

NOTICE OF ANNUAL GENERAL MEETING
FOR THE YEAR ENDED 31 MARCH 2018

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Hosken Passenger Logistics & Rail

HOSKEN PASSENGER LOGISTICS AND RAIL LIMITED

(Previously Niveus Invest 17 Proprietary Limited)

Registration number 2015/250356/06

Incorporated in the Republic of South Africa

("HPL&R" or "the Company")

ISIN Code: ZAE000255907 Share Code: HPR

LETTER TO SHAREHOLDERS

Notice is hereby given in terms of sections 61 and 62 of the Companies Act, No 71 of 2008, as amended ("the Act" or "the Companies Act") of the first annual general meeting of shareholders of HPL&R to be held at the offices of Hosken Consolidated Investments Limited, Suite 801, 76 Regent Road, Sea Point, 8005 on Monday, 22 October 2018 at 11h00 ("the AGM").

Notice is also given in terms of section 31(1) of the Companies Act to every person who holds, or has a beneficial interest in, any securities issued by the Company of the publication of the annual financial statements of the Company and its subsidiaries ("the Group") for the financial year ended 31 March 2018.

Included in this notice are the summarised financial statements of the Group for the financial year ended 31 March 2018.

A copy of the complete annual financial statements and of the Integrated Annual Report ("2018 Integrated Annual Report") of the Group for the financial year ended 31 March 2018 may be obtained by a shareholder, as follows:

1. By downloading a copy from the Company's website at www.hplr.co.za; or
2. By requesting a copy by any of the following means:
 - a. Email to info@hplr.co.za; or
 - b. In person at the registered office of the Company (103 Bofors Circle, Epping Industria, 7460) during office hours.

*HCI Managerial Services
Proprietary Limited*

HCI Managerial Services Proprietary Limited

24 July 2018



Hosken Passenger Logistics & Rail

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NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR ENDED 31 MARCH 2018

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held on Monday 22 October 2018 at 11h00 at the offices of Hosken Consolidated Investments Limited, Suite 801, 76 Regent Road, Sea Point, 8005. Registration will start at 10h30.

This document is available in English only. The proceedings at the meeting will be conducted in English.

GENERAL INSTRUCTIONS AND INFORMATION

The Board of directors of the Company ("the Board") determined, in accordance with section 59 of the Companies Act, that the record date for the purpose of determining when persons must be recorded as shareholders in the securities register of the Company in order to be entitled to receive notice of the annual general meeting is Friday, 20 July 2018. The Board determined that the record date for purposes of determining which shareholders of the Company are entitled to participate in and vote at the annual general meeting is Friday, 12 October 2018 with the last day to trade being Tuesday, 9 October 2018. Accordingly, only shareholders who are registered in the securities register of the Company on Friday, 12 October 2018 will be entitled to participate in and vote at the annual general meeting.

All shareholders are encouraged to attend, speak and vote at the annual general meeting and are entitled to appoint a proxy to attend, speak and vote at the meeting in place of the shareholder. The proxy duly appointed to act on behalf of a shareholder, need not also be a shareholder of the Company. In order to facilitate proceedings at the annual general meeting, shareholders intending to appoint a proxy are requested to do so as soon as is reasonably practical.

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

- you may attend and vote at the annual general meeting; alternatively;
- you may appoint one or more proxies (who need not be shareholders of the Company) to represent you at the annual general meeting by completing the attached form of proxy and returning it to the office of the transfer secretaries (Computershare Investor Services Proprietary Limited, 15 Biermann Avenue, Rosebank 2196 (PO Box 61051, Marshalltown, 2017), to be received by no later than 11h00 on Friday, 19 October 2018 for administrative purposes, or delivering such form by hand thereafter to the Company Secretary, before the proxy exercises any rights of the shareholder at the meeting; and/or
- you may participate in the annual general meeting by way of electronic participation as stipulated in this notice.

Please note that if you own dematerialised shares (i.e. have replaced the paper share certificates representing the shares with electronic records of ownership under the JSE Limited's ("JSE") electronic settlement system, Share Transactions Totally Electronic ("STRATE") held through a CSDP or broker (or their nominee) and are not registered as an "own name dematerialised shareholder", then you are not a registered shareholder of the Company, your CSDP or broker (or their nominee) would be. Accordingly, in these circumstances, subject to the mandate between yourself and your CSDP or broker, as the case may be:

- if you wish to participate in the annual general meeting (either being physically present at the meeting or by way of electronic participation), you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from it; alternatively
- if you are unable to attend the annual general meeting but wish to be represented at the meeting, you must contact your CSDP or broker, as the case may be, and furnish it with your voting instructions in respect of the annual general meeting and / or request it to appoint a proxy. You must not complete the attached form of proxy. The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be, within the time period required by your CSDP or broker, as the case may be.

CSDPs, brokers or their nominees, as the case may be, recorded in the Company's sub-register as holders of dematerialised shares held on behalf of an investor/beneficial owner in terms of STRATE should, when authorised in terms of their mandate or instructed to do so by the person on behalf of whom they hold dematerialised shares, vote by either appointing a duly authorised representative to attend and vote at the annual general meeting or by completing the attached form of proxy in accordance with the instructions thereon and returning it to the office of the Company's transfer secretaries (Computershare Investor Services Proprietary Limited, 15 Biermann Avenue, Rosebank 2196 (PO Box 61051, Marshalltown, 2017) to be received by 11h00 on Friday, 19 October 2018 for administrative purposes, or delivering such form by hand thereafter to the Company Secretary, before the proxy exercises any rights of the shareholder at the meeting. In order to facilitate proceedings at the annual general meeting, shareholders intending to appoint a proxy are requested to do so as soon as is reasonably practical.

In accordance with section 63(1) of the Companies Act, participants at the annual general meeting will be required to provide proof of identification to the reasonable satisfaction of the chairman of the annual general meeting and must accordingly provide a copy of their identity document, passport or driver's licence at the annual general meeting for verification.

Shareholders of the Company that are companies, that wish to participate in the annual general meeting, may authorise any person to act as its representative at the annual general meeting.

Notice of Annual General Meeting for the year ended 31 March 2018 (continued)

Please note that the Company intends to make provision for shareholders of the Company, or their proxies, to participate in the annual general meeting by way of video conference in Johannesburg. Should you wish to participate in the annual general meeting by way of video conference as aforesaid, you are required to give notice of such proposed participation to the Company at its registered office or at the office of the transfer secretaries by no later than 12h00 on Wednesday, 17 October 2018. In order for the notice to be valid, it must be accompanied by the following:

- if the shareholder is an individual, a certified copy of his identity document and/or passport;
- if the shareholder is not an individual, a certified copy of the resolution adopted by the relevant entity authorising the representative to represent the shareholder at the annual general meeting and a certified copy of the authorised representative's identity document and/or passport;
- a valid e-mail address and/or facsimile number for the purpose of receiving details of the video conference facility that will be made available.

Upon receipt of the aforesaid notice and documents, the Company shall use its reasonable endeavours to notify you of the relevant details of the video-conference facilities available in Johannesburg at which you can participate in the annual general meeting by way of electronic communication.

VOTING AT THE ANNUAL GENERAL MEETING

On a show of hands, every shareholder present in person (or by way of electronic participation) or represented by proxy at the annual general meeting and entitled to vote, shall have only one vote irrespective of the number of shares such shareholder holds. On a poll, shareholders present in person (or by way of electronic participation) or represented by proxy at the annual general and entitled to vote, shall be entitled to 1 vote per ordinary share held by such shareholder.

Unless otherwise specifically provided in this notice of annual general meeting, for any of the ordinary resolutions to be adopted, 50% of the voting rights plus 1 vote exercised on each such ordinary resolution must be exercised in favour thereof. For any special resolutions to be adopted, at least 75% of the voting rights exercised on each special resolution must be exercised in favour thereof.

Details of directors, shareholders, share capital and analysis of shareholders, no-change statement and directors' responsibility statement

This notice of annual general meeting provides details of:

- the directors of the Company as per the Corporate Information page, and including brief CVs of the directors nominated for re-election provided as Appendix 1.
- the major shareholders of the Company reflected in the Director's report on page 10 and the analysis of shareholders as Appendix 3;
- the directors' interests in securities included in the analysis of shareholders as Appendix 3 and the Report of the Remuneration Committee as Appendix 2; and
- the share capital of the Company on page 10 and an analysis of shareholders as Appendix 3.

No-change statement

There have been no material changes to the HPL&R Group's financial or trading position, nor are there any legal or arbitration proceedings that may materially affect the financial position of the Group between the signature date of the audit report and the date of this notice.

Director's responsibility statement

The directors, whose names appear on the Corporate Information page, collectively and individually, accept full responsibility for the accuracy of the information given in this notice and certify that, to the best of their knowledge and belief, that there are no facts that have been omitted which would make any statement in this notice false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the annual report and this notice of annual general meeting contains all information required by the Listings Requirements of the JSE ("JSE Listings Requirements").

PURPOSE

The purpose of the annual general meeting is to transact the business set out in the agenda below, and to consider and, if approved, to pass with or without modification, the following ordinary and special resolutions, in the manner required by the Company's memorandum of incorporation ("MOI") and the Companies Act, as read with the JSE Listings Requirements.

AGENDA

1. Presentation of the Audited Annual Financial Statements of the Company, including the reports of the directors, external auditors and the Audit Committee, for the year ended 31 March 2018

In terms of the Act, the audited annual financial statements of the Company (including the reports of the directors and the Audit Committee) for the year ended 31 March 2018 as approved by the Board will be presented to the shareholders of the Company.

