

# From Our Home to Yours



Notice of  
Annual General Meeting  
for the year ended  
31 December 2019

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**LIBSTAR HOLDINGS LIMITED**

(Incorporated in the Republic of South Africa)

(Registration number: 2014/032444/06)

("Company")

**Dear Shareholder****Notice of publication of Libstar's integrated annual report, audited annual financial statements and notice of annual general meeting**

Please find enclosed the notice of annual general meeting ("**AGM**") of Libstar Holdings Limited ("**Libstar**" or the "**Company**"), to be held on Wednesday, **10 June 2020 at 10:00** through electronic communication.

Shareholders are informed that this notice of AGM and abridged annual financial statements were distributed to the registered shareholders of the company through electronic communication only, due to the restrictions imposed on all services, including postal services, during the COVID-19 (coronavirus) lockdown period.

As a result of the outbreak of COVID-19, the resultant health distancing imperatives, legal restrictions, the official advice on gatherings and movement and the health of shareholders and stakeholders who is of paramount importance to the Company, the Company believed that the safest way to hold the AGM was through electronic communication, such to allow Shareholders to still exercise their right to vote and ask questions at the AGM, through electronic participation.

It is therefore confirmed that the AGM of Libstar will be held through electronic communication at **10:00 on 10 June 2020**. Shareholders wishing to participate in the AGM electronically will need to register by latest at **09:00 on Tuesday, 9 June 2020**. A "registration to participate" form and "a virtual meeting guide for shareholders" are included in the notice of AGM, in Annexures D and E.

In accordance with section 31(1) of the South African Companies Act, No 71 of 2008, as amended ("**Companies Act**") you are notified that the Libstar Holdings Limited 2019 Integrated Annual Report ("**Integrated annual report**") and audited annual financial statements are available on the Libstar website ([www.libstar.co.za](http://www.libstar.co.za)) from Thursday, 30 April 2020. Should you wish to receive a printed copy of the 2019 integrated annual report or the audited annual financial statements, you may request these from the Company Secretary at [compsecretary@libstar.co.za](mailto:compsecretary@libstar.co.za). However, due to the limitations on physical printing of documents and the closure of the postal services during the South African COVID-19 lockdown, there might be a delay in delivering physical copies.

The Company has retained the services of The Meeting Specialist (Pty) Ltd ("TMS") to host the AGM on an interactive electronic platform in order to facilitate remote participation and voting by shareholders. TMS will also act as scrutineer.

We request that shareholders send their proxies to TMS, at [proxy@tmsmeetings.co.za](mailto:proxy@tmsmeetings.co.za) by no later than **10:00 on Tuesday, 9 June 2020** to allow time for the tallying of votes and completion of the administrative processes relating to the meeting. Forms of proxy submitted on the day of the AGM must be emailed to TMS at [proxy@tmsmeetings.co.za](mailto:proxy@tmsmeetings.co.za) prior to the commencement of the AGM, before any proxy seeks to exercise any right granted to it.

Further details for the form of proxy submission are contained in point 7 on page 3 and in the notes to the form of proxy on page 38 of this notice of AGM.

Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with 'own name' registration, should contact their Central Securities Depository Participant ("CSDP") or broker in the manner and time stipulated in their agreement with their CSDP or Broker:

- to furnish them with their voting instructions; and
- in the event that they wish to participate in the meeting, to obtain the necessary authority to do so.

**Elise Waldeck**

On behalf of CorpStat Governance Services (Pty) Ltd

Company Secretary

30 April 2020

# Notice to the Shareholders of the annual general meeting of the Company

## LIBSTAR HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2014/032444/06)

("Company")

## 1 NOTICE

- 1.1 Notice is hereby given to the Shareholders that the annual general meeting ("AGM") of Libstar Holdings Limited ("the Company" or "Libstar") in respect of the financial year ended 31 December 2019 will be held on **Wednesday, 10 June 2020 at 10:00, entirely through electronic communication** as permitted by the Companies Act, 71 of 2008, as amended ("Companies Act"), the Company's Memorandum of Incorporation ("MOI") and the Listings Requirements of the Johannesburg Stock Exchange ("JSE LR").
- 1.2 Shareholders will need to register, by latest on **Tuesday, 9 June 2020 at 09:00** to participate in the AGM. Details to register is explained under point 4 on this page and the "Registration form to participate", as **Annexure D**, on page 39. "A virtual meeting guide for shareholders" is included as **Annexure E** on page 41.
- 1.3 The purpose of this AGM is to:
  - 1.3.1 present the audited annual financial statements of the company and its subsidiaries for the year ended 31 December 2019, the directors' report and the group audit committee report in accordance with section 30(3)(d) and section 61(8)(a) of the Companies Act;
  - 1.3.2 consider and approve certain business required to be dealt with at an AGM in respect of the Company's MOI, the Companies Act, and the JSE LR. Such matters are set out in the ordinary and special resolutions under the meeting agenda on page 3. Shareholders will be required to consider and, if deemed fit, pass such resolutions, with or without modification; and
  - 1.3.3 Consider any other matters raised by the shareholders.

## 2. REPORTS AVAILABLE ONLINE

The following documents are available online at [www.libstar.co.za](http://www.libstar.co.za):

- Notice of AGM 2019\*, including the Abridged Annual Financial Statements which have been distributed via electronic communication to all the registered shareholders of the company;
- Audited annual financial statements 2019;
- Integrated Annual Report 2019;
- Governance Report 2019;
- The Social and Ethics Committee Report 2019, as required in terms of Regulation 43 of the Companies Act Regulations, 2011;
- Remuneration Policy 2019;
- Libstar B-BBEE Certificate, and B-BBEE Compliance Report.

