

Notice of annual general meeting

Notice is hereby given that the 100th annual general meeting of the shareholders of Illovo Sugar Limited ("the company") will be held at the offices of the company at Illovo Sugar Park, 1 Montgomery Drive, Mount Edgecombe, KwaZulu-Natal, on Wednesday, 15 July 2015 at 14:00, to transact the following business:

1. Financial statements

To present the consolidated audited annual financial statements of the company for the year ended 31 March 2015, incorporating the reports of the independent external auditors, the Audit Committee and the directors, as required in terms of section 30(3) (d) of the Companies Act, No 71 of 2008 ("the Companies Act").



A copy of the annual financial statements appears on pages 84 to 99 of the Integrated Annual Report of which this notice of meeting forms a part. The notes to the financial statements are not included in the report and may be found online at www.illovosugar.com

2. Ordinary resolutions

To consider and, if deemed fit, to pass, with or without modification, the following ordinary resolutions. The percentage of voting rights required for the adoption of each ordinary resolution is the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to vote.

2.1 **Ordinary resolution number 1 – Confirmation of appointment of Mr J Cowper as non-executive director**

To confirm the appointment of Mr Jonathan Cowper, who was appointed by the board as a non-executive director with effect from 10 March 2015.



A brief curriculum vitae of Mr Cowper appears on page 107 of the Integrated Annual Report.

2.2 **Ordinary resolution number 2 – Confirmation of appointment of Mr G Gomwe as independent non-executive director**

To confirm the appointment of Mr G Gomwe as an independent non-executive director with effect from 1 June 2015.



A brief curriculum vitae of Mr Gomwe appears on page 107 of the Integrated Annual Report.

2.3 **Ordinary resolution number 3 – Appointment of Dr S Kana as independent non-executive director**

To elect Dr S Kana as an independent non-executive director with effect from the close of the annual general meeting.



A brief curriculum vitae of Dr Kana appears on page 107 of the Integrated Annual Report.

2.4 **Ordinary resolution number 4 – Re-election of retiring non-executive directors retiring by rotation**

To re-elect each of Mr M J Hankinson and Mrs C W N Molohe, who retire by rotation in terms of article 86 of the company's Memorandum of Incorporation, and who, being eligible, offer themselves for re-election.

The motions for re-election will be moved individually.



The curricula vitae of these directors are provided on pages 107 to 108 of the Integrated Annual Report.

Based on the recommendations of the Nomination Committee, which has conducted a formal assessment of each of the abovementioned candidates, the board recommends their re-election to shareholders.

In terms of article 86, Mr D G MacLeod and Prof P M Madi also retire as non-executive directors but have not made themselves available for re-election.

2.5 **Ordinary resolution number 5 – Appointment of the members of the Audit Committee**

Pursuant to the requirements of section 94(2) of the Companies Act, to appoint the following independent non-executive, directors of the company as members of the Audit Committee until the conclusion of the next annual general meeting. The motions for election of each director will be moved individually:

Dr D Konar (chairman) as well as Mr M J Hankinson, Dr S Kana and Mrs C W N Molohe, subject to their appointment as directors of the company being confirmed at the annual general meeting.



The brief curricula vitae of these directors are provided on pages 107 to 108 of the Integrated Annual Report.

2.6 **Ordinary resolution number 6 – Appointment of the independent registered auditor**

Pursuant to the requirements of section 90(1) read with section 61(8)(c) of the Companies Act, and as nominated by the company's Audit Committee, to resolve that Deloitte & Touche be re-elected as the company's independent registered auditor for the financial year ending 31 March 2016, with Mr G Tweedy as the individual designated auditor responsible for the audit.

2.7 **Ordinary resolution number 7 – Non-binding advisory approval of the remuneration policy**

To resolve that the company's remuneration policy be approved as a non-binding advisory vote.



King III recommends that the company's remuneration policy (which appears on pages 74 to 79 of the Integrated Annual Report) be tabled to shareholders for a non-binding advisory vote at each annual general meeting.

2.8 **Ordinary resolution number 8 – Authority to implement the aforesaid ordinary and the undermentioned special resolutions**

To authorise any two directors of the company, alternatively any director and the Company Secretary, to do all such things, sign all such documentation and take all such actions as may be necessary to implement the ordinary and special resolutions passed at the annual general meeting.