A summary of the audited annual financial statements of the Group is set out on pages 9 to 19 of this notice of annual general meeting. This summary is not exhaustive and the complete annual financial statements of the Group should be read in their entirety for a full appreciation of their contents. The complete audited annual financial statements of the Group, including the unmodified audit opinion, are available on HPL&R's website at www.hplr.co.za. Alternatively, shareholders of the Company may request and obtain a copy of the complete annual financial statements of the Group in person, at no charge, at the registered office of HPL&R (103 Bofors Circle, Epping Industria, 7460) during office hours.

Notice of Annual General Meeting for the year ended 31 March 2018 (continued)

2. Presentation of Social and Ethics Committee Report

In accordance with Regulation 43 of the Companies Regulations, 2011, the Company's Social and Ethics Committee Report for the financial year ended 31 March 2018, prepared and approved by the Company's Social and Ethics Committee and set out in the 2018 Integrated Annual Report, will be presented to the shareholders of the Company. Any specific questions to the Social and Ethics Committee may be sent to the Company Secretary prior to the annual general meeting.

3. Ordinary resolution number 1 (1.1 to 1.7): *Retirement and re-election of directors*

3.1 Ordinary resolution number 1.1: *Re-election of Mr Y Shaik as director*

"Resolved that Mr Y Shaik be and is hereby re-elected as a director of the Company."

3.2 Ordinary resolution number 1.2: *Re-election of Mr TG Govender as director*

"Resolved that Mr TG Govender be and is hereby re-elected as a director of the Company."

3.3 Ordinary resolution number 1.3: *Re-election of Mr FE Meyer as director*

"Resolved that Mr FE Meyer be and is hereby re-elected as a director of the Company."

3.4 Ordinary resolution number 1.4: *Re-election of Mr ML Wilkin as director*

"Resolved that Mr ML Wilkin be and is hereby re-elected as a director of the Company."

3.5 Ordinary resolution number 1.5: *Re-election of Mr L Govender as director*

"Resolved that Mr L Govender be and is hereby re-elected as a director of the Company."

3.6 Ordinary resolution number 1.6: *Re-election of Ms NB Jappie as director*

"Resolved that Ms NB Jappie be and is hereby re-elected as a director of the Company."

3.7 Ordinary resolution number 1.7: *Re-election of Ms KF Mahloma as director*

"Resolved that Ms KF Mahloma be and is hereby re-elected as a director of the Company."

Explanatory note

Mr Y Shaik, Mr TG Govender, Mr FE Meyer, Mr ML Wilkin, Mr L Govender, Ms NB Jappie and Ms KF Mahloma ("the directors") retire as directors in accordance with the Company's MOI and the JSE Listings Requirements but, being eligible, each offer themselves for re-election as a director of the Company.

The Board has considered the proposed re-election of the above directors and recommends that they be re-elected as directors of the Company.

Brief CV details of the above mentioned directors are included in Appendix 1 of this notice.

The reason for ordinary resolution numbers 1.1 to 1.7 (inclusive) is to propose the re-election of the directors who have retired as directors in accordance with the Company's MOI and JSE Listing Requirements. In this regard, Schedule 10.16(g) of the JSE Listings Requirements requires that all directors retire at the first Annual General Meeting of the Company and, being eligible, may offer themselves for re-election as directors. Going forward, one-third of non-executive directors will retire at each annual general meeting of the Company. These elections will be conducted by a series of separate votes in respect of each candidate.

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

4. Ordinary resolution number 2: *Re-appointment of auditor*

"Resolved that BDO Cape Incorporated and Mr Cillié, as designated auditor, is hereby appointed as the auditor to the Company for the ensuing year."

Explanatory note

In terms of the Act, the Company, being a public company, must have its financial results audited and such auditor of the Company must each year at the Company's annual general meeting be appointed or re-appointed, as the case may be, as an external auditor. The Company's current external auditor is BDO Cape Incorporated, which has indicated that Mr Cillié who is a director of the firm and a registered auditor and accredited with the JSE in accordance with the JSE Listings Requirements will undertake the audit.

The Company's Audit Committee has recommended that BDO Cape Incorporated be re-appointed as the auditors of the Company, for the ensuing year and to note that the individual registered auditor who will undertake the audit during the financial year ending 31 March 2019 is Mr Cillié.

5. Ordinary resolution number 3 (3.1 to 3.3): *Re-appointment of the members of the Audit and Risk Committee of the Company*

5.1 Ordinary resolution number 3.1: *Re-election of Mr L Govender as member of the Audit and Risk Committee*

"Resolved that Mr L Govender be and is hereby re-appointed to the Audit and Risk Committee of the Company."

5.2 Ordinary resolution number 3.2: *Re-election of Ms NB Jappie as member of the Audit and Risk Committee*

"Resolved that Ms NB Jappie be and is hereby re-appointed to the Audit and Risk Committee of the Company."

5.3 Ordinary resolution number 3.3: *Re-election of Ms KF Mahloma as member of the Audit and Risk Committee*

"Resolved that Ms KF Mahloma be and is hereby re-appointed to the Audit and Risk Committee of the Company."

Notice of Annual General Meeting for the year ended 31 March 2018 (continued)

Explanatory note

In terms of the Act, at each annual general meeting an Audit Committee comprising at least three members must be elected. It is proposed that the following independent non-executive directors be elected as members of the Audit and Risk Committee for the ensuing year. The Board has considered the proposed appointment of Mr L Govender, Ms NB Jappie and Ms KF Mahloma and recommends that they be re-appointed to the Audit and Risk Committee. The appointment of each member of the Audit and Risk Committee will be voted on separately.

The re-appointment of Mr L Govender, Ms NB Jappie and Ms KF Mahloma to the Audit and Risk Committee is subject to the approval of ordinary resolutions 1.5, 1.6 and 1.7 above, respectively.

Brief CV's of the members are included in Appendix 1 to this notice.

6. Non-Binding advisory votes: *Advisory endorsement of the remuneration policy and implementation report*

6.1 Non-binding advisory vote 1: Company's remuneration policy

"Resolved, by way of a non-binding advisory vote, that the Company's remuneration policy, as set out in Appendix 2 to this notice of annual general meeting, be and is hereby endorsed".

6.2 Non-binding advisory vote 2: Company's implementation report on remuneration policy

"Resolved, by way of a non-binding advisory vote, that the Company's implementation report in respect of the remuneration policy, as set out in Appendix 2 to this notice of annual general meeting, be and is hereby endorsed".

Explanatory note

The reason for non-binding advisory votes number 1 and 2 is that in terms of Part 5.4, principle 14 (recommended practice 37) of the King IV Report on Corporate Governance™ for South Africa, 2016 ("King IV™") the Company's remuneration policy and implementation report should be tabled to shareholders for separate non-binding advisory votes at the annual general meeting. This vote enables shareholders to express their views on the remuneration policies adopted and on their implementation. Furthermore, King IV™ recommends that the remuneration policy should record the measures that the Board commits to in the event that either the remuneration policy or the implementation report, or both, have been voted against by 25% (twenty-five percent) or more of the voting rights exercised by shareholders.

Shareholders are requested to separately endorse the Company's remuneration policy and the implementation report included in the Remuneration Report as Appendix 2, by way of separate non-binding advisory votes.

7. Special resolution number 1: *General authority to issue ordinary shares, options and convertible securities for cash*

"Resolved that the directors of the Company be and are hereby authorised, by way of a general authority, to allot and issue any of the Company's unissued ordinary shares (or to issue options or convertible securities convertible into ordinary shares) for cash as they in their discretion may deem fit, without restriction, subject to the provisions of the Company's MOI, the Companies Act and the JSE Listings Requirements, provided that:

- the approval shall be valid until the date of the next annual general meeting of the Company, provided it shall not extend beyond 15 months from the date of this resolution;*
- the general issues of shares for cash under this authority may not exceed, in the aggregate, 15% of the Company's issued share capital of that class as at the date of this notice, it being recorded that ordinary shares issued pursuant to a rights offer to shareholders and, shares issued in respect of the HPL&R Group Employee Option Scheme shall not count towards the number of ordinary shares that comprise the 15% of the ordinary shares that can be issued in terms of this ordinary resolution. As at the date of this notice, 15% of the Company's issued ordinary share capital (net of treasury shares) amounts to 43 500 000 ordinary shares;*
- in determining the price at which an issue of shares may be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of such securities, as determined over the 30 business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the securities. The JSE will be consulted for a ruling if the Company's securities have not traded in such 30 business day period;*
- any such issue will only be made to public shareholders as defined in paragraphs 4.25 to 4.27 of the JSE Listings Requirements and not to related parties;*
- any such issue will only be comprised of securities of a class already in issue or, if this is not the case, will be limited to such securities or rights that are convertible into a class already in issue; and*
- in the event that the securities issued represent, on a cumulative basis, 5% or more of the number of securities in issue prior to that issue, an announcement containing the full details of such issue shall be published on the Stock Exchange News Service of the JSE ("SENS")."*

Explanatory note

For listed entities wishing to issue shares for cash (other than issues by way of rights offers, in consideration for acquisitions and/or to duly approved share incentive schemes), it is necessary for the Board of the Company to obtain the prior authority of shareholders in accordance with the JSE Listings Requirements and the memorandum of incorporation of the Company. Accordingly, the reason for special resolution number 1 is to obtain a general authority from shareholders to issue shares for cash in compliance with the JSE Listings Requirements and the MOI of the Company.