## 3. RECORD DATES

1. Shareholders registered in securities register to receive Notice of AGM is **Friday, 24 April 2020**;
2. Last date for shareholders to trade is on **Tuesday, 26 May 2020**;
3. Shareholders entitled to participate and vote at the meeting are those registered in the securities register as on **Friday, 29 May 2020**;
4. To allow time for the tallying of votes and completion of the administrative processes relating to the meeting, the last date for lodging proxy forms electronically is on **Tuesday, 9 June 2020 at 10:00**;
5. In the interest of logistical arrangements and verification, the last date to register to participate in the AGM is on **Tuesday, 9 June 2020 at 09:00**.

(Any proxy forms not received by this time can still be lodged prior to the commencement of the AGM)

This will not in any way affect the rights of Shareholders to register for participation in the AGM after this date and time to vote, if fully verified and registered at the commencement of the AGM.

## 4. ELECTRONIC PARTICIPATION

Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with 'own name' registration, should contact their Central Securities Depository Participant ("CSDP") or broker in the manner and time stipulated in their agreement with their CSDP or Broker:

- to furnish them with their voting instructions; and
- in the event that they wish to participate in the meeting, to obtain the necessary authority to do so.

The Company has retained the services of The Meeting Specialists (Pty) Ltd ("TMS") to host the AGM on an interactive electronic platform in order to facilitate remote participation and voting by shareholders. TMS will also act as scrutineer.

Shareholders who intend participating in the virtual meeting and who wish to vote at the meeting are required to contact TMS at [proxy@tmsmeetings.co.za](mailto:proxy@tmsmeetings.co.za) by submitting the completed registration form, attached to this notice of AGM on page 39 as soon as possible, but no later than **09h00 on 9th June 2020**. **Shareholders who wish to attend the virtual meeting, should instruct their CSDP or Broker to issue them with the necessary letter of representation to attend the meeting as stipulated in the agreement with their Custodians.**

A virtual meeting guide for shareholders are attached to this notice of AGM as **annexure E** (page 41).

**Although the electronic platform provides for voting during the meeting, Shareholders are strongly encouraged to still lodge their votes by proxy prior to the meeting to TMS at email [proxy@tmsmeetings.co.za](mailto:proxy@tmsmeetings.co.za).**

\* Reference to 2019 means the financial year-end dated 31 December 2019.

## 5. IDENTIFICATION

In terms of section 63(1) of the Companies Act, any person attending or participating in an AGM must present reasonably satisfactory identification. Upon receiving the registration form, TMS will follow a verification process to be reasonably satisfied that the right of any person to participate in and vote (whether as a Shareholder or as proxy for a Shareholder) has been reasonably verified.

TMS will request certain particulars from Shareholders when receiving the registration form to comply with this verification process and the following identification will be required:

- if the Shareholder is an individual, a certified copy of his/her identity document and/or passport and/or driver's licence;
- if the Shareholder is not an individual, a certified copy of a resolution by the relevant entity to represent the entity, and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution. This resolution must set out who from the relevant entity is authorised to represent the relevant entity at the AGM via electronic communication;
- a valid email address and/or mobile telephone number.

## 6 VOTING

- 6.1 In terms of clause 25.1 of the MOI, as read with section 65(7) of the Companies Act, for an ordinary resolution to be approved by the Shareholders, it must be supported by more than 50% of the voting rights exercised on the resolution;
- 6.2 In terms of clause 25.2 of the MOI, as read with section 65(9) of the Companies Act, for a special resolution to be approved by the Shareholders, it must be supported by the holders of at least 75% of the voting rights exercised on the resolution.

## 7 PROXIES

- 7.1 In terms of section 62(3)(e) of the Companies Act and clause 24 of the MOI, the Shareholders are hereby notified that:
- 7.1.1 each Shareholder entitled to attend and vote at the AGM is entitled to appoint one (or two or more proxies concurrently) to participate in, speak and vote at the AGM in place of the Shareholder; and
- 7.1.2 such proxy need not be a Shareholder.
- 7.2 Shareholders who are unable to attend the AGM, but who wish to be represented thereat, are required to complete and return the form of proxy attached hereto as **Annexure C** by email to [proxy@tmsmeetings.co.za](mailto:proxy@tmsmeetings.co.za), by no later than **10:00 on Tuesday, 9 June 2020**. Any proxy forms not received by this time can still be lodged to [proxy@tmsmeetings.co.za](mailto:proxy@tmsmeetings.co.za) prior to the commencement of the meeting.
- 7.3 If you are the beneficial shareholder and not the registered shareholder:
- 7.3.1 and wish to attend the meeting, you must obtain the necessary letter of authority to represent the registered shareholder of your shares from your CSDP or broker; or**

**7.3.2 do not wish to attend the meeting but would like your vote to be recorded at the meeting, you should contact the registered shareholder of your shares through your CSDP or Broker and furnish them with your voting instructions;**

**7.3.3 you must NOT complete the attached form of proxy.**

7.4 Shareholders are also referred to the notes of the proxy form, as set out in **Annexure C**.

## AGENDA

### Presentation of Annual Financial Statements – 31 December 2019 (non-voting agenda point)

The Audited Annual Financial Statements of the Company for the period ended 31 December 2019, including the directors' report, the independent auditor's report and various sub-committee reports, to be presented at an AGM, as required in terms of section 30(3)(d) of the Companies Act, No 71 of 2008, as amended ("the Companies Act"), are hereby presented. The Abridged Annual Financial Statements for the year ended 31 December 2019 are included in this notice of AGM, having been circulated to Shareholders and available on the Company's website at [www.libstar.co.za](http://www.libstar.co.za).

## ORDINARY RESOLUTIONS

### 1. ORDINARY RESOLUTION NUMBER 1: ELECTION OF DIRECTORS

*"IT IS RESOLVED, as an ordinary resolution of the Shareholders, that the appointment of Charl Benjamin de Villiers as a director of the company be and is hereby approved."*

A brief resume for this director appears in **Annexure A**.

