") IS PLEASED TO PRESENT ITS REPORT TO THE SHAREHOLDERS OF AFRICAN AND OVERSEAS ENTERPRISES LIMITED FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017.

INTRODUCTION

This report is issued in compliance with the requirements of the Companies Act and King III.

AUDIT COMMITTEE MANDATE

The committee is governed by formal terms of reference, delegated to it by the board of directors, which regulates the committee's functioning, processes and procedures.

MEMBERS OF THE AUDIT COMMITTEE AND ATTENDANCE AT MEETINGS

Refer to the Corporate Governance Report in this integrated annual report for information about the members' names, qualifications, period of service and attendance at meetings during the 2017 financial year.

The committee meets at least twice annually. A formal agenda is prepared for each meeting and comprehensive committee packs are provided containing information required in order to assist the committee in fulfilling its duties.

The external auditors, in their capacity as auditors to the company, attended and reported to all meetings of the committee. The group risk management and internal audit functions are also represented. Executive directors and relevant senior management employed within the group attended meetings by invitation.

ROLE OF THE COMMITTEE

Responsibilities include the following:

- overseeing integrated reporting;
- ensuring a combined assurance model is applied to provide a co-ordinated approach to all assurance activities;
- overseeing internal audit;
- acting as an integral part of the risk management process;
- nominating the external auditor and overseeing the external audit process;
- complying with Companies Act regulations if not already addressed in the above responsibilities; and
- ensuring that appropriate financial procedures have been established and are operating.

INTERNAL AUDIT CHARTER AND THE WORKING RELATIONSHIP WITH THE INTERNAL AUDIT MANAGER

A formal internal audit charter governs the internal auditing of the group. The committee has unlimited access to the internal audit manager employed within the group. The formal process of reporting to the committee is managed according to the internal audit charter.

EXPERTISE AND EXPERIENCE OF FINANCIAL DIRECTOR

As required by paragraph 3.84(g)(i) of the JSE Listings Requirements, as read with King III, the committee has considered the appropriateness of the expertise and experience of the financial director and the finance function. In this regard the committee is of the view that DS Johnson, the financial director, possesses the appropriate expertise and experience to fulfil his responsibilities in that position.

The committee furthermore considers that the expertise, resources and experience of the group finance function are appropriate to the nature, complexity and size of the group's operations.

EXTERNAL AUDITOR'S APPOINTMENT AND INDEPENDENCE

The committee confirmed the nomination of KPMG Inc. as the group's external auditor for the past year and approved the terms of engagement and fees to be paid. KPMG Inc. was appointed as the group external auditor in respect of the year under review and the designated registered auditor is HV du Plessis.

The committee has nominated KPMG Inc. for appointment by shareholders as the company's external auditor at the annual general meeting, the designated registered auditor being I Jeewa for the 2018 financial year.

Due consideration has been given to the independence of the external auditor and in this regard the committee is satisfied that KPMG Inc. is independent of the group and management and is therefore able to express an independent opinion on the group's financial statements.

The external auditor is afforded unrestricted access to the group's records and to management.

Any significant issues arising from the annual audit (if any) are brought to the committee's attention.

The nature and extent of any non-audit services (when required) which the external auditor provides to the company have been agreed by the committee.

FINANCIAL STATEMENTS, ACCOUNTING PRACTICES AND INTERNAL FINANCIAL CONTROLS

Following the review by the committee of the annual financial statements for the year ended 30 June 2017, the committee is of the view that in all material respects they comply with the relevant provisions of the Companies Act and with International Financial Reporting Standards and fairly present the group and company financial position at that date and the results of operations and cash flows for the year then ended.

On 13 February 2017 the JSE Limited issued a report on the findings of their process of monitoring financial statements for compliance with International Financial Reporting Standards. The report was tabled at a meeting of the audit committee and considered by it.

The committee is of the opinion that:

- the internal financial controls are effective and the accounting practices are appropriate, which both form the basis for the preparation of reliable financial statements in respect of the year under review; and
- the company has established appropriate financial reporting procedures and that those procedures are operating.

INTEGRATED ANNUAL REPORT

The committee has also satisfied itself of the integrity of the remainder of the integrated annual report. Having achieved its objectives, the committee has recommended the annual financial statements and integrated annual report for the year ended 30 June 2017 for approval by the board.

The board has subsequently approved the annual financial statements and integrated annual report, which will be open for discussion at the forthcoming annual general meeting.

On behalf of the committee

PM Naylor
Audit committee chairman

26 September 2017

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2017

	GROUP	
	2017 R'000	2016 R'000
ASSETS		
Non-current assets	**159 628**	155 705
Property, plant and equipment	**57 150**	53 355
Investment property	**71 032**	71 849
Intangible assets	**24 773**	23 432
Other investments	**524**	576
Deferred tax asset	**6 149**	6 493
Current assets	**170 987**	185 827
Inventories	**77 842**	61 319
Trade and other receivables	**28 300**	35 657
Forward exchange contracts	**38**	–
Income tax receivable	**1 304**	1 114
Accrued operating lease asset	**3 558**	3 219
Cash and cash equivalents	**59 945**	84 518
Total assets	**330 615**	341 532
EQUITY AND LIABILITIES		
Equity	**260 795**	262 410
Equity attributable to equity holders	**143 519**	145 009
Ordinary share capital	**650**	650
Preference share capital	**550**	550
Share premium	**6 616**	6 076
Share-based payment reserve	**(116)**	314
Other reserves	**1 301**	731
Retained earnings	**134 518**	136 688
Non-controlling interest	**117 276**	117 401
Non-current liabilities	**22 549**	22 274
Post-retirement liability	**899**	1 991
Accrued operating lease liability	**18 536**	18 104
Deferred tax liability	**3 114**	2 179
Current liabilities	**47 271**	56 848
Trade and other payables	**47 245**	54 634
Forward exchange contracts	**–**	2 176
Income tax payable	**26**	38
Total equity and liabilities	**330 615**	341 532

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2017

	GROUP	
	2017 R'000	2016 R'000
Revenue	**548 572**	558 229
Turnover	**528 759**	537 588
Cost of sales	**(237 200)**	(248 937)
Gross profit	**291 559**	288 651
Other income	**15 243**	15 176
Other operating expenses	**(307 583)**	(294 550)
Operating (loss)/profit	**(781)**	9 277
Dividend income	**21**	20
Finance income	**4 549**	5 445
Finance costs	**(163)**	(222)
Profit before tax	**3 626**	14 520
Income tax expense	**(1 939)**	(4 946)
Profit for the period	**1 687**	9 574
Other comprehensive income		
Actuarial gain on post-retirement defined benefit plan	**1 072**	708
Loss on available-for-sale investments	**(52)**	–
Total comprehensive income for the period	**2 707**	10 282
Profit attributable to:		
Ordinary and "N" ordinary shareholders of the parent	**147**	4 241
Preference shareholders	**102**	33
Profit attributable to equity holders of the parent	**249**	4 274
Non-controlling interest	**1 438**	5 300
Profit for the year	**1 687**	9 574
Total comprehensive income attributable to:		
Ordinary and "N" ordinary shareholders of the parent	**756**	4 746
Preference shareholders	**102**	33
Profit attributable to equity holders of the parent	**858**	4 779
Non-controlling interest	**1 849**	5 503
Total comprehensive income for the year	**2 707**	10 282
Basic earnings per ordinary share (cents)	**1.3**	37.2
Diluted earnings per ordinary share (cents)	**1.3**	37.1