Notice of Annual General Meeting for the year ended 31 March 2018 (continued)

8. Special resolution number 2: *Approval of annual fees to be paid to non-executive directors*

"Resolved that for the period 1 November 2018 until the date of the next annual general meeting of the Company, the remuneration payable to non-executive directors of the Company for their services as directors will be as follows:

Type of fee	Current fee (excl VAT)	New proposed fee (excl VAT)
Board members – annual fee	R104 000	R110 240
Board Committee members – annual fee*	R43 000	R45 580

** Where a non-executive director is a member of more than one Board Committee of the Company, the annual Board Committee fee for such director is limited to R45 580."*

Explanatory note

In terms of section 66(8) of the Act, the Company may pay remuneration to its directors for their services as directors. In terms of section 66(9) of the Act, the remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by shareholders during the previous two years.

9. Special resolution number 3: *General authority to repurchase Company shares*

"Resolved that the Company hereby approves, as a general approval contemplated in paragraph 5.72 of Section 5 of the JSE Listings Requirements, the repurchase by the Company or any of its subsidiaries from time to time of the issued ordinary shares of the Company, upon such terms and conditions and in such amounts as the directors of the Company may from time to time determine, but subject to the MOI, the provisions of the Act and the JSE Listings Requirements, as presently constituted and which may be amended from time to time, and provided further that:

- *acquisitions by the Company and its subsidiaries of shares in the capital of the Company in terms of this general authority to repurchase shares may not, in the aggregate, exceed in any one financial year 20% of the Company's issued share capital of the class of the repurchased shares from the date of the grant of this general authority;*
- *any such repurchase shall be effected through the order book operated by the JSE trading system, without any prior understanding or arrangement between the Company and the counterparty;*
- *the Company (or any subsidiary) is authorised to do so in terms of its MOI;*
- *this general authority shall only be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 months from the date of passing of this special resolution;*
- *in determining the price at which the Company's shares are repurchased by the Company or its subsidiaries in terms of this general authority, the maximum premium at which such shares may be acquired may not be greater than 10% above the weighted average of the market price at which such shares are traded on the JSE for the five business days immediately preceding the date the repurchase transaction is effected;*
- *at any point in time, the Company may only appoint one agent to effect any repurchase(s) on the Company's behalf;*
- *the Company or its subsidiaries may not repurchase shares during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless there is a repurchase programme in place and the dates and quantities of shares to be repurchased during the relevant period are fixed and full details thereof have been submitted to the JSE in writing prior to commencement of the prohibited period. The Company must instruct an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;*
- *an announcement will be published on SENS as soon as the Company and/or its subsidiaries has/have acquired shares in terms of this authority constituting, on a cumulative basis, 3% of the initial number of shares of the class of shares in issue at the time that this general authority is granted by shareholders, and each time the Company acquires a further 3% of the initial number thereafter, which announcement(s) shall contain full details of such repurchases as required in terms of the JSE Listings Requirements; and*
- *a repurchase shall only be effected if the Board of directors have at the time of the repurchase passed a resolution authorising the repurchase in terms of sections 48 and 46 of the Act and it reasonably appears that the Company and its subsidiaries have satisfied the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Company and its subsidiaries."*

Explanatory note

The reason for special resolution number 3 is to grant the directors of the Company and/or subsidiaries of the Company a general authority in terms of the Act and the JSE Listings Requirements to acquire the Company's ordinary shares, subject to the terms and conditions set out in the special resolution. The directors require that such general authority should be implemented in order to facilitate the repurchase of the Company's ordinary shares in circumstances where the directors consider this to be appropriate and in the best interests of the Company and its shareholders.

Director's statement:

Pursuant to and in terms of the JSE Listings Requirements, the Board hereby states that:

- *it is their intention to utilise the general authority to acquire shares in the Company if at some future date the cash resources of the Company are in excess of its requirements and the opportunity presents itself to do so during the year, which the Board deems to be in the best interest of the Company and its shareholders, taking prevailing marketing conditions and other factors into account;*
- *in determining the method by which the Company intends to acquire its shares, the maximum number of shares to be acquired and the date on which such repurchase will take place, the directors of the Company will only make the repurchase if at the time of the repurchase they are of the opinion that the following conditions have been and will be met:*
 - *the Company and the Group will be able to pay their debts for a period of 12 months after the date of this notice of the annual general meeting;*
 - *the assets of the Company and the Group are to be in excess of the liabilities of the Company and Group for a period of 12 months after the date of this notice of annual general meeting (for this purpose the assets and liabilities are recognised and measured in accordance with the accounting policies used in the audited financial statements for the year ended 31 March 2018);*
 - *the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of this notice of the annual general meeting;*

Notice of Annual General Meeting for the year ended 31 March 2018 (continued)

- the working capital of the Company and the Group are adequate for the ordinary business purposes for a period of 12 months after the date of approval of this notice of the annual general meeting; and
- resolution being passed by the Board that it authorised the repurchase of shares, that the Company and its subsidiaries have passed the solvency and liquidity test and that since the test was performed there have been no material changes to the financial position of the Group.

The authority granted in terms of this special resolution number 3 is limited to paragraph 5.72(a), (c), (d) and paragraph 5.68 of the JSE Listings Requirements.

The following additional information is provided in terms of the JSE Listings Requirements for purposes of this general authority:

- major beneficial shareholders – Appendix 3 of the document of which this notice of annual general meeting forms part; and
- share capital of the Company – Appendix 3 and page 10 of the document of which this notice of annual general meeting forms part.

10. Special resolution number 4: *Shareholders' general authorisation of financial assistance*

"Resolved that, to the extent required by sections 44 and 45 of the Act, the Board may, subject to compliance with the requirements of the Company's MOI and the Act, each as presently constituted and as amended from time to time, authorise the Company to provide direct or indirect financial assistance by way of a loan, guarantee, the provision of security or otherwise, to:

- 10.1 *any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company, or for the purchase of any securities of the Company or a related or inter-related company; and/or*
- 10.2 *any of its present or future subsidiaries and/or any other company or corporation that is or becomes related to or inter-related with the Company for any purpose or in connection with any matter; and/or*
- 10.3 *any of the present or future directors or prescribed officers (or any person related to any of them or to any company or entity related or inter-related to any of them), or to any other person who is or may be a participant in any of the HPL&R Group Employee Option Scheme, current or future employee share plans or other incentive schemes, or any share scheme trust or other entity facilitating any such scheme, for the purpose of, or in connection with, the subscription for any option, or any securities, issued or to be issued by the Company or a related or inter-related company or entity or for the purchase of any securities of the Company or a related or inter-related company, where such financial assistance is provided in terms of any such plan or scheme that does not constitute an employee share scheme that satisfies the requirements of section 97 of the Act.*

The financial assistance may be provided at any time during the period commencing on the date of the adoption of this resolution and ending two years after such date."

Explanatory note

As part of the normal conduct of the business of the Company and its subsidiaries from time to time, the Company, where necessary, provides financial assistance to its related and inter-related companies and entities (as contemplated in the Act) including the provision of guarantees and other forms of security to third parties which provide funding to the Company's subsidiaries, whether by way of loans, subscribing for shares (including preference shares) or otherwise. In the circumstances and in order to ensure that, among other things, the Company and its subsidiaries and other related and inter-related companies and entities continue to have access to, and are able to appropriately structure their financing for purposes of funding their corporate and working capital requirements, it is necessary that the Company obtains the approval of shareholders in terms of this special resolution number 4.

The Company may furthermore wish to provide financial assistance to its subsidiaries and other related and inter-related companies and corporations including pursuant to the Company's employee and other share schemes.

Sections 44 and 45 of the Companies Act provide that the financial assistance required can only be provided pursuant to a special resolution of the shareholders, adopted within the previous two years, which resolution must have approved such financial assistance either for the specific recipient or generally for a category of potential recipients (and the specific recipient falls within that category), and the directors must be satisfied that:

- immediately after providing the financial assistance, the Company will satisfy the solvency and liquidity test as defined in section 4 of the Act; and
- the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

The passing of this special resolution number 4 will have the effect of authorising the Company to provide direct or indirect financial assistance in accordance with sections 44 and 45 of the Companies Act, for a period of two years after the adoption of this resolution.

11. Ordinary Resolution number 4: *Directors' authority to implement Company resolutions*

"Resolved that each and every director of the Company be and is hereby authorised to do all such things and sign all such documents as may be necessary for or incidental to the implementation of the resolutions passed at this annual general meeting."

12. To transact such other business which may be transacted at an annual general meeting

*HCI Managerial Services
Proprietary Limited*

By order of the Board

HCI Managerial Services Proprietary Limited
24 July 2018
Cape Town

SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

STATEMENT OF RESPONSIBILITY OF THE BOARD OF DIRECTORS

The directors of Hosken Passenger Logistics and Rail Limited ("HPL&R" or "the Group") are responsible for the maintenance of adequate accounting records and the preparation, integrity and fair presentation of the annual financial statements of the Company and the Group and for other information contained herein.

The summarised annual financial statements, set out on pages 13 to 19, and the annual financial statements for the year ended 31 March 2018, available on HPL&R's website, have been prepared, in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the South African Companies Act, 71 of 2008, as amended, on the going concern basis and incorporate full and responsible disclosure. The summarised information included in this report has been extracted from the audited annual financial statements.