#### Explanatory note:

The reason for proposing Ordinary Resolution Number 1 is that clauses 25.3 and 25.4 of the MOI require that the appointment of a director by the board of the Company ("Board"), whether to fill a vacancy or as an additional appointment, be approved at the next shareholders' meeting and that section 68 of the Companies Act contemplates that directors must be elected by the persons entitled to exercise voting rights.

The Board approved the appointment of Mr de Villiers with effect from 1 January 2020.

*The percentage voting rights required for Ordinary Resolution Number 1 to be adopted: more than 50% of the voting rights exercised on the resolutions.*

### 2. ORDINARY RESOLUTION NUMBERS 2.1 AND 2.2: ROTATION AND RE-ELECTION OF DIRECTORS

*"IT IS RESOLVED, as ordinary resolutions of the Shareholders, that the following independent non-executive directors be re-elected by way of separate resolutions following their retirement due to rotation."*

2.1 Ms Wendy Luhabe; and

2.2 Mr JP Landman."

Brief résumés of these directors appear in **Annexure A**.

**Explanatory note:**

In terms of clauses 27.3.2.2, 27.3.2.3 and 27.3.2.4 of the MOI and the JSE Listings Requirements, at least one third of the non-executive directors who have been in office the longest shall retire from office at each AGM, it being noted that both the directors being eligible, made themselves available for re-election with immediate effect. The board of the Company has assessed the performance of Ms Luhabe and Mr Landman and has found them suitable for re-election.

*The percentage voting rights required for Ordinary Resolution Numbers 2.1 and 2.2 to be adopted: more than 50% of the voting rights exercised on the resolution.*

### 3. ORDINARY RESOLUTION NUMBERS 3.1 TO 3.3: APPOINTMENT OF AUDIT AND RISK COMMITTEE MEMBERS

**"IT IS RESOLVED**, as ordinary resolutions of the Shareholders, that the following independent non-executive directors be appointed by way of separate resolutions as members of the Company's Audit and Risk Committee with immediate effect until the next AGM:

3.1 Ms Sibongile Masinga;

3.2 Mr Sandeep Khanna; and

3.3 Mr JP Landman (subject to his re-election as independent non-executive director in terms of Ordinary Resolution number 2.2)."

**Explanatory note:**

In terms of section 94 of the Companies Act and clause 21.2.4.3 of the MOI, the Company must at each AGM of the Company appoint the members of the Audit and Risk Committee for the following financial year. It is expressly noted that the Board is satisfied that these directors have the necessary qualifications and/or experience in the areas required to fulfil their responsibilities as members of the Audit and Risk Committee.

Brief résumés for each of the Committee members appear in **Annexure A**.

*The percentage voting rights required for Ordinary Resolution Numbers 3.1 to 3.3 to be adopted: more than 50% of the voting rights exercised on the resolution.*

### 4. ORDINARY RESOLUTION NUMBER 4: RE-APPOINTMENT OF THE INDEPENDENT EXTERNAL AUDITORS

**"IT IS RESOLVED**, as an ordinary resolution of the Shareholders, that Moore Cape Town Incorporated ("Moore"), practice number 900908, be and is hereby appointed as the Company's independent external auditor until the next AGM. Mr Alan Billson (IRBA number 509327) is the individual designated auditor who has undertaken the audit of the Company for the ensuing financial year."

**Explanatory note:**

The reason for proposing Ordinary Resolution Number 4 is that the Company's independent external auditors must be appointed or re-appointed at each AGM in compliance with section 90 of the Companies Act and clause 21.2.4.3 of the Company's MOI and the JSE Listings Requirements. The Audit and Risk committee and the Board have evaluated the performance of Moore, having regard to the matters enumerated in section 94(8) of the Companies Act and the applicable provisions of the JSE Listings Requirements, and have recommended their re-appointment as independent external auditors.

*The percentage voting rights required for Ordinary Resolution Number 4 to be adopted: more than 50% of the voting rights exercised on the resolution.*

### 5. ORDINARY RESOLUTION NUMBER 5: ENDORSEMENT OF THE REMUNERATION POLICY

**"IT IS RESOLVED**, as an ordinary resolution of the Shareholders, that as a non-binding advisory vote of the Shareholders, the remuneration policy of the Libstar Group be and is hereby endorsed."

**Explanatory note:**

The reason for Ordinary Resolution Number 5 is that section 3.8.4(j) of the Listings Requirements requires that the remuneration policy must be tabled every year for a non-binding advisory vote by Shareholders at the AGM. The remuneration report appears on pages 66 to 81 in the integrated annual report and the full remuneration policy appears on the Group's website, [www.libstar.co.za](http://www.libstar.co.za). Changes made thereto since the last AGM, as agreed with certain Shareholders, appear in the remuneration committee chairman's review on page 69.

*If the remuneration policy is voted against by 25% or more of the votes exercised, the board shall afford such dissenting Shareholders the opportunity to engage with the Company regarding the contents of the remuneration policy.*

### 6. ORDINARY RESOLUTION NUMBER 6: ENDORSEMENT OF THE REMUNERATION IMPLEMENTATION REPORT

**"IT IS RESOLVED**, as an ordinary resolution of the Shareholders, that as a non-binding advisory vote of the Shareholders, the remuneration implementation report of the Libstar Group be and is hereby endorsed."

**Explanatory note:**

The reason for Ordinary Resolution Number 6 is that section 3.8.4(j) of the Listings Requirements requires that the remuneration implementation report must be tabled every year for a non-binding advisory vote by Shareholders at the AGM. The remuneration implementation report appears on pages 78 to 81 of Libstar Group's integrated annual report.

