

Notice of annual general meeting

Imperial Holdings Limited

(Incorporated in the Republic of South Africa)
(Registration number: 1946/021048/06)
ISIN: ZAE000067211
JSE share code: IPL
(Imperial or the company)

Notice is hereby given that the 28th annual general meeting of shareholders will be held on Tuesday, 30 October 2018 at 09:00 (CAT) at Hyundai Head Office (Training Centre), corner Norman Road and Lucas Lane, Bedfordview, Johannesburg, Gauteng, 2007, or any adjournment or postponement thereof, to transact the following business and resolutions with or without amendments approved at the meeting.

The minutes of the meeting held on 31 October 2017 will be available for inspection at the registered office of the company until 17:00 on Monday, 29 October 2018 and up to 30 minutes immediately preceding the meeting.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about what action you should take, consult your broker, Central Securities Depository Participant (CSDP), banker, financial adviser, accountant or other professional adviser immediately.

If you have disposed of all or some of your shares in Imperial, please forward this document together with the enclosed form of proxy to the purchaser of such shares or the broker, banker or other agent through whom you disposed of such shares.

This notice of annual general meeting is only available in English. Copies may be obtained from the registered office of the company and the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2001.

REGISTERED AND CORPORATE OFFICE

Imperial Place, Jeppe Quondam, 79 Boeing Road East, Bedfordview, Gauteng (PO Box 3013, Edenvale, 1610), South Africa.

Included in this document are the following:

- › The notice of annual general meeting setting out the resolutions to be proposed at the meeting, together with explanatory notes. There are also guidance notes if you wish to attend the meeting or to vote by proxy.
- › A proxy form for completion, signature and submission to the share registrars by shareholders holding Imperial ordinary shares in certificated form or recorded in sub-registered electronic form in "own name".

Reference in this notice of annual general meeting to the term "MOI", including references to a provision in the company's MOI, in this notice of annual general meeting (including all of the relevant ordinary and special resolutions contained herein) is used throughout to refer to the company's memorandum of incorporation.

RECORD DATE

The record date for the purpose of determining which shareholders of the company are entitled to receive notice of the annual general meeting is Friday, 21 September 2018.

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, 19 October 2018.

Accordingly, only shareholders who are registered in the register of members of the company on 19 October 2018 will be entitled to attend, speak and vote at the annual general meeting. Therefore the last day to trade in order to be eligible to participate and vote at the meeting is Tuesday, 16 October 2018.

ELECTRONIC PARTICIPATION IN THE ANNUAL GENERAL MEETING

Shareholders or their proxies may participate in the meeting by way of a teleconference call and, if they wish to do so:

- › must contact the company secretary (by email at the address vnter@ih.co.za) no later than 16:00 on Monday, 29 October 2018 in order to obtain a pin number and dial-in details for that conference call;
- › will be required to provide reasonably satisfactory identification; and
- › will be billed separately by their own telephone service providers for their telephone call to participate in the meeting.

1. ORDINARY RESOLUTION NUMBER 1 – APPROVAL OF THE FINANCIAL STATEMENTS

"Resolved that the audited consolidated company annual financial statements of Imperial for the year ended 30 June 2018, including the directors' report, the audit committee report and the auditors' report, be adopted."

Percentage voting rights

The minimum percentage of voting rights that is required for this resolution to be adopted is 50% (fifty percent) of the voting rights plus 1 (one) vote to be cast on the resolution.

2. ORDINARY RESOLUTION NUMBER 2 – APPOINTMENT OF THE AUDITORS

"Resolved that Deloitte & Touche be appointed as auditors of the company and Mr MLE Tshabalala as designated partner until the date of the next annual general meeting."

The audit committee has recommended the reappointment of Deloitte & Touche as external auditors of the company from this AGM until the conclusion of the next AGM of the company with [Mr MLE Tshabalala (IRBA No 500769)] as designated partner.

Percentage voting rights

The minimum percentage of voting rights that is required for this resolution to be adopted is 50% (fifty percent) of the voting rights plus 1 (one) vote to be cast on the resolution.