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2017

	Ordinary share capital R'000	Preference share capital R'000
GROUP		
Balance as at 30 June 2015	650	550
Total comprehensive income for the year		
Profit for the year	–	–
Other comprehensive income for the year		
Actuarial gains on post-retirement defined benefit plan	–	–
Total comprehensive income for the year	–	–
Contributions by and distributions to owners recognised directly in equity		
Preference dividends	–	–
Ordinary dividends	–	–
Total contributions by and distributions to owners recognised directly in equity	–	–
Balance as at 30 June 2016	**650**	**550**
Total comprehensive income for the year		
Profit for the year	**–**	**–**
Other comprehensive income for the year		
Actuarial gains on post-retirement defined benefit plan	**–**	**–**
Fair value adjustment for available-for-sale financial assets	**–**	**–**
Total comprehensive income for the year	**–**	**–**
Contributions by and distributions to owners recognised directly in equity		
Preference dividends	**–**	**–**
Ordinary dividends	**–**	**–**
Delivery of treasury shares	**–**	**–**
Reallocation relating to share options	**–**	**–**
Proceeds from delivery of employee share options	**–**	**–**
Change in degree of control	**–**	**–**
Total contributions by and distributions to owners recognised directly in equity	**–**	**–**
Balance as at 30 June 2017	**650**	**550**

	Share premium R'000	Other reserve R'000	Share–based payment reserve R'000	Retained earnings R'000	Non–controlling interest R'000	Total R'000
	6 076	226	314	136 581	117 563	261 960
	–	–	–	4 274	5 300	9 574
	–	505	–	–	203	708
	–	505	–	4 274	5 503	10 282
	–	–	–	(33)	(17)	(50)
	–	–	–	(4 134)	(5 648)	(9 782)
	–	–	–	(4 167)	(5 665)	(9 832)
	6 076	**731**	**314**	**136 688**	**117 401**	**262 410**
	–	**–**	**–**	**249**	**1 438**	**1 687**
	–	**638**	**–**	**–**	**434**	**1 072**
	–	**(29)**	**–**	**–**	**(23)**	**(52)**
	–	**609**	**–**	**249**	**1 849**	**2 707**
	–	**–**	**–**	**(102)**	**(17)**	**(119)**
	–	**–**	**–**	**(1 936)**	**(2 501)**	**(4 437)**
	–	**–**	**(430)**	**–**	**430**	**–**
	540	**–**	**–**	**–**	**(540)**	**–**
	–	**–**	**–**	**–**	**234**	**234**
	–	**(39)**	**–**	**(381)**	**420**	**–**
	540	**(39)**	**(430)**	**(2 419)**	**(1 974)**	**(4 322)**
	6 616	**1 301**	**(116)**	**134 518**	**117 276**	**260 795**

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2017

	GROUP	
	2017 R'000	2016 R'000
Cash flows from operating activities		
Operating profit before working capital changes	**25 640**	36 013
Working capital changes	**(17 731)**	4 737
Cash generated by operating activities	**7 909**	40 750
Interest received	**4 549**	5 445
Interest paid	**(163)**	(222)
Dividends paid	**(4 556)**	(9 832)
Dividends received	**21**	20
Income tax paid	**(862)**	(5 676)
Net cash inflows from operating activities	**6 898**	30 485
Cash flows from investing activities		
Additions to property, plant and equipment	**(22 745)**	(17 539)
Additions to investment properties	**(2 810)**	(2 749)
Additions to intangible assets	**(3 410)**	(7 685)
Proceeds from disposal of property, plant and equipment	**199**	225
Acquisition of business	**(2 939)**	–
Net cash outflows from investing activities	**(31 705)**	(27 748)
Cash flows from financing activities		
Proceeds from delivery of employee share options	**234**	–
Net cash inflows from financing activities	**234**	–
Net (decrease)/increase in cash and cash equivalents	**(24 573)**	2 737
Cash and cash equivalents at the beginning of the year	**84 518**	81 781
Cash and cash equivalents at the end of the year	**59 945**	84 518

SHAREHOLDERS' INFORMATION

Analysis of shareholders as at 30 June 2017

	Ordinary		"N" ordinary		Preference	
	Number of share-holdings	% of share-holdings	Number of share-holdings	% of share-holdings	Number of share-holdings	% of share-holdings
Public shareholders	38	90.4	105	95.5	36	94.8
Companies and close corporations	8	19.0	16	14.6	1	2.6
Individuals	23	54.7	75	68.2	25	65.9
Insurance companies, nominees and trusts	7	16.7	12	10.9	9	23.7
Mutual funds and pension funds	–	–	2	1.8	1	2.6
Non-public shareholders	4	9.6	5	4.5	2	5.2
Stewart and Pat Shub Family Trust	1	2.4	1	0.9	–	–
Geomer Investments Proprietary Limited	1	2.4	1	0.9	–	–
Directors	–	–	1	0.9	–	–
Ceejay Trust	1	2.4	1	0.9	1	2.6
Sentinel Retirement Fund	1	2.4	1	0.9	1	2.6
	42	100.0	110	100.0	38	100.0
	Number of shares	% of share capital	Number of shares	% of share capital	Number of shares	% of share capital
Public shareholders	108 614	8.7	1 002 209	9.9	108 594	39.5
Companies and close corporations	46 105	3.7	569 322	5.6	11 000	4.0
Individuals	32 517	2.6	279 693	2.8	65 408	23.8
Insurance companies, nominees and trusts	29 992	2.4	141 477	1.4	25 261	9.2
Mutual funds and pension funds	–	–	11 717	0.1	6 925	2.5
Non-public shareholders	1 141 386	91.3	9 135 232	90.1	166 406	60.5
Stewart and Pat Shub Family Trust	718 000	57.5	676 101	6.7	–	–
Geomer Investments Proprietary Limited	177 911	14.2	2 817 201	27.8	–	–
Directors	–	–	263	–	–	–
Ceejay Trust	168 923	13.5	4 026 311	39.7	120 400	43.8
Sentinel Retirement Fund	76 552	6.1	1 615 356	15.9	46 006	16.7
	1 250 000	100.0	10 137 441	100.0	275 000	100.0
Beneficial shareholders holding 5% or more						
Stewart and Pat Shub Family Trust	718 000	57.5	676 101	6.7	–	–
Geomer Investments Proprietary Limited	177 911	14.2	2 817 201	27.8	–	–
Ceejay Trust	168 923	13.5	4 026 311	39.7	120 400	43.8
Sentinel Retirement Fund	76 552	6.1	1 615 356	15.9	46 006	16.7
DK Dreyer	–	–	–	–	16 900	6.1
	1 141 386	91.3	9 134 969	90.1	183 306	66.6