*If the remuneration implementation report is voted against by 25% or more of the votes exercised, the board shall afford such dissenting Shareholders the opportunity to engage with the Company regarding the contents of the remuneration implementation report.*

### 7. ORDINARY RESOLUTION NUMBER 7: GENERAL AUTHORITY TO ISSUE SHARES FOR CASH

**"IT IS RESOLVED**, as an ordinary resolution of the Shareholders, that the board be and is hereby authorised by way of a general authority, to allot and issue ordinary shares in the capital of the Company for cash, including within the scope of such authority the ability to issue options and securities that are convertible into ordinary shares, subject to the limitations, as set out in the MOI, the provisions of the Companies Act and the JSE Listings Requirements from time to time on the following basis:

- (i) the shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such shares or rights that are convertible into a class of shares already in issue;
- (ii) there will be no restrictions with regard to the parties to whom the shares may be issued to, provided that such shares are to be issued to public shareholders (as defined by the JSE Listings Requirements) and not to related parties (as defined by the JSE Listings Requirements);
- (iii) the total aggregate number of ordinary shares which may be issued for cash in terms of this authority may not exceed an amount equal to 5% of the aggregate number of ordinary shares in the total issued share capital of the Company immediately before such issue (which, at the date of this notice, constitutes 681 921 408 ordinary shares (including treasury shares));

- (iv) in the event of sub-division or consolidation prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;
- (v) this authority shall be valid until the Company's next annual general meeting or for 15 months from the date of the passing of the ordinary resolution, whichever is the earlier, provided that it shall not extend beyond 15 months from the date that this authority is given;
- (vi) the maximum discount at which the shares may be issued is 10% of the weighted average traded price of those shares over the 30 business days prior to the date that the price of the issue is determined or agreed to between the Company and the party/ies subscribing for the shares. The JSE should be consulted for a ruling if the Company's shares have not traded in such a 30-business day period; and
- (vii) upon any issue of ordinary shares which, together with prior issues of ordinary shares during the same financial year, will constitute, on a cumulative basis, 5% or more of the total number of ordinary shares in issue prior to that issue, the Company shall publish an announcement in terms of section 11.22 of the JSE Listings Requirements, giving full details hereof, including:
  - (a) the number of ordinary shares issued;
  - (b) the average discount to weighted average traded price of the ordinary shares over the 30 business days prior to the date that the issue is agreed in writing between the Company and the party/ies subscribing for the shares; and

(c) in respect of:

- (A) an issue of options and convertible securities issued for cash, the effects of the issue on net asset value per share, net tangible asset value per share, earnings per share, headline earnings per share and, if applicable, diluted earnings and headline earnings per share; or
- (B) an issue of shares for cash, an explanation, including supporting information (if any), of the intended use of funds."

#### Explanatory note:

The reason for Ordinary Resolution Number 7 is to authorise the directors of the Company to allot and issue ordinary shares in the capital of the Company for cash.

The percentage voting rights required for Ordinary Resolution Number 7 to be adopted: at least 75% of the voting rights exercised on the resolution in terms of the JSE Listings Requirements.

## 8. ORDINARY RESOLUTION NUMBER 8: GENERAL AUTHORISATION

**"IT IS RESOLVED**, as an ordinary resolution of the Shareholders, that any one director of the Company be and is hereby authorised to do all such things, perform all such actions and sign all such documents as may be necessary to implement the ordinary and special resolutions, as set out in this notice of AGM."

The percentage voting rights required for Ordinary Resolution Number 8 to be adopted: more than 50% of the voting rights exercised on the resolution.

## SPECIAL RESOLUTIONS

### 1. SPECIAL RESOLUTION NUMBERS 1.1 TO 1.12: REMUNERATION OF DIRECTORS

**"IT IS RESOLVED** to approve in terms of section 66(8), read with section 66(9), the remuneration to the non-executive directors, by way of separate special resolutions, for their services to the Company, as follows:

	Proposed fee 1 January 2020 to 31 December 2020 Rand	Fee since 9 May 2018 to 31 December 2019 Rand
<b>Board of directors</b>		
1.1 Chairman	735 000	700 000
1.2 Independent director	283 500	270 000
<b>Audit and Risk Committee</b>		
1.3 Chairman	273 000	260 000
1.4 Committee member	147 000	140 000
<b>Remuneration Committee</b>		
1.5 Chairman	262 500	250 000
1.6 Committee member	115 500	110 000
<b>Social and Ethics Committee</b>		
1.7 Chairman	210 000	200 000
1.8 Committee member	105 000	100 000
<b>Nomination Committee</b>		
1.9 Chairman	210 000	200 000
1.10 Committee member	105 000	100 000
<b>Investment and Strategy Committee</b>		
1.11 Chairman	210 000	200 000
1.12 Committee member	105 000	100 000

#### Explanatory note:

In terms of section 66(8), read with section 66(9) of the Act, except to the extent that the MOI provides otherwise, the Company may pay remuneration to its directors for their service as directors. Any such remuneration must be approved by special resolution of Shareholders within the previous two years. The remuneration committee has proposed an inflationary increase of 5% for non-executive directors, VAT excluded, which is in line with the increase for the rest of the Libstar Group. The board has accepted the recommendations of the committee. It should also be noted that this is the first increase since listing on 9 May 2018.