3. ORDINARY RESOLUTION NUMBER 3 – APPOINTMENT OF THE MEMBERS OF THE AUDIT AND RISK COMMITTEE

“Resolved that the reappointment of the following independent non-executive directors, be elected as members of the company’s audit and risk committee in terms of section 94(2) of the Companies Act of 2008 (Act 71 of 2008), as amended (the Companies Act) by a separate vote in respect of each member:

- 3.1 Mr GW Dempster
- 3.2 Mr RJA Sparks
- 3.3 Mr P Cooper

A brief curriculum vitae of each of the directors offering themselves for election as members of the audit committee is contained on page 26 of the integrated annual report.

Percentage voting rights

The minimum percentage of voting rights that is required for each of resolutions to be adopted is 50% (fifty percent) of the voting rights plus 1 (one) vote to be cast on each resolution.

The board has reviewed the expertise, qualification and relevant experience of the appointed audit committee members and recommends that each of these directors be re-elected.

4. ORDINARY RESOLUTION NUMBER 4 – REAPPOINTMENT OF RETIRING DIRECTORS

“Resolved that the re-election of the following directors, who retire by rotation in terms of the MOI but, being eligible and offering themselves for re-election, be authorised and confirmed by a separate vote with respect to each re-election:

- 4.1 Mr P Cooper
- 4.2 Ms P Langeni
- 4.3 Ms T Skweyiya

A brief curriculum vitae of each of the directors offering themselves for re-election in terms of resolution 4 is contained on page 26 of the integrated annual report.

The performance and contribution of each of the above directors offering themselves for re-election has been reviewed by the board and the board recommends that each of these directors be re-elected.

Percentage voting rights

The minimum percentage of voting rights that is required for each of the resolutions in 4 to be adopted is 50% (fifty percent) of the voting rights plus 1 (one) vote to be cast on each resolution.

5. ORDINARY RESOLUTION NUMBER 5 – CONFIRMATION OF THE GROUP’S REMUNERATION POLICY

“Resolved that, as a non-binding advisory vote, as recommended in the King Code on Governance for South Africa 2016, commonly referred to as King IV, the group’s remuneration policy as set out in the remuneration report on pages 33 to 43 of the integrated annual report be hereby confirmed.”

6. ORDINARY RESOLUTION NUMBER 6 – CONFIRMATION OF THE IMPLEMENTATION OF THE GROUP’S REMUNERATION POLICY

“Resolved that, as a non-binding advisory vote, as recommended in the King Code on Governance for South Africa 2016, commonly referred to as King IV, the implementation of the group’s remuneration policy as set out in the remuneration report on pages 33 to 43 of the integrated annual report be hereby confirmed.”

7. SPECIAL RESOLUTION NUMBER 1 – DIRECTORS’ FEES

“Resolved that in terms of section 66(9) of the Companies Act of 2008 (Act 71 of 2008), as amended (the Companies Act), the company be and is hereby authorised, by a separate vote in respect of each item, to remunerate its directors for their services as directors and/or pay any fees related thereto and on any other basis as may be recommended by the remuneration committee and approved by the board of directors for the period from 1 July 2019 to 30 June 2020 as follows:

	Fees from 1 July 2018 to 30 June 2019	Fees from 1 July 2019 to 30 June 2020
7.1 Chairman*	R993 000	R1 052 500
7.2 Deputy chairman and lead independent director*	R496 500	R526 000
7.3 Board member	R284 000	R301 000
7.4 Assets and liabilities committee chairman*	R181 000	R192 000
7.5 Assets and liabilities committee member	R120 500	R128 000
7.6 Audit and risk committee chairman*	R375 000	R397 500
7.7 Audit and risk committee member	R187 500	R198 000
7.8 Divisional board member	R168 500	R179 000
7.9 Divisional finance and risk committee member	R67 500	R71 500
7.10 Remuneration committee chairman*	R135 500	R143 500
7.11 Remuneration committee member	R90 000	R95 500
7.12 Nomination committee chairman*	R135 500	R143 500
7.13 Nomination committee member	R90 000	R95 500
7.14 Social, ethics and sustainability committee chairman*	R181 500	R192 000
7.15 Social, ethics and sustainability committee member	R120 500	R128 000

*Fee paid in addition to a member’s fee.

Executive directors do not receive directors’ fees.

Fees are stated excluding value added tax.

Reason and effect

The reason for special resolution number 1 is for the company to obtain the approval of shareholders by way of special resolution for the payment of remuneration to its non-executive directors in accordance with the requirements of the Companies Act.