NOTICE OF ANNUAL GENERAL MEETING

AFRICAN AND OVERSEAS ENTERPRISES LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 1947/027461/06)
JSE share codes: AOO – AON – AOVP
ISIN: ZAE000000485 – ZAE000009718 – ZA000000493
("AOE" or the "company")

Notice is hereby given that the seventieth annual general meeting of shareholders of AOE (the "annual general meeting") will be held in the boardroom, Rex Buildings, 263 Victoria Road, Salt River, Cape Town, on Friday, 17 November 2017 immediately after the annual general meeting of Rex Trueform Clothing Company Limited, which is to be held at 10:00 for the purpose of considering and adopting the annual financial statements and the directors' report and the audit committee report contained in the integrated annual report; dealing with such business as may be transacted at an annual general meeting and specifically to consider, and if deemed fit, to pass with or without modification, the following ordinary and special resolutions. The record date for determining which shareholders are entitled (i) to receive notice of the annual general meeting is Friday, 22 September 2017 and (ii) to participate in and vote at the annual general meeting is Friday, 10 November 2017 in terms of section 62(3)(a) as read with section 59 of the Companies Act (Act 71 of 2008) (the "Companies Act").

ORDINARY RESOLUTION NUMBER 1 – APPROVAL OF ANNUAL FINANCIAL STATEMENTS
"Resolved to consider and adopt the annual financial statements of the company for the year ended 30 June 2017, together with the reports of the directors, audit committee and auditors contained therein and made available for inspection by shareholders with effect from 29 September 2017 at the registered office of the company and at the following web address – www.rextrueform.com."

ORDINARY RESOLUTION NUMBER 2 – RE-ELECTION OF DIRECTORS
"Resolved to re-elect individually as directors of the company the following directors, who retire in terms of the company's Memorandum of Incorporation but who are eligible and offer themselves for re-election:

2.1 PM Naylor; and

2.2 DS Johnson."

The nomination committee of the company has considered and is satisfied with the past performance of, and contribution made to the company by, PM Naylor and DS Johnson and in the case of PM Naylor, his continued independence, and has recommended that these directors be re-elected as directors of the company.

Abbreviated curricula vitae in respect of the above directors are provided in section 1 of Annexure A to this notice.

ORDINARY RESOLUTION NUMBER 3 – ELECTION OF DIRECTORS
"Resolved to elect individually as directors of the company the following persons:

3.1 HB Roberts;

3.2 LK Sebatane; and

3.3 MR Molosiwa."

The nomination committee of the company has recommended that these persons be elected as directors of the company.

Abbreviated curricula vitae in respect of the above persons are provided in section 2 of Annexure A to this notice.

ORDINARY RESOLUTION NUMBER 4 – ELECTION OF AUDIT COMMITTEE MEMBERS
"Resolved, in accordance with section 94(2) of the Companies Act and on the recommendation of the board, to elect individually the following directors of the company, as members of the audit committee:

4.1 PM Naylor, subject to the passing of resolution 2.1 above;

4.2 HB Roberts, subject to the passing of resolution 3.1 above; and

4.3 LK Sebatane, subject to the passing of resolution 3.2 above."

Abbreviated curricula vitae in respect of the above persons are provided in section 3 of Annexure A to this notice.

ORDINARY RESOLUTION NUMBER 5 – ELECTION OF SOCIAL AND ETHICS COMMITTEE MEMBERS
"Resolved, on the recommendation of the board and as required in terms of the company's Memorandum of Incorporation, to elect individually the following who are directors of the company as members of the social and ethics committee:

5.1 PM Naylor, subject to the passing of resolution 2.1 above;

5.2 CEA Radowsky; and

5.3 DS Johnson, subject to the passing of resolution 2.2 above."

Abbreviated curricula vitae in respect of the above directors are provided in section 4 of Annexure A to this notice.

ORDINARY RESOLUTION NUMBER 6 – RE-APPOINTMENT OF AUDITORS
"Resolved to re-appoint KPMG Inc. (and Mr I Jeewa as the designated registered auditor) as the auditors of the company for the ensuing year."

The audit committee has nominated KPMG Inc. for appointment as auditors under section 90 of the Companies Act.

ORDINARY RESOLUTION NUMBER 7 – NON-BINDING ADVISORY VOTE ON REMUNERATION POLICY
"Resolved that shareholders endorse, by way of a non-binding advisory vote, the company's remuneration policy as detailed in the Human Capital and Remuneration Report set out in the company's integrated annual report."

ORDINARY RESOLUTION NUMBER 8 – NON-BINDING ADVISORY VOTE ON IMPLEMENTATION REPORT
"Resolved that shareholders endorse, by way of a non-binding advisory vote, the company's implementation report as detailed in the Human Capital and Remuneration Report set out in the company's integrated annual report."

ORDINARY RESOLUTION NUMBER 9 – SIGNATURE OF DOCUMENTS
"Resolved that any director of the company, or the company secretary of the company, be and is hereby authorised to do all such things and sign all such documents and take all such actions as they consider necessary to implement the resolutions set out in the notice convening the annual general meeting at which this ordinary resolution will be considered."

In order for the above ordinary resolutions to be adopted the support of more than 50% (fifty percent) of the total number of votes exercised by shareholders, present in person or by proxy, is required.

SPECIAL RESOLUTION NUMBER 1 – FINANCIAL ASSISTANCE TO RELATED AND INTER-RELATED PARTIES
"Resolved, to the extent required by the Companies Act, that the board of directors of the company may, subject to compliance with the requirements of the company's Memorandum of Incorporation, the Companies Act and the Listings Requirements of the JSE Limited, authorise the company to provide direct or indirect financial assistance, as contemplated in section 45 of the Companies Act, including by way of loans, guarantees, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or inter-related (as defined in the Companies Act) to the company for any purpose or in connection with any matter, such authority to endure for a period of not more than two years."