## 2. SPECIAL RESOLUTION NUMBER 2: FINANCIAL ASSISTANCE TO RELATED OR INTER-RELATED COMPANIES

**“IT IS RESOLVED**, as a special resolution of the Shareholders that, in terms of section 45 of the Companies Act, the Company be and is hereby authorised, at any time and from time to time during the period of two years commencing on the date of adoption of this special resolution, to provide any direct or indirect financial assistance as contemplated in such section of the Companies Act, to any related or inter-related Company or corporation within the Libstar Group, provided that –

- (i) the recipient or recipients of such financial assistance, and the form, nature and extent of such financial assistance, and the terms and conditions under which such financial assistance is provided, are determined by the Board from time to time; and
- (ii) the Board may not authorise the Company to provide any financial assistance pursuant to this special resolution unless the Board is satisfied that all those requirements of section 45 of the Companies Act which is required to be met in order to authorise the Company to provide such financial assistance, have been met; and
- (iii) such financial assistance to a recipient thereof is, in the opinion of the Board, required for the purpose of (i) meeting all or any of such recipient's operating expenses (including capital expenditure), and/or (ii) funding the growth, expansion, reorganisation or restructuring of the businesses or operations of such recipient, and/or (iii) funding such recipient for any other purpose which in the opinion of the Board is directly or indirectly in the interests of the Company, including the acquisition of securities in the Company or in a related or inter-related company as contemplated in section 44 of the Companies Act.”

The reason for and effect of Special Resolution Number 2 is to grant the Board the general authority to provide such direct or indirect financial assistance, including in the form of loans or guarantees. This authority will be in place for a period of two years from the date of adoption of this resolution. In terms of section 45(3)(a)(ii) of the Companies Act, the board of directors of a Company may not authorise any financial assistance unless pursuant to a special resolution of the Shareholders adopted within the previous two years, either as general or specific authority, the Shareholders have approved such financial assistance.

The percentage voting rights required for Special Resolution Number 2 to be adopted: at least 75% of the voting rights exercised on the resolution.

## 3. SPECIAL RESOLUTION NUMBER 3: GENERAL AUTHORITY TO REPURCHASE SHARES

**“IT IS RESOLVED**, as a special resolution of the Shareholders that the Company and/or any subsidiary of the Company be and is hereby authorised, by way of a general authority, to acquire ordinary shares in the capital of the Company from time to time (either directly or through a subsidiary), subject to

a limit not exceeding 5% of the aggregate number of ordinary shares in the total issued share capital of the Company which, at the date of this notice constitutes 681 921 408 ordinary shares, and upon such terms and conditions and in such amounts as the directors of the Company may from time to time determine, subject to:

- (i) sections 4, 46 and 48 of the Companies Act;
- (ii) the applicable provisions of the MOI; and
- (iii) the Listings Requirements, being, as at the date of this resolution, that:
  - (a) any acquisition of ordinary shares shall be purchased through the order book of the trading system of the JSE, and done without any prior understanding or arrangement between the Company and/or the relevant subsidiary and the counterparty (provided that if the Company purchases its own ordinary shares from any wholly-owned subsidiary of the Company for the purposes of cancelling such treasury shares pursuant to this general authority, the above provisions will not be applicable to such purchase transaction);
  - (b) the general repurchase by the Company, and by its subsidiaries, of the Company's ordinary shares is authorised by the MOI (or the memorandum of incorporation of such subsidiaries, as applicable);
  - (c) this general authority shall be valid until the Company's next annual general meeting or for 15 months from the date of adoption of this special resolution, whichever period is shorter;
  - (d) repurchases must not be made at a price greater than 10% above the weighted average of the market value of the ordinary shares for the five business days immediately preceding the date on which the transaction is effected and the JSE should be consulted for a ruling if the applicant's securities have not traded in such five business day period;
  - (e) at any point in time the Company may only appoint one agent to effect any repurchase on the Company's behalf or on behalf of any subsidiary of the Company;
  - (f) the passing of a resolution by the board authorising the repurchase, that the Company and the relevant subsidiaries passed the solvency and liquidity test and that since the test was done there have been no material changes to the financial position of the Libstar Group;
  - (g) subject to the exceptions contained in the Listings Requirements, the Company and the relevant subsidiaries will not repurchase ordinary shares during a prohibited period (as defined in the Listings Requirements) unless they have in place a repurchase programme where the dates and quantities of ordinary shares to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed in writing to the JSE prior to the commencement of the prohibited period; and



- (h) an announcement complying with section 11.27 of the Listings Requirements will be published by the Company or its subsidiary (i) when the Company and/or its subsidiary/ies have cumulatively repurchased 3% of the ordinary shares in issue as at the date of approval of this general repurchase ("**the initial number**"); and (ii) for each 3% in the aggregate of the initial number of the ordinary shares acquired thereafter by the Company and/or its subsidiaries."

The directors will utilise the general authority conferred by the Shareholders in terms of this resolution to repurchase ordinary shares as and when suitable opportunities present themselves, which opportunities may require expeditious and immediate action.

#### Explanatory note:

The reason for Special Resolution Number 3 is to afford the Company or a subsidiary of the Company, a general authority to effect a repurchase of the Company's ordinary shares listed on the JSE. The resolution will allow the directors to have the authority, subject to the Listings Requirements and the Companies Act, to effect repurchases of the Company's shares on the JSE.

The board shall authorise and implement a repurchase of the Company's shares only if prevailing circumstances (including the tax dispensation and market conditions) warrant same. After considering the impact of the maximum share repurchase, as allowed in terms of Special Resolution Number 3, the board is satisfied that:

- (i) for a period of 12 months after the date of this notice of AGM, the consolidated assets of the Company and the Libstar Group, fairly valued in accordance with International Financial Reporting Standards and in accordance with the accounting policies used in the integrated annual report, will be in excess of the consolidated liabilities of the Company and the Libstar Group;
- (ii) the Company and the Libstar Group will be able to pay their debts as they become due in the ordinary course of business for a period of 12 months after the date of the notice of AGM;
- (iii) the issued share capital and reserves of the Company and the Libstar Group will be adequate for the ordinary business purposes of the Company and the Libstar Group for a period of 12 months after the date of the notice of AGM; and
- (iv) the Company and the Libstar Group will have adequate working capital for ordinary business purposes for a period of 12 months after the date of the notice of AGM.