The effect of special resolution number 1 is that the company will be able to pay its non-executive directors for the services they render to the company as directors without requiring further shareholder approval until the next annual general meeting.

Percentage voting rights

The minimum percentage of voting rights that is required for this resolution to be adopted is 75% (seventy-five percent) of the voting rights to be cast on the resolution.

8. SPECIAL RESOLUTION NUMBER 2 – GENERAL AUTHORITY TO REPURCHASE COMPANY SECURITIES

“Resolved that, the company, or a subsidiary of the company, be and is hereby authorised, by way of a general authority, to acquire securities issued by the company, in terms of the provisions of sections 46 and 48 of the Companies Act and in terms of the Listings Requirements of the JSE Limited (the JSE), (the Listings Requirements), it being recorded that the Listings Requirements currently require, *inter alia*, that the company may make a general repurchase of securities only if:

- › any such repurchase of securities is effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited);
- › authorised by the company’s MOI;
- › the general authority shall be valid until the next annual general meeting of the company, provided that it shall not extend beyond 15 months from the date of this special resolution number 2;
- › when the company has cumulatively repurchased 3% (three percent) of the number of securities in issue on the date of passing of special resolution number 2, and for each 3% (three percent) thereof, in aggregate acquired thereafter, an announcement is published as soon as possible and not later than 08:30 on the second business day following the day on which the relevant threshold is reached or exceeded, and the announcement complies with the requirements of the Listings Requirements;
- › at any time, only one agent is appointed to effect any repurchase on the company’s behalf;
- › the company or its subsidiary does not repurchase securities during a prohibited period unless the company has a repurchase programme in place where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been provided to the JSE prior to the commencement of the prohibited period;
- › a resolution by the board of directors that it has authorised the repurchase, that the company and its subsidiaries have satisfied the solvency and liquidity test as defined in the Companies Act and that, since the solvency and liquidity test was done, there have been no material changes to the financial position of the group;
- › any general repurchase by the company of its own ordinary shares shall not, in aggregate in any one financial year exceed 5% (five percent) of the company’s issued ordinary shares as at the date of passing of this special resolution number 2; and
- › in determining the price at which the securities are repurchased by the company or its subsidiary in terms of this general authority, the maximum price at which such securities may be repurchased will not be greater than 10% above the weighted average of the market value for such securities for the five business days immediately preceding the date of repurchase of securities.

The directors of the company confirm that no repurchase will be implemented in terms of this authority unless, after each such repurchase:

- › the company and the group will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months after the date of the notice of the annual general meeting;
- › the consolidated assets of the company and the group, fairly valued in accordance with the accounting policies used in the latest audited annual group financial statements, will exceed its consolidated liabilities for a period of 12 months after the date of the notice of the annual general meeting;
- › 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 the notice of the annual general meeting; and
- › the working capital of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the annual general meeting

and the directors have passed a resolution authorising the repurchase, resolving that the company and its subsidiary/ies, as the case may be, have satisfied the solvency and liquidity test as defined in the Companies Act and since the solvency and liquidity test had been applied, there have been no material changes to the financial position of the group.

Pursuant to and in terms of paragraphs 11.23 and 11.26 of the Listings Requirements, the directors of the company hereby state that:

- › the intention of the company and its subsidiaries is to utilise the general authority to repurchase, if at some future date the cash resources of the company are in excess of its requirements; and
- › the method by which the company and any of its subsidiaries intend to repurchase its securities and the date on which such repurchase will take place, has not yet been determined.

The Listings Requirements require the following disclosures with respect to general repurchases, some of which appear elsewhere in the integrated annual report of which this notice forms part:

- › Major shareholders – page 124
- › Share capital of the company – page 125

Directors’ responsibility statement

The directors, whose names are given on page 26 of the integrated annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to the general repurchase resolution and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the aforementioned resolution contains all information required by law and the Listings Requirements.

No material changes to report

Other than the facts and developments reported on in the integrated annual report, there are no material changes in the affairs or financial position of the company and its subsidiaries that have occurred subsequent to the 30 June 2018 year end until the date of the notice of annual general meeting.

Reason and effect

The reason for and effect of special resolution 2 is to authorise the company and/or its subsidiaries by way of a general authority to acquire their own securities on such terms, conditions and in such amounts as determined from time to time by the directors of the company subject to the limitations set out above and in compliance with section 48 of the Companies Act.