Reasons for and effect of special resolution number 1:
This authority is necessary to enable the company to provide financial assistance, in appropriate circumstances and if the need arises, in accordance with section 45 of the Companies Act. It is confirmed that the board of directors of the company may not authorise the provision of any financial assistance pursuant to this special resolution unless they are satisfied that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company and that, immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test contemplated in the Companies Act. In the circumstances and in order to, inter alia, ensure that the company's subsidiaries and other related and inter-related companies and corporations have access to financing and/or financial backing from the company, it is necessary to obtain the approval of shareholders, as set out in special resolution number 1. The reason for, and effect of, special resolution number 1 is accordingly to permit the company to provide direct or indirect financial assistance (within the meaning attributed to that term in section 45 of the Companies Act) to the entities referred to in special resolution number 1 above.

SPECIAL RESOLUTION NUMBER 2 – GENERAL AUTHORITY TO ACQUIRE SHARES

"Resolved to authorise the company and/or any subsidiary of the company by way of a general authority in accordance with the provisions of section 48(8)(a) of the Companies Act to acquire issued ordinary and/or "N" ordinary shares of the company ("the securities") upon such terms and conditions and in such numbers as the directors of the company may from time to time determine, but subject to the Memorandum of Incorporation of the company, the provisions of the Companies Act and the Listings Requirements of the JSE Limited ("JSE Listings Requirements"), where applicable, and provided that:

(a) the repurchase of securities will be effected through the main order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty;

(b) this general authority shall only be valid until the company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;

(c) in determining the price at which the securities are acquired by the company in terms of this general authority, the maximum premium at which such securities may be acquired will be 10% (ten percent) of the weighted average of the market price at which such securities are traded on the JSE, as determined over the 5 (five) trading days immediately preceding the date of the acquisition of such securities by the company;

(d) the acquisitions of securities in any one financial year does not exceed 20% (twenty percent), or 10% (ten percent) where the acquisitions are effected by a subsidiary, in the aggregate of the company's combined issued share capital in the securities from the date of the grant of this general authority;

(e) the directors, after considering the effect of the maximum repurchase, are of the opinion that:

   (i) the company and the group will be in a position to repay their debt in the ordinary course of business for a period of 12 (twelve) months from the company first acquiring securities under this general approval;

   (ii) the consolidated assets of the company, being fairly valued in accordance with International Financial Reporting Standards, will be in excess of the consolidated liabilities of the company at the time of the company first acquiring securities under this general approval;

   (iii) the ordinary capital and reserves of the company and the group will be adequate for a period of 12 (twelve) months from the company first acquiring securities under this general approval;

   (iv) the available working capital will be adequate to continue the operations of the company and the group for a period of 12 (twelve) months from the company first acquiring securities under this general approval;

(f) the company or its subsidiaries will not repurchase securities during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements, unless there is a repurchase programme in place, the dates and quantities of securities to be repurchased during the prohibited period are fixed, and details thereof have been submitted to the JSE in writing prior to commencement of the prohibited period;

(g) where the company has cumulatively repurchased 3% (three percent) of the initial number of the relevant class of securities, an announcement will be made containing full details of the acquisition, and announcements shall likewise be made for each 3% (three percent) in aggregate of the initial number of that class acquired thereafter; and

(h) the company only appoints one agent to effect any repurchase(s) on its behalf."

DISCLOSURES REQUIRED IN TERMS OF PARAGRAPH 11.26 OF THE JSE LISTINGS REQUIREMENTS

(a) The JSE Listings Requirements require the following disclosures, some of which are disclosed in the integrated annual report of which this notice forms part, as set out below:

- major shareholders of the company – see page 35; and
- share capital of the company – see pages 8 and 35;

(b) There have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report and the date of this notice; and

(c) The directors of the company whose names appear on pages 10 and 11 of the integrated annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution number 2 and certify that to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this resolution contains all such information required by the Companies Act and the JSE Listings Requirements.

Reason for and effect of special resolution number 2

The reason for and effect of special resolution number 2 is to authorise the company and/or its subsidiaries by way of a general authority to acquire its own issued shares on such terms, conditions and for such amounts as may be determined from time to time by the directors of the company, subject to the limitations set out in special resolution number 2.

The directors of the company have no specific intention to effect the provisions of special resolution number 2 but will continually review the company's position, having regard to prevailing circumstances and market conditions, in considering whether to effect the provisions of special resolution number 2.

SPECIAL RESOLUTION NUMBER 3 – AMENDMENTS TO THE MEMORANDUM OF INCORPORATION

3.1 Conversion of ordinary and "N" ordinary shares from par value to no par value

"Resolved that, in terms of Regulation 31(6) of the Companies Act and subject to the filing of this special resolution number 3.1 with the Companies and Intellectual Property Commission ("CIPC"), the authorised share capital of the company of R1 225 000, divided into 1 250 000 ordinary shares with a par value of 50 cents each, 20 000 000 "N" ordinary shares with a par value of 0.25 cents each and 275 000 preference shares with a par value of R2 each, be converted into 1 250 000 ordinary shares of no par value, 20 000 000 "N" ordinary shares of no par value and 275 000 preference shares with a par value of R2 each (it being noted that such preference shares are to remain unconverted), without altering the substance of the specific rights and privileges associated with each such share, and further that the company's existing Memorandum of Incorporation be amended accordingly."

Shareholders are referred to Annexure B attached to this notice of annual general meeting which provides further information in respect of the proposed conversion of the company's par value ordinary and "N" ordinary shares into ordinary and "N" ordinary shares of no par value. The report required in terms of Regulation 31(7) of the Companies Regulations, 2011 (the "Regulations") in respect of the proposed special resolution number 3.1 to convert the company's par value ordinary and "N" ordinary shares into ordinary and "N" ordinary shares of no par value is set out in Annexure B attached to this notice of annual general meeting.

Reason for and effect of special resolution number 3.1

In terms of the Companies Act, inter alia, a company whose authorised share capital comprises one or more classes of par value shares may not increase the number of those authorised par value shares until such time as such class or classes (as the case may be) of par value shares have been converted to shares of no par value. The effect of special resolution 3.1 is to convert the par value ordinary and "N" ordinary shares of the company to ordinary and "N" ordinary shares of no par value.

3.2 Increase in authorised ordinary and "N" ordinary share capital

"Resolved that, in terms of article 8.15, as read with article 6.1.3, of the company's existing Memorandum of Incorporation and subject to the approval, and filing with CIPC, of special resolution number 3.1 to be considered at this annual general meeting and the approval, and filing with CIPC, of this special resolution number 3.2, the authorised ordinary and "N" ordinary share capital of the company, comprising 1 250 000 ordinary shares of no par value and 20 000 000 "N" ordinary shares of no par value, be and is hereby increased to 10 000 000 ordinary shares of no par value and 80 000 000 "N" ordinary shares of no par value, so that after the increase the authorised share capital shall comprise 10 000 000 ordinary shares of no par value, 80 000 000 "N" ordinary shares of no par value and 275 000 preference shares with a par value of R2 each and further that the company's existing Memorandum of Incorporation be amended accordingly."