The annual financial statements are based upon appropriate accounting policies and supported by reasonable and prudent judgements and estimates. The annual financial statements were prepared under the supervision of the Chief Financial Officer, Mark Wilkin CA(SA).

The directors are satisfied that the information contained in the annual financial statements fairly represents the results of operations for the year and the financial position of the Group at year end. The accuracy of the other information included in this report was considered by the directors and they are satisfied that it accords with the annual financial statements.

The directors are also responsible for the Group's system of internal financial controls. The system was developed to provide reasonable, but not absolute, assurance regarding the reliability of the financial statements, the safeguarding of assets, and to prevent and detect misrepresentation and losses.

The directors are of the opinion that the Group will continue as a going concern in the foreseeable future.

The annual financial statements were audited by the independent auditor, BDO Cape Incorporated, to whom unrestricted access was given to all financial records and related information. The report of the independent auditor is presented on page 12.

The annual financial statements for the year ended 31 March 2018 were approved by the Board of directors on 24 July 2018 and are signed on its behalf by:



FE Meyer
Chief Executive Officer

Cape Town
24 July 2018



ML Wilkin
Chief Financial Officer

DECLARATION BY THE COMPANY SECRETARY

We certify that Hosken Passenger Logistics and Rail Limited has lodged with the Companies and Intellectual Property Commission, for the financial year ended 31 March 2018, all such returns as required by a public company in terms of the Companies Act of South Africa and that such returns are true, correct and up to date.

*HCI Managerial Services
Proprietary Limited*

HCI Managerial Services Proprietary Limited
Company Secretary

Cape Town
24 July 2018

DIRECTORS' REPORT

NATURE OF BUSINESS AND OPERATIONS

The Company has been dormant since incorporation until the acquisition of HPL and R Investments Proprietary Limited, which holds 100% of Golden Arrow Bus Services Proprietary Limited (which in turn, has various subsidiaries) and 76% of Eljosa Travel and Tours Proprietary Limited, from Hosken Consolidated Investments Limited ("HCI") on 1 February 2018. From this date the Company serves as an investment holding company. Its interests consist mainly of investments in the transport sector.

RESULTS

The Group made attributable net profit for the year of R236 million.

The Group's operating profit is largely in-line with the prior year, reflecting a 1.8% increase. Although Group revenue has increased by 7.5% the marginal increase in operating profit is largely attributable to the increase in fuel and labour costs in the industry. Operational efficiencies introduced by management aided in the Group's ability to show an increase in Headline earnings per share of 2.8% for the period.

The increase in depreciation and amortisation costs is due to the ongoing fleet recapitalisation program of the Group's major subsidiary, Golden Arrow Bus Services Proprietary Limited, and is evidenced in the increase in Property Plant and Equipment over the period.

The increase in investment revenue is largely attributable to the interest accrued on the promissory notes receivable on the disposal of KVV by La Concorde Holdings Limited ("La Concorde"), ceded to the Group on the restructure (Refer below).

DIVIDENDS AND DISTRIBUTION TO SHAREHOLDERS

The directors have not declared a final dividend for the full year, as dividends of R120 million were declared and paid to equity holders of the Group on 28 November 2017 (R11.9 million was paid to non-controlling interest during the year). In addition, a distribution of R649.8 million was paid out to Shareholders on 1 February 2018, as part of the restructure and capitalisation of the Group, as referred to below.

In future, the Company aims, in line with the dividend policy disclosed in its pre-listing statement dated 15 March 2018, to declare and pay approximately 50% of its annual profit after tax as a dividend to shareholders, subject to working capital requirements and capital expenditure required for expansion and maintenance.

GROUP RESTRUCTURE AND SHARE ISSUE

On 1 February 2018, the Company acquired 100% of the issued share capital of HPL and R Investments Proprietary Limited, from HCI for a consideration of R1.8 billion, which was settled by the allotment and issue of shares, constituting approximately 62% of the issued share capital of the Company.

The remaining approximately 38% of the issued share capital of the Company was issued to La Concorde Holdings Limited ("La Concorde"), a subsidiary of Niveus Investments Limited ("Niveus"), in exchange for cash of R649.8 million and the cession of Promissory notes with a value of R450.2 million at the time of the share issue.

As holding company of Niveus, HCI remained the controlling shareholder of the Group at year-end with an effective holding of approximately 73.06%.

On 13 April 2018, La Concorde unbundled its holding of approximately 38% of the issued share capital of the Company to its shareholders by way of a distribution in specie, pro rata to their respective holdings in La Concorde, resulting in Niveus thereafter holding approximately 22% of the issued share capital in the Company. On 30 April 2018, Niveus unbundled its approximate 22% shareholding in the Company to its shareholders by way of a distribution in specie, pro rata to their respective holdings in Niveus. Following the Niveus and La Concorde unbundlings, HCI still remains the controlling shareholder of the Group and its effective shareholding remains at approximately 73.06%.

Refer to the Shareholder Analysis included as Appendix 3 for details of the shares in issue at year end, and subsequent to the Niveus unbundling, on 30 April 2018.

SHARE CAPITAL

The authorised share capital at 31 March 2018 was 1 000 000 000 ordinary shares at no par value. At 31 March 2018, the total shares issued was 290 000 000.

MAJORITY SHAREHOLDER

HCI Limited is the holding company of HPL&R with an effective interest of 73.06%.

DIRECTORATE

The directors of the Company at the date of this report are as follows:

<i>Directors</i>	<i>Office</i>	<i>Designation</i>	<i>Nationality</i>	<i>Appointment date</i>
Mr Y Shaik	Chairman	Non-executive	South African	1 February 2018
Mr FE Meyer	Chief Executive Officer	Executive	South African	6 March 2018
Mr ML Wilkin	Chief Financial Officer	Executive	South African	6 March 2018
Mr TG Govender	Deputy Chairman	Non-executive	South African	1 February 2018
Mr L Govender	Lead Independent	Independent non-executive	South African	6 March 2018
Ms NB Jappie		Independent non-executive	South African	6 March 2018
Ms KF Mahloma		Independent non-executive	South African	6 March 2018

A van der Veen and MM Loftie-Eaton resigned as directors of the Company effective 6 March 2018 following the conclusion of the Group restructure.

In accordance with the Company's MOI and Section 10.16(g) of the JSE Listing Requirements, all directors will retire at the forthcoming annual general meeting being the first annual general meeting of the Company. All retiring directors, being eligible, offer themselves for re-election.

Details of directors' emoluments are included in the Remuneration Policy Implementation Report included as Appendix 2.

DIRECTORS' REPORT

(continued)

SHAREHOLDINGS OF DIRECTORS

At year end no director held any shares in the Company. However, based on their shareholding in La Concorde and Niveus the following directors (including directors who have resigned during the last 18 months) received shares in the Company on the unbundling by La Concorde, subsequent to the listing on the JSE, and the unbundling by Niveus as follows:

Director	Direct number of shares held	Direct % of shares in issue held	Indirect number of shares held	Indirect % of shares in issue held	Total number of shares held	Total % of shares in issue held
Y Shaik	—	—	—	—	—	—
TG Govender	111 407	0.0%	834 015	0.3%	945 422	0.3%
MM Loftie-Eaton*	—	—	103 707	0.0%	103 707	0.0%
A Van der Veen*	—	—	458 428	0.2%	458 428	0.2%
	111 407	0.0%	1 396 150	0.5%	1 507 557	0.5%

* MM Loftie-Eaton and A Van Der Veen resigned as directors with effect from 6 March 2018.

In addition to the holdings reflected above, subsequent to year end and to the date of the approval of the annual financial statements the following director acquired an interest in the shares of the Company:

Director	Direct number of shares held	Direct % of shares in issue held	Indirect number of shares held	Indirect % of shares in issue held	Total number of shares held	Total % of shares in issue held
FE Meyer	52 500	0.0%	3 000	0.0%	55 500	0.0%

No further changes occurred in the directors' interest from 31 March 2018 to the date of the approval of the annual financial statements.

On 31 March 2018 share options of 2 016 344 and 1 263 484 were awarded to FE Meyer and ML Wilkin respectively, at an option price of R6.98. Details of the Group's share option scheme are included in the Remuneration Policy Implementation Report included as Appendix 2.

COMPANY SECRETARY

The secretary of the Company is HCI Managerial Services Proprietary Limited, whose details are set out on the Corporate Information page.

INVESTMENTS

Company	Nature of business	Holding
HPL and R Investments Proprietary Limited	Investment holding	100%
Golden Arrow Bus Services Proprietary Limited	Transport services	100%
Eljosa Travel & Tours Proprietary Limited	Transport services	76%
Table Bay Area Rapid Transit Proprietary Limited	Transport services	50.06%
Sibanye Bus Services Proprietary Limited	Transport services	33.33%
N2 Express Joint Venture Proprietary Limited	Transport services	33.33%

GOING CONCERN

The Directors believe that the Group and the Company have adequate financial resources to continue operations for the foreseeable future and accordingly the consolidated and separate annual financial statements have been prepared on the basis of accounting policies applicable to a going concern.

The Directors are not aware of any new material changes that may adversely impact the Group nor are they aware of any material non-compliance with statutory or regulatory requirements which may affect the Group.

AUDITORS

BDO Cape Incorporated was appointed in office in accordance with section 90 of the Companies Act 71 of 2008 with Stephan Cillié as designated auditor for the year ended 31 March 2018.

NO MATERIAL CHANGE

There has been no material change in the financial or trading position of the Group since the publication of its provisional results for the year ended 31 March 2018.