Statement of board's intention

The board has considered the impact of a repurchase of up to 5% (five percent) of the company's securities, under a general authority in terms of the Listings Requirements. Should the opportunity arise and should the directors deem it in all respects to be advantageous to the company to repurchase such securities, it is deemed appropriate that the company or a subsidiary be authorised to repurchase the company's securities.

Percentage voting rights

The minimum percentage of voting rights that is required for this resolution to be adopted is 75% (seventy-five percent) of the voting rights to be cast on the resolution.

9. ORDINARY RESOLUTION NUMBER 7 – AUTHORITY TO ISSUE ORDINARY SHARES

"Resolved that, in terms of the Listings Requirements, the MOI and the Companies Act, the authorised but unissued ordinary shares be and are hereby placed under the control of the directors by way of a general authority that shall remain valid until the next annual general meeting and the directors authorised to allot and issue those shares at their discretion, which authority shall include the authority to issue any option/convertible securities that are convertible into ordinary shares, provided that the aggregate number of ordinary shares able to be allotted and issued in terms of this resolution, shall be limited to 5% (five percent) of the issued share capital at 30 June 2018."

Percentage voting rights

The minimum percentage of voting rights that is required for this resolution to be adopted is 50% (fifty percent) of the voting rights plus 1 (one) vote to be cast on the resolution.

10. ORDINARY RESOLUTION NUMBER 8 – AUTHORITY TO ISSUE SHARES 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 shares placed under their control for cash, as they in their discretion may deem fit, without restriction, subject to the provisions of the Listings Requirements, and subject to the proviso that the aggregate number of ordinary shares able to be allotted and issued in terms of this resolution, shall be limited to 5% (five percent) of the issued share capital at 30 June 2018, 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;
- › an announcement giving full details, including the impact on net asset value and earnings per share in the case of convertible securities, will be published after any issue representing, on a cumulative basis within any one financial year, 5% or more of the number of shares in issue prior to such issue;
- › the company's securities which are the subject of the general issue of shares for cash, in the aggregate in any one financial year may not exceed 5% (five percent) of the applicant's issued share capital (number of securities) of that class;
- › in determining the price at which an issue of shares will be made in terms of this authority the maximum discount permitted will be 10% of the weighted average traded price of such shares, as determined over the 30 trading days prior to the date that the price of the issue is agreed between the issuer and the party subscribing for the securities. The JSE should be consulted for a ruling if the 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 Listings Requirements of the JSE and not to related parties; and
- › any such issue will only be 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."

For listed entities wishing to issue shares for cash, it is necessary for the board not only to obtain the prior authority of the shareholders as may be required in terms of the MOI, but it is also necessary to obtain the prior authority of shareholders in accordance with the Listings Requirements. The reason for this resolution is accordingly to obtain a general authority from shareholders to issue shares for cash in compliance with the Listings Requirements.

Percentage voting rights

In terms of the Listings Requirements, the minimum percentage of voting rights that is required for this resolution to be adopted is 75% (seventy-five percent) of the voting rights to be cast on the resolution.

11. SPECIAL RESOLUTION NUMBER 3 – AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE IN TERMS OF SECTION 44

"Resolved that in terms of section 44 of the Companies Act, as a general approval, the board of the company may from time to time authorise the company to provide any direct or indirect financial assistance, as defined in section 44 of the Companies Act, to any person for such amounts and on such terms and conditions as the board of the company may determine for the purpose of or in connection with the subscription for securities to be issued by the company or any related and inter-related companies or for the purchase of securities of the company or related and inter-related companies, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the company."

Reason

Imperial is from time to time, as an essential part of conducting its business, required to provide direct or indirect financial assistance in the form of financial assistance in the form of loans, guarantees, the provision of security or otherwise as contemplated in section 44 of the Companies Act for the purpose of or in connection with the subscription for securities to be issued by the company or related and inter-related companies or for the purchase of securities of the company or related and inter-related companies. The financial assistance is generally provided in the form of guarantees to capital market investors who invest in bonds and other financial instruments issued by subsidiaries of the company.

In terms of the Companies Act, companies are required to obtain the approval of their shareholders by way of special resolution in order to provide financial assistance to subscribe for such securities and Imperial seeks approval for the board of the company until the next annual general meeting to authorise the provision by the company of financial assistance to investors in securities to be issued by the company or related and inter-related companies as contemplated in section 44 of the Companies Act. The financial assistance will be provided as part of the day-to-day operations of the company in the normal course of its business and in accordance with its MOI and the provisions of the Companies Act.