*The percentage voting rights required for Special Resolution Number 3 to be adopted: at least 75% of the voting rights exercised on the resolution.*

#### Disclosures for the purposes of Special Resolution Number 3

The following disclosures are required in terms of section 11.26(b) of the Listings Requirements:

- (i) major shareholders in the Company – refer to page 28 of the Abridged Annual Financial Statements, included in this notice of AGM;
- (ii) statement of material change – refer to material change statement, included in this notice of AGM;
- (iii) share capital of the Company – refer to pages 26 to 27 of the Abridged Annual Financial Statements, included in this notice of AGM; and
- (iv) directors' responsibility statement – refer to the directors' responsibility statement, included in this notice of AGM.

#### Statement of material change

Other than the facts and developments reported on in the integrated annual report, there have been no material changes in the financial or trading position of the Company and the Libstar Group since the date of signature of the Annual Financial Statements for the financial year ended 31 December 2019 and approval thereof by the board.

#### Directors' responsibility statement

Each of the directors of the Company, collectively and individually, accept full responsibility for the accuracy of the information pertaining to Special Resolution Number 3, and certify that:

- (i) to the best of their knowledge and belief there are no other facts, the omission of which would make any statement false or misleading;
- (ii) they have made all reasonable enquiries to ascertain such facts; and
- (iii) Special Resolution Number 3 contains all information required by law and the Listings Requirements.

#### 4. OTHER BUSINESS

To transact any other business that may be transacted at an AGM.

BY ORDER OF THE BOARD

#### Elise Waldeck

On behalf of CorpStat Governance Services (Pty) Ltd

Company Secretary

30 April 2020

## Annexure A

# Profiles of directors offering themselves for election or re-election

### Re-election



#### WENDY LUHABE (62)

##### CHAIRMAN – INDEPENDENT NON-EXECUTIVE DIRECTOR

BCom University of Lesotho  
Management Advancement  
Programme Wits Business School

**Date of board appointment:** 2018

**Committees:** Social and ethics, remuneration, nomination (chairman)

Wendy has been a serial social entrepreneur for more than 25 years, with a focus on the economic empowerment of women. This has provided invaluable insight to Libstar as a group built on entrepreneurial foundations, with particular involvement this year during the Libstar Group's corporate repositioning.

Wendy has pioneered broad-based economic empowerment (B-BBEE) of women in 1993 through the creation of WIPHOLD, one of the first women empowerment groups. This was before B-BBEE became legislation. She also established the Women Private Equity Fund and the Women in Infrastructure Development and Energy (WINDE). Wendy's strategic experience and in-depth understanding of transformation has been crucial in Libstar's initiatives to improve its B-BBEE status and evaluating optimal ownership structures.

### Re-election and audit committee



#### JP LANDMAN (64)

##### LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR

BA LLB University of Stellenbosch  
MPhil in Future Studies (Cum Laude)  
University of Stellenbosch

Programme on Macroeconomic  
Policy Management Harvard

Continuing Education on the Economies of the  
BRICS countries (Oxford University, Continuing  
Education)

**Date of board appointment:** 2018

**Committees:** Audit and risk, investment and strategy (chairman), remuneration

JP is an independent analyst on political-economic trends, focusing on trends in politics, economics, demographics and social capital. As a previously top-rated analyst in the listed environment, he has a good understanding of listed entities and relevant market forces.

JP has also previously served on President Mbeki's economic advisory panel and was a member of the National Planning Commission. This in-depth knowledge of the economic and market environment has provided key input to the board and management, especially as Libstar's strategy is built on identifying market trends and implementing a strategy that withstands economic cycles.

### Audit committee



#### SIBONGILE MASINGA (53)

##### INDEPENDENT NON-EXECUTIVE DIRECTOR

BCom UNISA  
US-SA Leadership & Entrepreneurship  
Programme Wharton School of Business

**Date of board appointment:** 2018

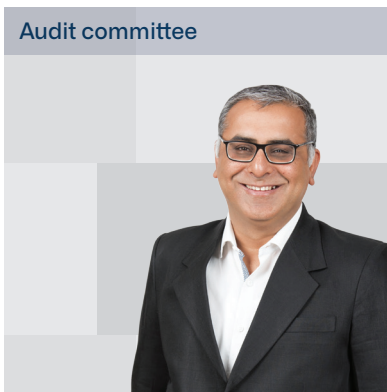
**Committees:** Audit and risk (chairman), social and ethics (chairman)

Sibongile is a co-founder and shareholder of Afropulse Group, a women-led investment, corporate advisory and investor relations group. She has served as a non-executive director of a number of JSE-listed companies which enables her to offer a valuable perspective to the board of Libstar. As a board member of Bidvest Holdings, she also provides industry-related and corporate experience to Libstar.

Her directorship on the finance and grant committee of the manufacturing, engineering and related services sector (merSETA) has empowered her with relevant knowledge to the Libstar Group as a manufacturer.

As the chairman of the audit and risk committee, Bongi has also provided valuable input to the formulation of Libstar's risk management frameworks.

## Audit committee



**SANDEEP KHANNA (46)**  
**INDEPENDENT NON-EXECUTIVE**  
**DIRECTOR**

Chartered Global Management Accountant  
 Associate Member of the Chartered Institute  
 of Management Accountants (UK)

**Date of board appointment:** 2014

**Committees:** Audit and risk, investment and strategy, remuneration (chairman), nomination

Sandeep is a seasoned investor with more than 20 years of experience in Africa. His track record of investing in Africa through direct investing, investment committee membership and senior key leadership positions held at two leading emerging markets fund management firms provide relevant experience to Libstar as an African group that continues to evaluate potential acquisitions to ensure growth. As a chartered management accountant in the United Kingdom, Sandeep also understands global markets where Libstar exports to. This has allowed him to provide critical input on the investment and strategy committee.