Reason for and effect of special resolution number 3.2

The company wishes to increase its ordinary and "N" ordinary share capital. The effect of special resolution 3.2 will be to increase the authorised ordinary and "N" ordinary share capital of the company.

3.3 Amendment to article 17.7 of the Memorandum of Incorporation – validity of proxy forms

"Resolved that article 17.7 of the Memorandum of Incorporation of the company be amended through the deletion of the words *"not less than 24 (twenty-four) hours (or such lessor period as the Board may determine in relation to any particular meeting) before such meeting is due to take place, failing which the instrument of proxy or power of attorney shall not be treated as valid)"* and the insertion of the words *"before the proxy exercises any rights of the Shareholder at a meeting" in their stead"*.

Reason for and effect of special resolution number 3.3
The reason for special resolution number 3.3 is to bring the company's Memorandum of Incorporation in line with a recent Court decision in terms whereof, inter alia, it was held that proxy forms may no longer contain a cut-off date, and must be accepted up until the starting time of a meeting. The effect of special resolution number 3.3 will be to amend the company's Memorandum of Incorporation in line with this court decision.

3.4 Amendment to article 35.11 of the Memorandum of Incorporation – casting vote of chairman at directors' meetings

"Resolved that article 35.11 of the Memorandum of Incorporation of the company be amended through the deletion of the words *"In the event of the matter being voted upon failing, unless the chairman exercises a vote, the chairman shall have a casting vote"* and the insertion of the words *"In the case of a tied vote, the chairman may cast a deciding vote"* in their stead."

Reason for and effect of special resolution number 3.4
In the event of the board of directors consisting of an even number of members, or an even number of votes being cast for and against any matter to be decided on by the board of directors, the chairman would be required to cast the deciding vote. The effect of special resolution 3.4 will be to amend the Company's Memorandum of Incorporation in line with this principle.

3.5 Amendment to article 42 of the Memorandum of Incorporation – appointment of the social and ethics committee

"Resolved that article 42 of the Memorandum of Incorporation of the company be amended through the deletion of the words *"at each annual general meeting, elect"* and the insertion of the word *"appoint"* in their stead."

Reason for and effect of special resolution number 3.5
In terms of the Companies Act, the board of directors, and not shareholders, is required to appoint a social and ethics committee. The effect of special resolution 3.5 will be to amend the Company's Memorandum of Incorporation in line with the requirements of the Companies Act.

The full Memorandum of Incorporation (incorporating the proposed amendments) is available with effect from 29 September 2017 for inspection by shareholders at the registered office of the company or upon request from the company secretary on legal@queenspark.com.

The amendments to the Memorandum of Incorporation will take effect subject to the filing with the Companies and Intellectual Property Commission of the Notice of Amendment in respect thereof together with a copy of the amendment (as contemplated in section 16(7)(b)(ii) of the Companies Act).

In order for the above special resolutions to be adopted, the support of at least 75% (seventy-five percent) of the total number of votes exercised by shareholders, present in person or by proxy, is required.

QUORUM

The quorum for:

- the annual general meeting to begin is sufficient persons present at the annual general meeting to exercise, in aggregate, at least 25% (twenty-five percent) of all of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the meeting; and
- a matter to begin to be considered at the annual general meeting is sufficient persons present at the annual general meeting to exercise, in aggregate, at least 25% (twenty-five percent) of all of the voting rights that are entitled to be exercised on that matter at the time the matter is called on the agenda.

In addition, the annual general meeting may not begin, nor a matter begin to be considered, unless at least 3 (three) shareholders holding at least 25% (twenty-five percent) of the voting rights on a poll attached to the ordinary shares in the issued share capital are present.

The date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Computershare Investor Services Proprietary Limited (Rosebank Towers, 15 Biermann Avenue, Rosebank), for the purposes of being entitled to attend, participate in and vote at the annual general meeting, is Friday, 10 November 2017.

VOTING AND PROXIES

All shareholders are encouraged to attend, speak and vote at the annual general meeting.

In terms of section 62(3)(e) of the Companies Act please note that:

- a shareholder who is entitled to attend and vote at the annual general meeting is entitled to appoint a proxy or two or more proxies to attend, participate in and vote at the annual general meeting in the place of the shareholder, by completing the form of proxy in accordance with the instructions set out therein; and
- a proxy need not be a shareholder of the company.

Kindly note that annual general meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in the annual general meeting. In this regard, all participants in the annual general meeting (including proxies) will be required to provide identification satisfactory to the chairman of the annual general meeting. Forms of identification include valid identity documents, driver's licences and passports.

On a show of hands, every shareholder of the company present in person or represented by proxy shall have 1 (one) vote only. On a poll, every shareholder of the company present in person or represented by proxy shall have 200 (two hundred) votes for every ordinary share and 1 (one) vote for every "N" ordinary share held in the company by such shareholder.

A form of proxy is attached for the convenience of certificated and "own name" dematerialised shareholders holding shares in the company who cannot attend the annual general meeting but who wish to be represented thereat. Forms of proxy may also be obtained on request from the company's registered office. For administrative purposes the completed forms of proxy may be deposited at, posted or faxed to the transfer secretaries at the address below, to be received by no later than 24 (twenty-four) hours before the meeting, excluding Saturdays, Sundays and public holidays. Alternatively, forms of proxy may be handed to the chairman of the annual general meeting or to the transfer secretaries prior to the commencement of the annual general meeting or prior to voting on any resolution proposed at the annual general meeting. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the annual general meeting should the shareholder subsequently decide to do so.

The directors of the company confirm, in accordance with section 58 of the Companies Act, that a proxy of a shareholder is entitled to participate in and speak and vote at the meeting provided that a copy of the instrument appointing the proxy is delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of a shareholder at a shareholders' meeting.

Shareholders who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker, other than "own name" registered dematerialised shareholders, who wish to attend the annual general meeting, must request that their CSDP or broker issue them with a letter of representation.

Should shareholders who have dematerialised their shares wish to vote by proxy, they must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between the dematerialised shareholder and their CSDP or broker.

ELECTRONIC PARTICIPATION

Shareholders or their proxies may participate in the annual general meeting by way of telephone conference call. Shareholders or their proxies who wish to participate in the annual general meeting via the teleconference facility will be required to advise the company thereof by no later than 17:00 on Wednesday, 15 November 2017 by submitting, by e-mail to the company secretary at legal@rextrueform.com, or by fax to be faxed to +27 21 460 9575, for the attention of the company secretary, relevant contact details including e-mail address, cellular number and landline, as well as full details of the shareholder's title to the shares issued by the company and proof of identity, in the form of copies of identity documents and share certificates (in the case of certificated shareholders), and (in the case of dematerialised shareholders) written confirmation from the shareholder's CSDP confirming the shareholder's title to the dematerialised shares. Upon receipt of the required information, the shareholder concerned will be provided with a secure code and instructions to access the electronic communication during the annual general meeting. Any such access will be at the expense of the shareholder or proxy.