SUBSEQUENT EVENTS

The Company successfully listed on the main board of the JSE on 24 April 2018.

The directors are not aware of any further matter or circumstance arising since the end of the financial year, not otherwise dealt with within the annual financial statements that would affect the operations or results of the Company or the Group significantly.

PREPARER

These annual financial statements were prepared under the supervision of the Chief Financial Officer, Mark Wilkin CA(SA).

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of Hosken Passenger Logistics and Rail Limited

OPINION

The summarised consolidated financial statements of Hosken Passenger Logistics and Rail Limited, which comprise the summarised consolidated statement of financial position as at 31 March 2018, the summarised consolidated statements of profit and loss, the statement of other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Hosken Passenger Logistics and Rail Limited for the year ended 31 March 2018.

In our opinion, the accompanying summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of Hosken Passenger Logistics and Rail Limited, with the requirements of International Accounting Standard 34: Interim Financial Reporting and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The summarised consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to financial statements. Reading the summarised consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon. The summarised financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on those consolidated financial statements.

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 24 July 2018. That report also includes our communication of key audit matters.

DIRECTORS' RESPONSIBILITY FOR THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with International Accounting Standard 34: Interim Financial Reporting and the requirements of the Companies Act of South Africa and for such internal control as the directors determine is necessary to enable the preparation of the summarised consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), Engagements to Report on Summary Financial Statements.

BDO Cape Inc.

BDO CAPE INCORPORATED

Chartered Accountants (SA)

Registered Auditors

SF Cillie

Director

Chartered Accountant (SA)

Registered Auditor

24 July 2018

SUMMARISED ANNUAL FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	2018 R'000	2017 ¹ R'000
ASSETS		
<i>Non-current assets</i>	1 709 120	1 344 793
Property, plant and equipment	1 462 937	1 319 131
Goodwill	8 451	8 451
Intangible assets	78	57
Investments in associates	18 343	16 757
Deferred taxation	414	397
Other financial asset	218 897	—
<i>Current assets</i>	630 598	366 857
Inventories	15 714	17 381
Other financial asset	237 503	—
Trade and other receivables	67 816	57 410
Taxation	1 435	3 669
Cash and cash equivalents	308 130	288 397
Total assets	2 339 718	1 711 650
EQUITY AND LIABILITIES		
<i>Equity</i>	1 406 308	829 570
Equity attributable to equity holders of the parent	1 373 693	794 416
Non-controlling interest	32 615	35 154
<i>Non-current liabilities</i>	557 397	537 070
Borrowings	300 887	293 006
Post-employment medical benefit liability	58 928	68 880
Deferred taxation	197 582	175 184
<i>Current liabilities</i>	376 013	345 010
Trade and other payables	124 720	114 631
Derivative financial liability	—	6 290
Current portion of borrowings	149 323	130 670
Taxation	4 340	172
Provisions	97 630	93 247
Total equity and liabilities	2 339 718	1 711 650

¹ The comparatives of the Company and its subsidiaries ("Group") have been prepared on the common control accounting method, refer to the notes to the summarised consolidated financial statements.

SUMMARISED ANNUAL FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2018

	2018 R'000	2017 ^{1,2} R'000
Revenue	1 808 406	1 682 964
Other income	4 501	2 939
Operating expenses	(1 358 793)	(1 239 967)
Operating profit	454 114	445 936
Depreciation and amortisation	(112 076)	(99 569)
Investment income	22 310	15 000
Share of profits of associates	7 283	6 837
Finance costs	(39 618)	(38 059)
Profit before taxation	332 013	330 145
Taxation	(86 619)	(88 407)
Profit for the year	245 394	241 738
Attributable to:		
Equity holders of the parent	235 947	228 336
Non-controlling interest	9 447	13 402
	245 394	241 738

¹ The Group's comparatives have been prepared on the common control accounting method, refer to the notes to the summarised consolidated financial statements.

² The Group's subsidiaries historically presented their respective Statement of Profit or Loss in terms of the "function method". The Group has elected to present the Statement of Profit or Loss on the "nature method" as this presents more relevant disclosure for the Group and more closely represents how management evaluate the results of the Group.

SUMMARISED ANNUAL FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2018

	2018 R'000	2017 ¹ R'000
Profit for the year	245 394	241 738
Other comprehensive income:		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Cash flow hedging – current year losses	(343)	(6 315)
Cash flow hedging – amount capitalised to property, plant and equipment	6 633	25
Taxation relating to cash flow hedging	(1 761)	1 761
<i>Items that may not be reclassified subsequently to profit or loss</i>		
Actuarial gains/(losses) on defined benefit plans	16 863	(3 304)
Taxation relating to actuarial gains/(losses) on defined benefit plans	(4 722)	925
Total comprehensive income for the year	262 064	234 830
Attributable to:		
Equity holders of the parent	252 617	221 428
Non-controlling interest	9 447	13 402
	262 064	234 830

		2018 R'000		2017 ¹ R'000
Reconciliation of headline earnings	Gross	Net	Gross	Net
Earnings attributable to equity holders of the parent		235 947		228 336
IAS 16 (Profit)/loss on disposal of plant and equipment	(860)	(619)	797	574
Headline profit		235 328		228 910
Earnings per share (cents)				
Basic		81.36		78.74
Diluted		81.36		78.74
Headline earnings per share (cents)				
Basic		81.15		78.93
Diluted		81.15		78.93
Weighted average number of shares in issue ('000)				
Basic		290 000		290 000
Diluted		290 000		290 000
Actual number of shares in issue ('000)		290 000		—

¹ The Group's comparatives have been prepared on the common control accounting method, refer to the notes to the summarised consolidated financial statements.

SUMMARISED AUDITED ANNUAL FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	2018 R'000	2017 ¹ R'000
Balance at the beginning of the year	829 570	714 762
Shares issued	2 900 000	–
Share issue costs	(3 538)	–
Total comprehensive income	262 064	234 830
Effects of changes in shareholding ¹	(1 800 000)	–
Business combinations	–	(22)
Dividends/distribution to shareholders	(781 788)	(120 000)
Balance at the end of the year	1 406 308	829 570

¹ The Group's comparatives have been prepared on the common control accounting method, refer to the notes to the summarised consolidated financial statements.

SUMMARISED AUDITED ANNUAL FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2018

	2018 R'000	2017 ¹ R'000
Cash flows from operating activities	249 763	252 588
Cash generated by operations	462 993	462 154
Investment income	15 132	15 000
Finance cost	(36 940)	(38 417)
Changes in working capital	4 340	16 707
Taxation paid	(63 776)	(82 856)
Dividends paid	(131 986)	(120 000)
Cash flows from investing activities	(97 117)	(49 585)
Investment in subsidiary company	—	(9 636)
Dividends received	5 000	8 900
Property, plant and equipment		
— Additions	(104 079)	(52 610)
— Disposals	1 962	3 761
Cash flows from financing activities	(132 913)	(157 406)
Ordinary shares issued ²	649 802	—
Other liabilities raised	(3 538)	—
Funding raised	30 000	—
Funding repaid	(159 375)	(157 406)
Distribution to shareholders ²	(649 802)	—
Increase in cash and cash equivalents	19 733	45 597
Cash and cash equivalents		
At the beginning of the year	288 397	242 800
At the end of the year	308 130	288 397

¹ The Group's comparatives have been prepared on the common control accounting method, refer to the notes to the summarised consolidated financial statements.

² As part of the restructure of the Group, Ordinary Shares to the value of R1.1 billion were issued to La Concorde Holdings Limited on 1 February 2018 in exchange for cash of R649.8 million and a receivable of R450.2m. The Company subsequently declared and paid out a distribution of R649.8m to Shareholders on 1 February 2018, refer to the Directors' Report for further detail on the Group restructure.

NOTES TO THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2018

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The summarised consolidated annual financial statements are prepared in accordance with the requirements of the JSE Listings Requirements and the Companies Act. The Listings Requirements require summarised consolidated annual financial statements to be prepared in accordance with the framework concepts, the measurement and recognition requirements of IFRS, the SAICA Financial Reporting Guides (as issued by the Accounting Practices Committee), and Financial Pronouncements (as issued by the Financial Reporting Standards Council) and to also, as a minimum, contain the information required by IAS 34 – Interim Financial Reporting. The accounting policies applied in the preparation of the annual financial statements from which the summarised consolidated financial statements were derived, are compliant in terms of IFRS and are consistent with those applied in the previous annual financial statements. The Group has adopted all new and amended accounting pronouncements issued by the International Accounting Standards Board that are effective for financial years commencing 1 April 2017. None of the new or amended accounting pronouncements that are effective for the financial year commencing 1 April 2017 had a material impact on the Group.

OPERATING SEGMENT

The directors have considered the implications of IFRS 8: Operating segments and are of the opinion that the operations of the Group constitute one operating segment, being the provision of passenger transport services within South Africa. Resource allocation and operational management is performed on an aggregate basis. Performance is measured based on profit or loss before tax as shown in internal management reports that are reviewed by the Chief Operating Decision-Maker, who is the Group's Chief Executive Officer.