## Election



**CHARL DE VILLIERS (35)**  
**CHIEF FINANCIAL OFFICER**  
 (From 1 January 2020)

BAcc LLB (Cum Laude)  
 BAcc (Hons)  
 CA(SA)

**Date of board appointment:** 2020

Charl has more than ten years' finance experience, which includes an extensive track record in corporate finance and as a senior financial executive of companies operating in the South African-listed environment. He has a unique combination of legal and financial qualifications, which provides a breadth of technical competence, creative and strategic problem solving and attention to detail. In 2016, he was recognised by the South African Institute of Chartered Accountants as a finalist in its annual Top 35 CA(SA)'s under the age of 35. Charl's experience has been particularly valuable during Libstar's transition from a private company to a JSE-listed company, with his achievements including the pre-listing restructuring of multiple legal entities into a single entity and the post-listing establishment of group visibility of foreign exchange contracts. As the Libstar Group's new CFO, Charl brings strategic insight and strong conceptual abilities to design strategies and is able to prioritise efficiently.



## Annexure B

# Abridged Annual Financial Statements 2019

## Condensed consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December 2019

	Notes	2019 Audited R'000	2018 Audited R'000
<b>CONTINUING OPERATIONS</b>			
Revenue		9 892 545	9 659 597
Cost of sales		(7 513 655)	(7 493 721)
<b>Gross profit</b>		<b>2 378 890</b>	2 165 876
Other income	5	52 725	18 062
Operating expenses		(1 729 857)	(1 562 419)
<b>Operating profit</b>	6	<b>701 758</b>	621 519
Investment income		54 025	47 617
Finance costs		(262 774)	(269 310)
<b>Profit before tax</b>		<b>493 009</b>	399 826
Income tax expense		(136 325)	(125 907)
<b>Profit for the year from continuing operations</b>		<b>356 684</b>	273 919
<b>DISCONTINUED OPERATIONS</b>			
Loss for the year from discontinued operations		(77 057)	(50 906)
<b>Profit for the year</b>		<b>279 627</b>	223 013
<b>Other comprehensive income for the year, net of tax</b>		<b>7 735</b>	(417)
<b>Items that may be reclassified to profit or loss</b>			
Gains on hedging reserves		8 067	–
<b>Items that will never be reclassified to profit or loss</b>			
Defined benefit plan actuarial losses		(332)	(417)
<b>Total comprehensive profit for the year</b>		<b>287 362</b>	222 596
Profit attributable to:			
Equity holders of the parent		278 395	222 224
Non-controlling interest		1 232	789
		<b>279 627</b>	223 013
Total comprehensive income attributable to:			
Equity holders of the parent		286 130	221 807
Non-controlling interest		1 232	789
		<b>287 362</b>	222 596
Basic earnings per share (cents)			
From continuing operations	7	59.5	48.2
From continuing and discontinued operations	7	46.6	39.2
Diluted earnings per share (cents)			
From continuing operations	7	59.4	48.2
From continuing and discontinued operations	7	46.5	39.2
Headline earnings per share (cents)			
From continuing operations	7	59.9	48.7
From continuing and discontinued operations	7	55.7	45.9
Diluted headline earnings per share (cents)			
From continuing operations	7	59.8	48.7
From continuing and discontinued operations	7	55.6	45.9

# Condensed consolidated statement of financial position

as at 31 December 2019

	Notes	2019 Audited R'000	2018 Audited R'000
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>6 685 881</b>	6 009 716
Property, plant and equipment	9	1 392 678	1 205 921
Right-of-use assets	10	655 596	–
Goodwill		2 534 656	2 521 058
Intangible assets		2 092 060	2 269 199
Other financial assets		5 824	8 018
Operating lease asset		–	5 418
Deferred tax assets		5 067	102
<b>Current assets</b>		<b>4 141 076</b>	3 784 159
Inventories		1 199 619	1 121 330
Trade and other receivables		1 763 463	1 628 038
Biological assets		29 407	26 662
Other financial assets		31 593	17 921
Current tax receivable		16 742	2 796
Cash and bank balances		1 100 252	987 412
<b>Total assets</b>		<b>10 826 957</b>	9 793 875
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves attributable to equity holders of the parent</b>		<b>5 424 601</b>	5 410 079
Share capital	11	4 727 314	4 818 884
Defined benefit plan reserve		(2 089)	(1 757)
Share-based payment reserve		2 211	–
Retained earnings		764 266	668 120
Premium on acquisition of non-controlling interests		(75 168)	(75 168)
Hedging reserves		8 067	–
<b>Non-controlling interests</b>		<b>9 893</b>	8 661
<b>Total equity</b>		<b>5 434 494</b>	5 418 740
<b>Non-current liabilities</b>		<b>3 490 774</b>	2 734 401
Other financial liabilities		2 087 970	1 921 591
Lease liabilities	10	677 674	–
Deferred tax liabilities		707 000	769 960
Employee benefits		9 583	8 919
Share based payments	13	8 547	20 811
Operating lease liability		–	13 120
<b>Current liabilities</b>		<b>1 901 689</b>	1 640 734
Trade and other payables		1 462 502	1 401 337
Other financial liabilities		111 737	77 086
Lease liabilities	10	75 712	–
Share based payments	13	4 156	–
Current tax payable		1 945	4 239
Bank overdraft		245 637	158 072
<b>Total liabilities</b>		<b>5 392 463</b>	4 375 135
<b>Total equity and liabilities</b>		<b>10 826 957</b>	9 793 875