Shareholders who wish to participate in the annual general meeting by way of telephone conference call must note that they will not be able to vote during the annual general meeting. Such shareholders, should they wish to have their vote counted at the annual general meeting, must, to the extent applicable, (i) complete the form of proxy; or (ii) contact their CSDP or broker, in both instances, as set out above.

By order of the board

AT Snitcher
Company secretary

26 September 2017

Registered office
Rex Buildings, 263 Victoria Road
Salt River, Cape Town, 7925
PO Box 1856, Cape Town, 8000
Fax: 021 460 9575

Transfer secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196
PO Box 61051, Marshalltown, 2107
Fax: 011 688 5248

ANNEXURE A

1. Abridged curricula vitae of directors standing for re-election:

1.1 **PM Naylor** (71) BSc (Eng)
Patrick Naylor has served as an independent non-executive director of the company since 2003. He is an experienced company director and trustee, having served on the boards of numerous companies and trusts outside of this group. He is a practising partner in a firm of consulting civil engineers. Patrick is chairman of the company's audit, social and ethics and remuneration committees and is a member of the company's nomination committee. He also serves as an independent non-executive director on the boards of the company's subsidiary company, Rex Trueform Clothing Company Limited, and the group's main operating subsidiary, Queenspark Proprietary Limited, and on the board of Queenspark Distribution Centre Proprietary Limited.

1.2 **DS Johnson** (49) BCompt (Hons), CA(SA)
Damian Johnson joined the group in 2004 and was appointed as the financial director of the company in 2009. Damian is a member of the risk committee and the social and ethics committee. He also serves as financial director on the board of the company's subsidiary company, Rex Trueform Clothing Company Limited, and on the boards of Queenspark Proprietary Limited, Queenspark Distribution Centre Proprietary Limited and Queenspark (Proprietary) Limited (Namibia).

2. Abridged curricula vitae of persons standing for election as director:

2.1 **HB Roberts** (56) BCom, BSc, FIA, FASSA
Hugh Roberts is an actuary with wide experience in life assurance and short-term insurance, property development and asset management. Hugh is an experienced company director and has held various executive and non-executive directorships. He is an active investor in property, listed and private equity.

2.2 **LK Sebatane** (37) BCom (Law), LLB
Luntu Sebatane is an admitted attorney with eight years post articles experience. In addition to having held positions as an in house counsel at the Omnia Group and the De Beers Group, and as a director at Cliffe Dekker Hofmeyr Attorneys, Luntu currently plays an integral role in the development of the strategy of the black women-owned property development company, Phahamo, and meaningfully participates in the women-owned investment company, Ikhewezi.

Luntu presently holds a position as an in-house counsel for the Anglo American Group and is a director of Phahamo Property Group, Ikhewezi Investments (Pty) Ltd and Claremart Auctioneers (Pty) Ltd.

2.3 **MR Molosiwa** (45) BArch
Masedi Molosiwa is the founder of Iteru Residential (Pty) Ltd and has been the executive director since 1 November 2011. Iteru Residential is a property investment company focused in the affordable housing sector.

Masedi served as the marketing executive of Mortgage Capital, a subsidiary of Transaction Capital Limited until 31 October 2011. He served as the chief executive officer of the Association of Black Securities and Investment Professionals (ABSIP) from 14 January 2008 to 30 June 2010. He founded Mr Concierge (Pty) Ltd, a lifestyle management services company in 2007. He served as the group executive: marketing and communication at the South African Post Office in 2006. He served as executive director of the Cape IT Initiative from 2002 to 2005.

His career experience has been studiously built in the marketing discipline through various roles in brand management, product development and marketing services. He later developed his leadership skills through general management roles in enterprise development initiatives. His insights about business have been gleaned from working in the information communication technologies (ICT), media and advertising, postal services and financial services sectors and real estate.

3. Abridged curricula vitae of directors proposed for election to the audit committee:

3.1 **PM Naylor** (71) BSc (Eng)
Please note the abridged curriculum vitae contained in section 1.1 above in this regard.

3.2 **HB Roberts** (56) BCom, BSc, FIA, FASSA
Please note the abridged curriculum vitae contained in section 2.1 above in this regard.

3.3 **LK Sebatane** (37) BCom (Law), LLB
Please note the abridged curriculum vitae contained in section 2.2 above in this regard.

4. Abridged curricula vitae of directors proposed for election to the social and ethics committee:

4.1 **PM Naylor** (71) BSc (Eng)
Please note the abridged curriculum vitae contained in section 1.1 above in this regard.

4.2 **CEA Radowsky** (50) BA
Catherine Radowsky joined the group in January 1991. She was appointed as executive director of the company in March 1999 and as chief executive officer in August 2003. She has an in-depth knowledge of all aspects of the company's operations and particularly the group's retail business. Catherine is a member of the risk and social and ethics committees of the company and also serves as the chief executive officer of the company's subsidiary company, Rex Trueform Clothing Company Limited, and the group's main operating subsidiary, Queenspark Proprietary Limited, and of Queenspark Distribution Centre Proprietary Limited and Queenspark (Proprietary) Limited (Namibia).

4.3 **DS Johnson** (49) BCompt (Hons), CA (SA)
Please note the abridged curriculum vitae contained in section 1.2 above in this regard.

ANNEXURE B

BOARD REPORT ON THE CONVERSION OF THE PAR VALUE ORDINARY AND "N" ORDINARY SHARES OF THE COMPANY INTO ORDINARY AND "N" ORDINARY SHARES OF NO PAR VALUE

1. Background

1.1 The Companies Act (71 of 2008) ("Companies Act"), which Act came into force on 1 May 2011, limited the Company's ability to restructure its par value share capital. In terms of the transitional arrangements detailed in Schedule 5 of the Companies Act and the Companies Regulations, 2011 (the "Regulations"), pre-existing companies that already have par value shares in issue are allowed to retain such shares but cannot authorise any new par value shares after 1 May 2011. In order to conform the Company's ordinary and "N" ordinary share capital to the requirements of the Companies Act such that the Company's ordinary and "N" ordinary shares do not have a par value and accordingly that the Company may, inter alia, authorise new ordinary and "N" ordinary shares of no par value, the board of directors of the Company recommends that the ordinary shares and "N" ordinary shares be converted to shares having no par value pursuant to the provisions of Regulation 31 of the Regulations.