COMMON CONTROL

The restructure of the Group, prior to its listing on the JSE, is a common control transaction as HCI remains the ultimate controlling shareholder of the Group. As such IFRS 3 does not apply due to common control. The Group has therefore applied predecessor accounting to its consolidated financial statements with the effect that the assets and liabilities of the subsidiaries acquired under the Group restructure are recognised under the predecessor value method and carried at historical carrying values, with no goodwill being recognised and a common control reserve arising on the Group restructure. This treatment requires that the comparative figures are presented as if the common control transaction had taken place at the start of the first reporting period presented, i.e. 1 April 2016.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment – 31 March 2018

	Cost R'000	Accumulated depreciation R'000	Carrying value R'000
Buses	1 748 454	(679 911)	1 068 543
Computer and radio equipment	96 262	(27 168)	69 094
Land and buildings	313 273	(14)	313 259
Motor vehicles	23 750	(18 081)	5 669
Plant and machinery	27 974	(23 037)	4 937
Office equipment	6 566	(5 131)	1 435
	2 216 279	(753 342)	1 462 937

Reconciliation of property, plant and equipment – 31 March 2018

	Opening balance R'000	Additions R'000	Disposals/ transfers R'000	Depreciation R'000	Impairment loss R'000	Closing balance R'000
Buses	994 668	180 588	(780)	(102 643)	(3 290)	1 068 543
Computer and radio equipment	26 811	46 125	(70)	(3 772)	–	69 094
Land and buildings	283 677	29 585	–	(3)	–	313 259
Motor vehicles	6 848	2 018	(16)	(3 181)	–	5 669
Plant and machinery	6 760	240	–	(2 063)	–	4 937
Office equipment	367	1 433	–	(365)	–	1 435
	1 319 131	259 989	(866)	(112 027)	(3 290)	1 462 937

R155 909 000 of bus acquisitions for the year were financed through instalment sale agreements. Such additions are reflected in the cash flow statement net of the instalment sale agreements utilised to finance them.

NOTES TO THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2018

OTHER FINANCIAL ASSET

This amount is made up of Promissory notes ceded to the Company by La Concorde on 1 February 2018 as part consideration for shares issued to La Concorde on the restructure of the Group (R237 503 000 is classified as current at year end). This receivable is the remaining balance of the deferred settlement of the purchase consideration for the sale of KVV by La Concorde, and is receivable in two instalments on 1 October 2018 and 1 October 2019. The instalments are secured by way of Investec Bank payment obligations that carry interest at 8.5%, compounded annually.

BORROWINGS

Group borrowings at year end are made up as follows:

	2018 R'000			2017 R'000		
	Non-current	Current	Total	Non-current	Current	Total
Term loan	17 109	6 934	24 043	—	—	—
Instalment sale agreements	283 778	142 389	426 167	278 025	130 670	408 695
Loan from associate company	—	—	—	14 981	—	14 981
Total borrowings	300 887	149 323	450 210	293 006	130 670	423 676

Instalment sale agreements are entered into with financial institutions to finance the acquisitions of busses by the major subsidiary, Golden Arrow Bus Services Proprietary Limited. Interest was charged for the year at a weighted average effective rate of 9.04% and monthly instalments are repayable over a period of five years. These instalment sales are secured over the cost of the vehicles financed, however this security is limited to the outstanding balance owing on the instalment sale agreement.

The term loan is unsecured, bears interest at prime less 0.5% and is repayable in monthly instalments over four years.

APPENDIX 1: CURRICULUM VITAE OF DIRECTORS

Yunis Shaik (“Yunis”)

Non-executive Chairman

B.Proc

Appointed: 1 February 2018

Nationality: South African

Age: 60

Board Committees: Social and Ethics Committee

Resigned from the Remuneration Committee effective 12 June 2018

Expertise and experience: Prior to his appointment at HCI, Yunis was an attorney of the High Court and served as an acting judge in the Labour Court. He is a former Deputy General Secretary of the Southern African Clothing and Textile Workers Union (“SACTWU”) and a director of Workers’ College. He has served as Senior Commissioner of the Commission for Conciliation, Mediation and Arbitration (“CCMA”) in KwaZulu-Natal. He was appointed to the HCI board in August 2005 as a non-executive and appointed as an executive director in 2014. He also holds directorships in several HCI subsidiary companies.

Theventheran Govindsamy Govender (“Kevin”)

Deputy Chairman (non-executive)

B.Comm (Hons), B.Compt (Hons)

Appointed: 1 February 2018

Nationality: South African

Age: 47

Board Committees: Remuneration Committee – appointed effective 12 June 2018

Expertise and experience: Kevin is the financial director of HCI. He joined the HCI Group in 1997 and held the positions of Company Secretary and Chief Financial Officer from 2001. He holds directorships in several HCI subsidiary companies and is a trustee of the HCI Foundation. He was appointed to the HCI board as an executive director in June 2009.

Francois Eckhard Meyer (“Francois”)

Chief Executive Officer

Dip Trans, B.Comm, MBA

Appointed: 6 March 2018

Nationality: South African

Age: 56

Board Committees: Social and Ethics Committee

Expertise and experience: Francois has been working in the scheduled bus industry for the past 30 years and started his career in transport at United Transport’s Western Bus Lines, in the North West, in 1985. He joined GABS in 1991 as project manager overseeing the company’s Moss gas contract. He was appointed operations manager in 1993, assumed the position of general manager in 2004 and became Chief Executive Officer in 2015. He is a director of the South African Bus Operators Association (SABOA).

Mark Llewellyn Wilkin (“Mark”)

Chief Financial Officer

B.Comm, CA (SA)

Appointed: 6 March 2018

Nationality: South African

Age: 64

Board Committees: None

Expertise and experience: Mark worked for Deloitte Haskins & Sells in London, United Kingdom, from 1980 to 1982. He joined City Tramways in 1983 and was appointed Financial Director in 1988. In 1992 he was part of the consortium formed by the management team to buy the business of City Tramways from TGH Limited (formerly Tollgate Holdings Limited) and formed GABS, where he has been Financial Director since 1992.

Loganathan Govender (“Logie”)

Lead Independent non-executive Director

B.Comm, CA(SA)

Appointed: 6 March 2018

Nationality: South African

Age: 70

Board Committees: Remuneration Committee and Audit and Risk Committee

Expertise and experience: Logie is the sole proprietor of the auditing firm, Logie Govender & Co which is the oldest Black auditing practice in South Africa. He has over 40 years’ experience as a practising auditor. He also serves on the boards of E Media Holdings Limited and Deneb Investments Limited (both subsidiaries of HCI).

Naziema Begum Jappie (“Naziema”)

Independent non-executive Director

B.Soc.Sc (Hons), M.Soc.Sc (specialising in Industrial & labour studies), PG.Dip (HE)

Appointed: 6 March 2018

Nationality: South African

Age: 58

Board Committees: Remuneration Committee, Social and Ethics Committee and Audit and Risk Committee

Expertise and experience: Naziema brings with her a distinguished and varied background in fields including education, labour law, conflict resolution and performance and project management. She has served as SACTWU’s National Education Officer, Executive Director at the Durban University of Technology and Dean of Students at the University of the Witwatersrand. She is currently a director for the Centre for Educational Testing for Access and Placement at University of Cape Town. She also holds directorships in Deneb Investments Limited and Montauk Holdings Limited (also a subsidiary of HCI).

Kotsi Faith Mahloma (“Faith”)

Independent non-executive Director

Appointed: 6 March 2018

Nationality: South African

Age: 65

Board Committees: Social and Ethics Committee and Audit and Risk Committee

Expertise and experience: Faith served as a senior shop steward at Gregory Knitting Mills from 1982 until 2001 and was a COSATU executive member from 1987 to 2001. She was the Vice President of SACTWU from 1987 until 2001 and National Economic Development and Labour Council (NEDLAC) executive member from 1997 to 2001. She has served as a director of Zenzelani Clothing (Pty) Ltd, serves on the Municipality Public Account Committee (MPAC) and the Germiston Pension Fund Committee (GPFC). She was a ward councillor from 2006 to 2016.

APPENDIX 2: REMUNERATION POLICY AND IMPLEMENTATION OF THE REMUNERATION POLICY

Report of the Remuneration Committee

The Group's Remuneration Committee has the following members:

- TG Govender (Chairperson);
- L Govender; and
- NB Jappie

Mr Y Shaik resigned as Chairperson of the Remuneration Committee effective 12 June 2018 and was succeeded by Mr TG Govender.

The majority of the members of the Remuneration Committee are independent non-executive directors. The Chairperson of the Remuneration Committee is not independent, the Board however, deems this necessary to align the Company's Remuneration Policy with the corporate strategy of the larger HCI Group. The Chief Executive Officer attends the meetings of the Committee at the request of the Committee, but recuses himself from the meeting before any decisions are made.

The Committee met once during the financial year ended 31 March 2018, which was attended by all members. The Committee is scheduled to hold two meetings per financial year.

The Group's Remuneration Policy and the Implementation Report will be tabled at each annual general meeting of the Group for a separate non-binding advisory vote by Shareholders. Such policy will record the measures that the Board will adopt should either the Remuneration Policy or the Implementation Report, or both, be voted against by 25% or more of the votes exercised at such annual general meeting. In this regard, should 25% or more of the votes exercised on this resolution at the annual general meeting be against such Policy or Report, HPL&R will in its voting results announcement include an invitation to dissenting shareholders to engage with HPL&R and the Board, as well as the manner and timing of such engagement.

REMUNERATION POLICY

The Remuneration Committee is primarily responsible for reviewing and approving the remuneration and incentives of the executive directors and approving and awarding share incentives to executives and the Group's key management. It takes cognisance of local best practice relating to remuneration in order to ensure that such total remuneration is fair and reasonable to both the employee and the Company. In addition, the Remuneration Committee assists the Board in reviewing non-executive directors' remuneration recommendations, which are voted on at each annual general meeting of shareholders.