3. Special resolutions

To consider and if deemed fit, to pass, with or without modification, the following special resolutions. The percentage of voting rights that will be required for the adoption of each special resolution is the support of at least 75% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to vote.

3.1 Special resolution number 1 – Non-executive directors' fees

"Resolved as a special resolution that, unless otherwise determined by the company in general meeting, with effect from 1 April 2015, the following annual fees payable by the company to its non-executive directors, are approved:

	Current R	Proposed R
Board		
Chairman*	2 200 000	
For the period 1 April to 15 July 2015#		638 904
For the period 16 July 2015 to 31 March 2016##		1 068 493
Director	270 000	287 000
Audit Committee		
Chairman	255 000	272 000
Member	127 500	135 500
Remuneration/Nomination Committee		
Chairman	180 000	192 000
Member	120 000	128 000
Risk Management Committee		
Chairman	129 750	138 000
Member	86 500	92 000
Social and Ethics Committee		
Chairman	129 750	138 000
Member	86 500	92 000

Notes:

This amount represents a pro rata share of an annual fee of R2.2 million payable to Mr D G MacLeod.

This amount represents a pro rata share of the proposed annual fee of R1.5 million for Mr T S Munday.

* The fee paid to the Chairman of the board is inclusive of all other committee membership fees and is payable monthly in arrears. All other fees are paid quarterly in arrears.

Explanation

In terms of section 66(9) of the Companies Act remuneration may only be paid to directors, for their services as directors, in accordance with a special resolution approved by the shareholders within the previous two years. The reason for, and effect of, special resolution number 1 is to grant the company the authority to pay the abovementioned fees to its non-executive directors for their services as directors. The executive directors receive no fees or other remuneration for their services as directors.

As indicated in the Remuneration Report, the non-executive directors who are nominated for appointment by the company's majority shareholder have elected not to receive payment of directors' fees as non-executive members of the board and the board committees on which they serve.

No increase is proposed to the fee paid to the current Chairman of the board (Mr D G MacLeod), who will retire on 15 July 2015. His fee was previously set taking into account his depth of expertise in the sugar industry and the time devoted to his duties as Chairman of the company and its subsidiaries across six African countries. His proposed fee for the period from 1 April 2015 until 15 July 2015, as reflected above, is a proportion of his annual fee of R2.2 million.

Mr T S Munday will assume office as Chairman of the board with effect from the close of the annual general meeting and his proposed fee, as indicated above, represents a pro rata share of an annual amount of R1.5 million.

Due to the inclusive nature of the Chairman's fee, no additional fees are payable to him as Chairman or member of any of the board committees.

The Remuneration Committee has reviewed and recommended the fees payable to the other non-executive directors (ie, other than the Chairman of the board) having due regard to the findings of a survey conducted by external remuneration consultants who reviewed the non-executive directors' fees against that paid to the non-executive directors of a comparator group of listed companies. The particular skills, experience and capabilities of the non-executive directors were also considered. The proposed fee levels indicated above are to ensure that their remuneration remains market-related and accords with the increasing level of responsibility placed on them.

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In determining the proposed fees for the chairmen and members of each of the board committees, regard was had to the number of committee meetings held each year and the complexity of their responsibilities. A methodology was adopted whereby a set multiple was used to determine the fees of the chairman of each committee in relation to the fee of the members of that committee.

The board has accepted the recommendations of the Remuneration Committee as set out above.

3.2 Special resolution number 2 – Fee payable to non-executive directors for participating in unscheduled board and board committee meetings

“Resolved as a special resolution that, with effect from 1 April 2015, the company is authorised to pay an additional fee of R28 000 per day to each of its non-executive directors for any unscheduled board or board committee meetings.”

Explanation

In light of the provisions of section 66(9) of the Companies Act, the reason for, and effect of, special resolution number 2 is to grant the company the authority to pay the abovementioned additional daily fee to its non-executive directors for their attendance at unscheduled board and board committee meetings. The Remuneration Committee has considered and recommended the abovementioned additional daily fee, and the board has accepted the recommendation of the Remuneration Committee.

4. Report of the Social and Ethics Committee



The Social and Ethics Committee Report at page 71 of the Integrated Annual Report of which this notice forms a part, is tabled pursuant to regulation 43(5)(c) of the Companies Regulations, 2011.

5. Other business

To transact such other business as may be transacted at an annual general meeting of shareholders.