1.2 Regulation 31(7) of the Regulations requires the board of a company to cause a report to be prepared in respect of a proposed resolution to convert any par value shares into shares with no par value (the "Report"). This document constitutes the Report with regard to the proposed conversion, as defined below.

1.3 African and Overseas Enterprises Limited ("AOE" or the "Company") has ordinary shares with a par value of 50 cents each, "N" ordinary shares with a par value of 0.25 cents each, and preference shares with a par value of R2 each. The Company intends to convert the ordinary and "N" ordinary shares into shares of no par value in order to be compliant with the Companies Act and the Regulations, and to enable the Company to increase its authorised ordinary and "N" ordinary share capital (the "proposed conversion").

1.4 Subject to approval of the proposed conversion, the Company further intends to increase its authorised ordinary share capital and authorised "N" ordinary share capital from 1 250 000 ordinary shares and 20 000 000 "N" ordinary shares to 10 000 000 ordinary shares and 80 000 000 "N" ordinary shares of no par value respectively.

1.5 The board of directors of the Company has satisfied itself that the proposed conversion from ordinary shares and "N" ordinary shares of par value to ordinary shares and "N" ordinary shares of no par value will have no effect on the shareholders of the Company.

1.6 Shareholders of the Company will be requested at the annual general meeting of AOE shareholders to be held on Friday, 17 November 2017 (the "annual general meeting") to approve the special resolution required to authorise the proposed conversion to convert the Company's authorised and issued ordinary shares and "N" ordinary shares into ordinary and "N" ordinary shares of no par value on the basis that each ordinary share and "N" ordinary share will be converted into one ordinary share and one "N" ordinary share respectively.

1.7 Shareholders will also be requested to approve the special resolution required to authorise the proposed increase in ordinary share capital and "N" ordinary share capital.

1.8 The special resolution approving the conversion of the Company's ordinary and "N" ordinary shares into shares of no par value requires the approval of more than 75% of the voting rights of shareholders exercised on the resolution at the annual general meeting.

2. The Report

2.1 In terms of Regulation 31(7) of the Regulations, the Report is required to, at a minimum:

2.1.1 State all information relevant to the value of the securities affected by the proposed conversion;

2.1.2 Identify the holders of the Company's securities affected by the proposed conversion;

2.1.3 Describe the material effects that the proposed conversion will have on the rights of the holders of the Company's securities affected by the proposed conversion; and

2.1.4 Evaluate any material adverse effects of the proposed arrangement against the compensation that any of those persons will receive in terms of the arrangement.

2.2 Information relevant to the value of the securities affected by the proposed conversion;

2.2.1 The securities affected by the proposed conversion are the authorised and issued ordinary and "N" ordinary shares of 50 cents and 0.25 cents respectively in the share capital of the Company;

2.2.2 Subject to the requisite approval of shareholders obtained in respect of the proposed conversion, shareholders of the Company will be requested to approve by special resolution an increase in the authorised ordinary and "N" ordinary share capital of the Company;

2.2.3 The company has no other class of authorised or issued shares other than the ordinary shares, "N" ordinary shares and preference shares;

2.2.4 Information with regard to the historic net asset value, earnings, headline earnings and distributions per ordinary share and "N" ordinary share of the Company is detailed in the financial statements of the Company for the three years ended 30 June 2017, 2016 and 2015, all of which will be available for inspection at the offices of AOE, Rex Buildings, 263 Victoria Road, Salt River, Cape Town, with effect from 29 September 2017 until the date on which the annual general meeting is held;

2.2.5 Information with regard to the net asset value, earnings, headline earnings and distributions per ordinary share and "N" ordinary share of the Company is detailed in the financial statements of the Company for the year ended 30 June 2017, which will be available for inspection at the offices of AOE, Rex Buildings, 263 Victoria Road, Salt River, Cape Town and at the following web address – www.rextrueform.com, with effect from 29 September 2017 until the date on which the annual general meeting is held; and

2.2.6 Given that the number of ordinary and "N" ordinary shares in the Company in issue and the rights attaching to those ordinary and "N" ordinary shares will be unaffected by the proposed conversion, the proposed conversion will have no impact on the historic net asset value, earnings, headline earnings or distributions per ordinary and "N" ordinary share of the Company and should have no impact on the price at which ordinary and "N" ordinary shares trade on the JSE Limited.

2.3 Holders of the Company's securities affected by the proposed conversion:

The proposed conversion will affect the holders of the Company's ordinary and "N" ordinary shares who comprise the holders of all of the Company's issued ordinary shares of 50 cents each and "N" ordinary shares of 0.25 cents each as at the record date as set out in the attached notice of annual general meeting, which notice of annual general meeting details the resolution required for the proposed conversion. However, the only effect of the proposed conversion on ordinary and "N" ordinary shareholders of the Company will be that such holders will now become the holders of an identical number of ordinary and "N" ordinary shares of no par value.

2.4 Material effects of the proposed transaction on the Company's shareholders:

2.4.1 The proposed conversion results in the conversion of each ordinary share of 50 cents each into an ordinary share of no par value;

2.4.2 The proposed conversion results in the conversion of each "N" ordinary share of 0.25 cents each into an "N" ordinary share of no par value;

2.4.3 Accordingly, after the proposed conversion, each ordinary and "N" ordinary shareholder of the Company will own the identical number of ordinary and "N" ordinary shares as they held before the proposed conversion and the no par value ordinary and "N" ordinary shares that they hold will represent the same proportion of the total issued ordinary and "N" ordinary share capital of the Company as the par value ordinary and "N" ordinary shares that they held represented of the total issued ordinary and "N" ordinary issued share capital of the Company before the proposed conversion; and

2.4.4 The proposed conversion has no other impact on any of the rights attaching to the Company's ordinary and "N" ordinary shares and the no par value ordinary and "N" ordinary shares will confer on an ordinary and "N" ordinary shareholder of the Company all of the same rights as they enjoyed as the holder of par value ordinary and "N" ordinary shares before the proposed conversion including (without limitation) rights to participate in the profits of the Company on winding up.

2.5 Evaluation of material adverse effects of the proposed conversion against compensation offered:

2.5.1 As detailed in paragraph 2.4 above, the proposed conversion has no adverse effects on shareholders of the Company as they are in the same position and enjoy the same rights before and after the proposed conversion; and

2.5.2 There is no compensation being offered in the context of the proposed conversion as there are no adverse effects of the proposed conversion on shareholders of the Company.

3. Other provisions of Regulation 31

In terms of Regulation 31(9) of the Regulations, a shareholder of the Company affected by the proposed conversion who believes that the proposal does not protect their rights adequately or otherwise fails to satisfy the requirements of the Companies Act, may apply to the High Court for an order and the High Court may make any order that is just and reasonable in the circumstances.