The Remuneration Committee focuses on ensuring that the Company's Remuneration Policy and framework is appropriate and relevant based on key principles including:

- the alignment of executives remuneration and incentives with the Group's strategy to enhance and protect shareholder value;
- to determine and monitor the criteria necessary to measure the performance of executive directors in discharging their functions and responsibilities. The level of remuneration should be directly linked to corporate and individual performance; and
- remuneration packages should be designed to attract and retain people of the required calibre.

EXECUTIVE DIRECTORS REMUNERATION

The Remuneration Committee is satisfied that the Remuneration Policy is aligned with the Company's remuneration philosophy. The executives' remuneration is reviewed annually by the Remuneration Committee, who seek to ensure a balance between the executives' base salary, which is fixed, and the variable elements of their remuneration such as bonuses and share options. The salary increases of the executives are usually similar to the average employees' salary increase, for non-union staff members.

As part of achieving and maintaining reasonable, acceptable levels of remuneration, the Remuneration Committee focuses on the following strategic components to remuneration:

- Fixed: representing basic salaries and benefits commensurate with market levels and with the goal of attracting and retaining suitable executives.
- Annual incentive awards: an incentive bonus linked to performance of the Group.
- Long-term incentives: the Company has introduced a share incentive scheme, which is discussed in more detail below. Awards are linked to corporate performance measures and subject to holding periods.

The remuneration and incentive bonuses of the executive directors is paid by the Group's major subsidiary, Golden Arrow Bus Services Proprietary Limited ("GABS"), however is subject to approval by the Remuneration Committee.

APPENDIX 2: REMUNERATION POLICY AND IMPLEMENTATION OF THE REMUNERATION POLICY (continued)

NON-EXECUTIVE DIRECTORS REMUNERATION

Non-executive directors receive fixed fees for their services as directors of the Board and as members of Board sub-committees. These fees are reviewed annually by the Remuneration Committee and are recommended by the Board to shareholders for approval at the annual general meeting.

The proposed fee structure, subject to shareholder approval, effective from 1 November 2018 to the 2019 annual general meeting of shareholders is set out in the table below:

Type of fee	Current fee (excl VAT)	New proposed fee (excl VAT)
Board members – annual fee	R104 000	R110 240
Board Committee members – annual fee*	R43 000	R45 580

* Where a non-executive director is a member of more than one Board Committee of the Company, the annual Board Committee fee for such director is limited to R45 580.

These fees are comparable with those of similarly sized companies. Non-executive directors do not receive short-term incentives and do not participate in the Group share option scheme.

The Group pays all reasonable travelling and accommodation expenses incurred to attend Board and Committee meetings.

HPL&R GROUP EMPLOYEE OPTION SCHEME

During the 2018 financial year, the Group implemented a share option scheme, known as the HPL&R Group Employee Option Scheme ("the Scheme"). In terms of the Scheme, shares in the Company are offered on a share option basis to participants, provided they remain in the Group's employ until the options vest. Any gain realised on the exercise of these options is settled on a net equity basis, whereby the participant receives that number of shares that equates in value to the gain made on exercise date. Options must be exercised within six months of the vesting date, where after the options lapse. Options vest over periods of three to five years. The maximum number of shares that may be utilised for the purposes of the Scheme is 21 750 000 shares.

On 31 March 2018, the Remuneration Committee awarded a total of 6 572 422 share options to the executive directors and key management of the Group, at an option price of R6.98. Refer to the Implementation Report below for details of the share options awarded to executive directors. In terms of the Scheme, all future share options will be awarded to eligible participants at a 10% discount to the 20 business day volume weighted average middle market price, as at the grant date. The number of share options granted is determined using a multiple of the participant's salary, divided by the discounted market price.



TG Govender

Chairperson: Remuneration Committee

APPENDIX 2: REMUNERATION POLICY AND IMPLEMENTATION OF THE REMUNERATION POLICY (continued)

Implementation of the Remuneration Policy

The HPL&R Group is in its first year of operation, having restructured during the end of the 2018 financial year end and constituting its current Board and sub-committees in March 2018, and therefore, items in the Remuneration Policy such as salary increases will only be effective for the 2019 financial year end and the awarding of incentive bonuses relating to the performance of the 2018 financial year end will only be paid in 2019. Therefore, no information has been disclosed within the 2018 Implementation Report relating to these items.

During the 2018 financial year end, the executive directors' remuneration and incentive bonuses were approved by the Group's major shareholder, Hosken Consolidated Investments Limited ("HCI").

The Remuneration Committee is satisfied that the Group complied with the Remuneration Policy for the 2018 financial year.

REMUNERATION

The following sets out the remuneration paid to directors for the years ended 31 March 2018 and 31 March 2017.

Year ended 31 March 2018	HPL&R Group Directors' Fees R'000s	Directors' fees R'000s	Salary R'000s	Fringe benefits including medical aid R'000s	Pension contri- butions R'000s	Bonus R'000s	Gain from share schemes R'000s	Total R'000s
Executive Directors								
FE Meyer	—	—	2 761	703	258	3 000	—	6 722
ML Wilkin	—	—	2 162	494	202	2 329	—	5 187
	—	—	4 923	1 197	460	5 329	—	11 909
Non-executive Directors								
Y Shaik	23	250	3 609	—	—	1 758	1 371	7 011
TG Govender	17	123	2 271	425	—	1 107	1 715	5 658
L Govender	8	371	—	—	—	—	—	379
NB Jappie	76	173	—	—	—	—	—	249
KF Mahloma	8	—	—	—	—	—	—	8
Paid by HCI subsidiaries not in the HPL&R Group	—	(917)	(5 880)	(425)	—	(2 865)	(3 086)	(13 173)
Total paid by HPL&R Group	132	—	4 923	1 197	460	5 329	—	12 041

FE Meyer and ML Wilkin were remunerated by Golden Arrow Bus Services Proprietary Limited as executive directors for the years ended 31 March 2018 and 31 March 2017.

Y Shaik and TG Govender were appointed to the Board on 1 February 2018, while FE Meyer, ML Wilkin, L Govender, NB Jappie and KF Mahloma were appointed to the Board on 6 March 2018.

L Govender was remunerated by Deneb Investments Limited and E-Media Holdings Limited (both subsidiaries of HCI) as non-executive director for the years ended 31 March 2018 and 31 March 2017.

NB Jappie was remunerated by Deneb Investments Limited and Golden Arrow Bus Services Proprietary Limited as non-executive director for the years ended 31 March 2018 and 31 March 2017.

Y Shaik was remunerated by HCI as executive director for the years ended 31 March 2018 and 31 March 2017. Y Shaik was also remunerated as non-executive director by Deneb Investments Limited and Niveus Investments Limited for the years ended 31 March 2018 and 31 March 2017.

TG Govender was remunerated by HCI as executive director for the years ended 31 March 2018 and 31 March 2017. TG Govender was also remunerated by Deneb Investments Limited as non-executive director for the years ended 31 March 2018 and 31 March 2017.

APPENDIX 2: REMUNERATION POLICY AND IMPLEMENTATION OF THE REMUNERATION POLICY (continued)

Year ended 31 March 2017	HPL&R Group Directors' Fees R'000s	Directors' fees R'000s	Salary R'000s	Fringe benefits including medical aid R'000s	Pension contri- butions R'000s	Bonus R'000s	Gain from share schemes R'000s	Total R'000s
<i>Executive Directors</i>								
FE Meyer	–	–	2 553	673	239	2 317	–	5 782
ML Wilkin	–	–	1 986	431	186	1 945	–	4 548
	–	–	4 539	1 104	425	4 262	–	10 330
<i>Non-executive Directors</i>								
Y Shaik	–	245	3 355	–	–	2 181	1 311	7 092
TG Govender	–	116	3 380	585	–	1 690	1 640	7 411
L Govender	–	360	–	–	–	–	–	360
NB Jappie	68	163	–	–	–	–	–	231
KF Mahloma	–	–	–	–	–	–	–	–
Paid by HCl subsidiaries not in the HPL&R Group	–	(884)	(6 735)	(585)	–	(3 871)	(2 951)	(15 026)
Total paid by HPL&R Group	68	–	4 539	1 104	425	4 262	–	10 398

HPL&R GROUP EMPLOYEE SHARE SCHEME

The following share options were awarded to executive directors on 31 March 2018. No additional share options have been awarded to directors from year end to the date of this report. As these are the first share options to be awarded and the first tranche are only due to vest in 2021, there are no long term incentive outcomes to report for the year ended 31 March 2018.

Director	Number of options awarded	Number of option shares exercised to date	Option price per share	Award date	Closing balance of option shares at year end
FE Meyer	2 016 344	–	R6.98	31 March 2018	2 016 344
ML Wilkin	1 263 484	–	R6.98	31 March 2018	1 263 484

APPENDIX 3: SHAREHOLDER ANALYSIS

As detailed in the Directors' Report, the Company listed on the main board of the JSE on 24th April 2018. At 31 March 2018 the entire share capital of the Company was directly held as follows:

Shareholder	Number of shares	% of issued capital
Hosken Consolidated Investments Limited ("HCI")*	180 000 000	62.07%
La Concorde Holdings Limited (a subsidiary of Niveus Investments Limited)	110 000 000	37.93%
	290 000 000	100.00%

* HCI through its investment in Niveus Investments Limited held an effective 73.06% of the Group. These were the only beneficial shareholders of HPL&R at 31 March 2018 holding more than 5% of the issued shares of HPL&R.