Approval is not sought for loans to directors and no such financial assistance will be provided under this authority.

Effect

Special resolution 3 will grant the directors of the company the authority until the next annual general meeting to authorise the provision by the company of financial assistance as contemplated in section 44 of the Companies Act.

Compliance with section 44(3)(b)

The directors of Imperial will, in accordance with the Companies Act, ensure that financial assistance is only provided if the requirements of that section are satisfied, inter alia, that immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test set out in section 4(1) of the Companies Act.

Percentage voting rights

The minimum percentage of voting rights that is required for this resolution to be adopted is 75% (seventy-five percent) of the voting rights to be cast on the resolution.

12. SPECIAL RESOLUTION NUMBER 4 – AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE IN TERMS OF SECTION 45

“Resolved that in terms of section 45 of the Companies Act, as a general approval, the board of the company may from time to time authorise the company to provide any direct or indirect financial assistance, as defined in section 45 of the Companies Act, to any related or inter-related company or corporation for such amounts and on such terms and conditions as the board of the company may determine, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the company.”

Reason

Imperial is a listed holding company with a large number of subsidiary companies which together comprise the Imperial Group of companies. Imperial is not an operating company and all operations in the Imperial Group are conducted by subsidiary companies of Imperial.

Imperial is from time to time, as an essential part of conducting its business, required to provide financial assistance to its subsidiary and associate companies including related and inter-related companies in the form of operational loan funding, credit guarantees and general financial assistance as contemplated in section 45 of the Companies Act.

In terms of the Companies Act, companies are required to obtain the approval of their shareholders by way of special resolution in order to provide financial assistance to subsidiaries and Imperial seeks approval for the board of the company until the next annual general meeting to authorise the provision by the company of financial assistance to any related or inter-related company as contemplated in section 45 of the Companies Act. This means that the company is authorised to grant loans to its subsidiaries and to guarantee the debts of its subsidiaries. The financial assistance will be provided as part of the day-to-day operations of the company in the normal course of its business and in accordance with its MOI and the provisions of the Companies Act.

Effect

Special resolution number 4 will grant the directors of the company the authority until the next annual general meeting to authorise the provision by the company of financial assistance to any related or inter-related company as contemplated in section 45 of the Companies Act.

Compliance with section 45(3)(b)

The directors of Imperial will, in accordance with the Companies Act, ensure that financial assistance is only provided if the requirements of that section are satisfied, inter alia, that immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test set out in section 4(1) of the Companies Act.

Percentage voting rights

The minimum percentage of voting rights that is required for this resolution to be adopted is 75% (seventy-five percent) of the voting rights to be cast on the resolution.

13. TO TRANSACT SUCH OTHER BUSINESS AS MAY BE TRANSACTED AT AN ANNUAL GENERAL MEETING OF SHAREHOLDERS

Voting and proxies

A shareholder entitled to attend and vote at the annual general meeting may appoint one or more persons as its proxy to attend, speak and vote (or abstain from voting) in its stead. A proxy need not be a shareholder of the company.

A form of proxy is attached for the convenience of certificated shareholders and (own-name) dematerialised shareholders who are unable to attend the annual general meeting but who wish to be represented thereat. In order to be valid, duly completed forms of proxy must be received by the company's transfer secretaries, Computershare Investor Services Proprietary Limited, 1st Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051 Marshalltown 2107) or by fax to +27 11 688 5238 by no later than 09:00 on Monday, 29 October 2018 for administrative purposes. Alternatively, a duly completed form of proxy may be handed to the chairperson of the annual general meeting prior to the commencement of 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 decide to do so.

Dematerialised shareholders, other than with “own-name” registration, who have not been contacted by their CSDP or broker with regard to how they wish to cast their votes should contact their CSDP or broker and instruct their CSDP or broker as to how they wish to cast their votes at the annual general meeting in order for their CSDP or broker to vote in accordance with such instructions. If such dematerialised shareholders wish to attend the annual general meeting in person, they must request their CSDP or broker to issue the necessary letter of representation to them. This must be done in terms of the custody agreement entered into between such dematerialised shareholders and their CSDP or broker.

By order of the board

RA Venter

Company secretary

14 September 2018