FORM OF PROXY

AFRICAN & OVERSEAS
ENTERPRISES LIMITED

AFRICAN AND OVERSEAS ENTERPRISES LIMITED
(Incorporated in the Republic of South Africa) (Registration number 1947/027461/06)
JSE share codes: AOO – AON – AOVP
ISIN: ZAE000000485 – ZAE000009718 – ZAE000000493
("AOE" or "the company")

For use only by ordinary and "N" ordinary certificated shareholders or dematerialised shareholders with "own name" registration, at the seventieth annual general meeting of the company to be held in the boardroom, Rex Buildings, 263 Victoria Road, Salt River, Cape Town, on Friday, 17 November 2017, commencing immediately after the annual general meeting of Rex Trueform Clothing Company Limited, which is to be held at 10:00.

I/We ______________________________ (full name/s in block letters)

of ______________________________(address)

being a shareholder/shareholders of AOE and holding ______________ ordinary shares in the company,

and/or ______________________ "N" ordinary shares in the company, do hereby appoint

1. ______________________ of ______________________ or failing him/her

2. ______________________ of ______________________ or failing him/her

3. the chairman of the company or, failing him or her, the chairman of the annual general meeting,

as my/our proxy to participate in, speak for me/us and on my/our behalf and to vote, at the annual general meeting which will be held 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 AOE ordinary shares and/or "N" ordinary shares registered in my/our name(s), in accordance with the following instructions:

	Ordinary shares*			"N" ordinary shares*		
	For	Against	Abstain	For	Against	Abstain
Ordinary resolution 1 – Approval of annual financial statements						
Ordinary resolution 2 – Re-election of directors						
Ordinary resolution 2.1 – Re-election of PM Naylor						
Ordinary resolution 2.2 – Re-election of DS Johnson						
Ordinary resolution 3 – Election of directors						
Ordinary resolution 3.1 – Election of HB Roberts						
Ordinary resolution 3.2 – Election of LK Sebatane						
Ordinary resolution 3.3 – Election of MR Molosiwa						
Ordinary resolution 4 – Election of audit committee members						
Ordinary resolution 4.1 – Election of PM Naylor						
Ordinary resolution 4.2 – Election of HB Roberts						
Ordinary resolution 4.3 – Election of LK Sebatane						
Ordinary resolution 5 – Election of social and ethics committee members						
Ordinary resolution 5.1 – Election of PM Naylor						
Ordinary resolution 5.2 – Election of CEA Radowsky						
Ordinary resolution 5.3 – Election of DS Johnson						
Ordinary resolution 6 – Re-appointment of auditors						
Ordinary resolution 7 – Non-binding advisory vote on remuneration policy						
Ordinary resolution 8 – Non-binding advisory vote on implementation report						
Ordinary resolution 9 – Signature of documents						
Special resolution number 1 – Financial assistance to related and inter-related parties						
Special resolution number 2 – General authority to acquire shares						
Special resolution number 3 – Amendments to the memorandum of incorporation						
Special resolution number 3.1 – Conversion of ordinary and "N" ordinary shares from par value to no par value						
Special resolution number 3.2 – Increase in authorised ordinary and "N" ordinary share capital						
Special resolution number 3.3 – Validity of proxy forms						
Special resolution number 3.4 – Casting vote of chairman at directors' meetings						
Special resolution number 3.5 – Appointment of the social and ethics committee						

* Please indicate with an "X", or the number of shares applicable, in the appropriate spaces above how you wish your votes to be cast.

Unless otherwise instructed, my/our proxy may vote as he/she sees fit.

Signed at (place) ______________________ on (date) ______________ 2017.

Shareholder's signature ______________________________

Please read the notes on the reverse side hereof

NOTES TO THE FORM OF PROXY

1. This form of proxy must only be used by certificated ordinary and "N" ordinary shareholders or dematerialised ordinary and "N" ordinary shareholders who hold dematerialised ordinary or "N" ordinary shares with "own name" registration.
2. Dematerialised shareholders holding ordinary or "N" ordinary shares other than with "own name" registration must:
   2.1 inform their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the annual general meeting and request that their CSDP or broker issue them with the necessary letter of representation to attend the annual general meeting in person and vote; or
   2.2 provide their CSDP or broker with their voting instructions, should they not wish to attend the annual general meeting in person, but wish to be represented thereat.

These shareholders must not use this form of proxy.

3. Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder(s) of the company) to attend, participate and, on a poll, vote in place of that shareholder at the annual general meeting.
4. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the chairman of the company or, failing him or her, the chairman of the annual general meeting". The person whose name stands first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
5. A shareholder's voting instructions to the proxy must be indicated by the insertion of an "X" or, alternatively, the number of shares such shareholder wishes to vote, in the appropriate spaces provided overleaf. Failure to comply with the above will be deemed to authorise the chairman of the company or, failing him or her, the chairman of the annual general meeting, if the chairman is the authorised proxy, to vote in favour of the resolutions at the annual general meeting, or any other proxy to vote or to abstain from voting at the annual general meeting, as he/she deems fit, in respect of all the shareholder's votes exercisable thereat.
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the company's transfer office or waived by the chairman of the annual general meeting.
7. The chairman of the annual general meeting may reject or accept any form of proxy which is completed and/or received other than in accordance with these instructions, provided that he is satisfied as to the manner in which a shareholder wishes to vote.
8. Any alterations or corrections to this form of proxy must be initialled by the signatory(ies).
9. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and participating and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
10. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the company.
11. Where there are joint holders of any shares:
    11.1 any one holder may sign this form of proxy; and
    11.2 the vote(s) of the senior shareholders (for that purpose seniority will be determined by the order in which the names of the shareholders appear in the company's register of 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).

Forms of proxy may be lodged with the transfer secretaries at the address given below. For administrative purposes, we request that all proxy forms are received by 10:00 on Wednesday, 15 November 2017. Alternatively, the form of proxy may be handed to the chairman of the annual general meeting or to the transfer secretaries at any time prior to the commencement of the annual general meeting or prior to voting on a resolution proposed at the annual general meeting.

Registered office:
Rex Buildings, 263 Victoria Road
Salt River, Cape Town, 7925
PO Box 1856, Cape Town, 8000
Fax: 021 460 9575

Transfer secretaries:
Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196
PO Box 61051, Marshalltown, 2107
Fax: 011 688 5248

SHAREHOLDERS' CALENDAR

Financial year-end	30 June
Preliminary results announcement 2017	8 September 2017
Integrated annual report 2017	29 September 2017
Annual general meeting	17 November 2017
Interim report (December 2017)	March 2018

6% Cumulative participating preference shares

Declared	Half-year to December 2017 – December 2017
	Half-year to June 2018 – June 2018
Payable	Half-year to December 2017 – January 2018
	Half-year to June 2018 – July 2018

GROUNDPEPPER