Listed below are analyses of shareholdings extracted from the register of ordinary shareholders, subsequent to the Niveus unbundling, on 30 April 2018 (Refer to the Directors' Report for further details on the Group restructure).

DISTRIBUTION OF SHAREHOLDERS

	Number of shareholders	% of shareholders	Number of shares	% of issued capital
1 – 1 000 shares	1 819	49.58%	737 218	0.25%
1 001 – 10 000 shares	1 331	36.28%	4 763 374	1.64%
10 001 – 50 000 shares	405	11.04%	8 148 521	2.81%
50 001 – 100 000 shares	52	1.42%	3 519 004	1.21%
100 001 – 500 000 shares	40	1.09%	8 674 888	2.99%
500 001 – 1 000 000 shares	6	0.16%	4 562 077	1.57%
1 000 001 shares and over	16	0.44%	259 594 918	89.52%
	3 669	100.00%	290 000 000	100.00%

TYPE OF SHAREHOLDER

	Number of shareholders	% of shareholders	Number of shares	% of issued capital
Banks	7	0.19%	1 349 889	0.47%
Broker	2	0.05%	7 646	0.00%
Close Corporation	36	0.98%	223 657	0.08%
Endowment Fund	1	0.03%	15 797	0.01%
Individual	3 154	85.96%	37 928 400	13.08%
Investment Company	44	1.20%	230 258 923	79.40%
Pension Fund	3	0.08%	80 626	0.03%
Private Company	121	3.30%	13 042 872	4.50%
Public Company	11	0.30%	1 492 253	0.51%
Trust	290	7.90%	5 599 937	1.93%
	3 669	100.00%	290 000 000	100.00%

SHAREHOLDING GREATER THAN 5%

Following the Niveus unbundling, on 30 April 2018, according to the information available to the Company, the following beneficial shareholder held, directly or indirectly, 5% or more of the issued shares of the Company:

Shareholder	Number of shares	% of issued capital
HCI	211 881 562	73.06%

APPENDIX 3: SHAREHOLDER ANALYSIS (continued)

SHAREHOLDER SPREAD

To the best knowledge of the Directors and after reasonable enquiry, the spread of shareholders as at 30 April 2018, following the Niveus unbundling, were as follows:

	Number of shareholders	% of shareholders	Number of shares	% of issued capital
Public shareholding	3 666	99.94%	77 173 016	26.61%
Non-public shareholding	3	0.06%	212 826 984	73.39%
HCI	1	0.02%	211 881 562	73.06%
TG Govender (direct)*#	1	0.02%	111 407	0.04%
TG Govender (indirect)*#	1	0.02%	834 015	0.29%
Total	3 669	100.00%	290 000 000	100.00%

* Director

These shares were acquired as part of the Niveus unbundling.

No Director or their associates held any Shares in the Company at 31 March 2018.

PROXY FORM

I/We, _____ (name in full)

of address _____

being a registered holder of _____ ordinary shares in HPL&R hereby appoint

1. _____ or failing him/her

2. _____ or failing him/her

3. _____ or failing him/her

the Chairman of the meeting as my proxy to vote for me and on my behalf at the annual general meeting of the Company to be held at 11h00 on Monday, 22 October 2018 at the offices of Hosken Consolidated Investments Limited, Suite 801, 76 Regent Road, Sea Point, 8005 and at any adjournment thereof as follows:

Resolution in respect of items of business:				
Resolution number		For	Against	Abstain
ORDINARY RESOLUTIONS				
1	Retirement and re-election of directors			
1.1	Re-election of director: Mr Y Shaik			
1.2	Re-election of director: Mr TG Govender			
1.3	Re-election of director: Mr FE Meyer			
1.4	Re-election of director: Mr ML Wilkin			
1.5	Re-election of director: Mr L Govender			
1.6	Re-election of director: Ms NB Jappie			
1.7	Re-election of director: Ms KF Mahloma			
2	Re-appointment of auditor: BDO Cape Incorporated			
3	Re-appointment of Audit and Risk Committee			
3.1	Mr L Govender			
3.2	Ms NB Jappie			
3.3	Ms KF Mahloma			
4	Directors' authority to implement Company resolutions			
NON-BINDING ADVISORY VOTES				
1	Non-binding advisory vote on the Company's remuneration policy			
2	Non-binding advisory vote on the Company's implementation report on the remuneration policy			
SPECIAL RESOLUTION				
1	General authority to issue ordinary shares, options and convertible securities for cash			
2	Approval of annual fees to be paid to non-executive directors			
3	General authority to repurchase Company shares			
4	General authority for the provision of financial assistance			

(Indicate instruction to proxy by way of a cross in space provided above) Unless otherwise instructed, my proxy may vote as he thinks fit.

Signed this _____ day of _____ 2018

Signature _____

Assisted by me (where applicable) _____

NOTES

1. A form of proxy is only to be completed by those shareholders who are:
 - holding shares in certificated form; or
 - recorded in the sub-register in dematerialised electronic form in “own name”.
2. If you have already dematerialised your ordinary shares through a Central Securities Depository Participant (“CSDP”) or broker, other than with “own name” registration, and wish to attend the annual general meeting, you must request your CSDP or broker to provide you with a Letter of Representation or you must instruct your CSDP or broker to vote by proxy on your behalf in terms of the agreement entered into yourself and the CSDP or broker.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his/ her stead. A proxy need not be a member of the Company.
4. Every person present and entitled to vote at the meeting as a member or as a proxy or as a representative of a body corporate shall, on a show of hands, have one vote only, irrespective of the number of shares such person holds or represents but, in the event of a poll, a member shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by him/her bears to the aggregate amount of the nominal value of all the shares issued by the Company.
5. Please insert the relevant number of shares/votes and indicate with an “X” in the appropriate spaces on the face hereof, how you wish your votes to be cast. If you return this form duly signed without any specific directions, the proxy will vote or abstain from voting at his/her discretion.
6. A deletion of any printed details and the completion of any blank space(s) need not be signed or initialled. Any alteration must be initialled.
7. The chairman of the annual general meeting shall be entitled to decline to accept the authority of the signatory under a power of attorney, or on behalf of a company, unless the power of attorney or authority is produced or has been registered.
8. The signatory may insert the name of any person(s) whom the signatory wishes to appoint as his/her proxy, in the blank space(s) provided for that purpose.
9. When there are joint holders of shares and if more than one such joint holder be presented or represented, then the person whose name stands first in the register in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof.
10. A minor should be assisted by his parent or legal guardian unless the relevant documents establishing his legal capacity are produced or have been registered.
11. The completion and lodging of this proxy form will not preclude the signatory from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such signatory wish to do so.
12. A shareholder’s instructions must be indicated by the insertion of a cross, or where applicable, the relevant number of votes exercisable by the shareholder, in the appropriate box of this proxy form.
13. If the signatory does not indicate how he/she wishes to vote in the appropriate place(s) on the face hereof in respect of the resolution, his/her proxy shall be entitled to vote as he/she deems fit in respect of the resolutions.
14. If the shareholding is not indicated on the proxy form, the proxy will be deemed to be authorised to vote the total shareholding.
15. The chairman of the annual general meeting may reject or accept any proxy form which is completed other than in accordance with these instructions, provided that he is satisfied as to the manner in which a shareholder wishes to vote.
16. Forms of proxy must be completed and returned to be received by the transfer secretary of the Company, Computershare Investor Services Proprietary Limited, 15 Biermann Avenue, Rosebank 2196 (PO Box 61051, Marshalltown, 2017) by no later than 11h00 on Friday, 19 October 2018, provided that any form of proxy not delivered to the transfer secretary by this time may be handed to the chairman of the annual general meeting at any time prior to the commencement of the annual general meeting.

SHAREHOLDERS' DIARY

Financial year end

31 March 2018

Annual general meeting

22 October 2018

Reports

- Interim report to 30 September 2018
- Integrated annual report

November 2018
July 2018

CORPORATE INFORMATION

DIRECTORS

Executive directors

FE Meyer[#] (Chief Executive Officer)
ML Wilkin[#] (Chief Financial Officer)

Non-executive directors

Y Shaik* (Chairman)
TG Govender* (Deputy Chairman)

Independent non-executive directors

L Govender[#] (Lead Independent Director)
NB Jappie[#]
KF Mahloma[#]

* appointed 1 February 2018

[#] appointed 6 March 2018

Company name and registration

HOSKEN PASSENGER LOGISTICS AND RAIL LIMITED
(Previously Niveus Invest 17 Proprietary Limited)
("the Company" or "HPL&R")
Incorporated in the Republic of South Africa

Registration number: 2015/250356/06

JSE share code: HPR

ISIN: ZAE000255907

Registered office

103 Bofors Circle, Epping Industria, 7460
(PO Box 115, Cape Town, 8000)

Company Secretary

HCI Managerial Services Proprietary Limited
Suite 801, 76 Regent Road, Sea Point, Cape Town, 8005
(PO Box 5251, Cape Town, 8000)

Auditors

BDO Cape Incorporated.
6th Floor, 123 Hertzog Boulevard, Foreshore, Cape Town, 8001
(PO Box 3883, Cape Town, 8000)

Transfer Secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)

Sponsor

PSG Capital Proprietary Limited
1st Floor, Ou Kollege, 35 Kerk Street, Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)
and at
2nd Floor, Building 3, 11 Alice Lane, Sandhurst, Sandton, 2196
(PO Box 650957, Benmore, 2010)

Website Address

www.hplr.co.za