# Condensed consolidated statement of changes in equity

for the year ended 31 December 2019

	Share capital R'000	Defined benefit plan reserve <sup>1</sup> R'000	Share-based payment reserve R'000	Premium on acquisition of non-controlling interests <sup>2</sup> R'000	Retained earnings R'000	Put options exercisable by non-controlling interests and executive management <sup>3</sup> R'000	Hedging reserves <sup>4</sup> R'000	Non-controlling interests R'000	Total R'000
<b>Balance at 1 January 2018</b>	<b>4 187 177</b>	<b>(1 340)</b>	<b>–</b>	<b>(63 624)</b>	<b>445 896</b>	<b>(8 836)</b>	<b>–</b>	<b>7 696</b>	<b>4 566 969</b>
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>(417)</b>	<b>–</b>	<b>–</b>	<b>222 224</b>	<b>–</b>	<b>–</b>	<b>789</b>	<b>222 596</b>
Profit or loss for the year	–	–	–	–	222 224	–	–	789	223 013
Other comprehensive income for the year	–	(417)	–	–	–	–	–	–	(417)
<b>Transactions with owners of the Company</b>									
<b>Contributions and distributions</b>	<b>631 707</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>631 707</b>
Capital distribution	(800 000)	–	–	–	–	–	–	–	(800 000)
Issue of shares	1 500 730	–	–	–	–	–	–	–	1 500 730
Held as treasury shares	(730)	–	–	–	–	–	–	–	(730)
Share repurchase	(7 964)	–	–	–	–	–	–	–	(7 964)
Capitalisation of costs directly attributable to issue of shares	(60 329)	–	–	–	–	–	–	–	(60 329)
<b>Changes in ownership interests</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(11 544)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>176</b>	<b>(11 368)</b>
Acquisition of non-controlling interest in subsidiary	–	–	–	(11 544)	–	–	–	176	(11 368)
<b>Movement in put options</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>8 836</b>	<b>–</b>	<b>–</b>	<b>8 836</b>
Fair value adjustment through equity	–	–	–	–	–	8 836	–	–	8 836
<b>Balance at 31 December 2018</b>	<b>4 818 884</b>	<b>(1 757)</b>	<b>–</b>	<b>(75 168)</b>	<b>668 120</b>	<b>–</b>	<b>–</b>	<b>8 661</b>	<b>5 418 740</b>
<b>Adoption of new accounting standard</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(50 560)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(50 560)</b>
IFRS 16 Leases adoption (refer to note 10)	–	–	–	–	(50 560)	–	–	–	(50 560)
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>(332)</b>	<b>–</b>	<b>–</b>	<b>278 395</b>	<b>–</b>	<b>8 067</b>	<b>1 232</b>	<b>287 362</b>
Profit or loss for the year	–	–	–	–	278 395	–	–	1 232	279 627
Other comprehensive income for the year	–	(332)	–	–	–	–	8 067	–	7 735
<b>Transactions with owners of the Company</b>									
<b>Contributions and distributions</b>	<b>(91 570)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(131 689)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(223 259)</b>
Share repurchase	(91 570)	–	–	–	–	–	–	–	(91 570)
Dividends paid	–	–	–	–	(131 689)	–	–	–	(131 689)
<b>Share-based payment expenses</b>	<b>–</b>	<b>–</b>	<b>2 211</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2 211</b>
Group share plan	–	–	2 211	–	–	–	–	–	2 211
<b>Balance at 31 December 2019</b>	<b>4 727 314</b>	<b>(2 089)</b>	<b>2 211</b>	<b>(75 168)</b>	<b>764 266</b>	<b>–</b>	<b>8 067</b>	<b>9 893</b>	<b>5 434 494</b>
Notes	11		13						

1. Defined benefit plan reserve: Reserves comprises actuarial gains or losses in respect of defined benefit obligations that are recognised in other comprehensive income.

2. Premium on non-controlling interests: Represents the difference between the carrying amount of the non-controlling interests and the fair value of the consideration given on acquisition of non-controlling interests.

3. Put options exercisable by non-controlling interest and executive management relates to the liability raised in respect of put options exercisable by non-controlling interests and executive management.

4. Hedging reserves: Represents the gains relating to foreign currency transactions recognised in other comprehensive income.



# Condensed consolidated statement of cash flows

for the year ended 31 December 2019

	2019 Audited R'000	2018 Audited R'000
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>579 769</b>	505 044
Cash generated from continuing operations	<b>944 777</b>	876 187
Finance income received	<b>54 025</b>	47 617
Finance costs paid	<b>(207 689)</b>	(269 310)
Taxation paid	<b>(191 404)</b>	(139 341)
Cash utilised by discontinued operations	<b>(19 940)</b>	(10 109)
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>(394 730)</b>	(345 979)
Purchase of property, plant and equipment and computer software	<b>(400 902)</b>	(348 745)
Sale of property, plant and equipment and computer software	<b>7 155</b>	3 505
Proceeds from sale of discontinued operations	<b>46 716</b>	1 000
Other financial assets disposed/(advanced)	<b>2 301</b>	(1 739)
Acquisition of business	<b>(50 000)</b>	–
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(159 764)</b>	318 948
Proceeds from issue of equity shares	–	1 500 000
Capital distribution	–	(800 000)
Share issue costs	–	(60 329)
Share repurchase	<b>(91 570)</b>	(7 964)
Loans repaid to shareholders	<b>(846)</b>	(17 267)
Loans repaid by shareholders	–	39 648
Proceeds/(repayment) of other financial liabilities	<b>2 235</b>	(34 462)
Repayment of loans from non controlling interests	–	(28 592)
Purchase of non-controlling interests	–	(11 368)
Principal elements of lease payments	<b>(127 547)</b>	–
Proceeds from term loans and asset based financing	<b>270 765</b>	2 584 364
Repayment of term loans and asset based financing	<b>(81 112)</b>	(2 845 082)
Dividend paid	<b>(131 689)</b>	–
Net increase in cash and cash equivalents	<b>25 275</b>	478 013
Cash and cash equivalents at the beginning of the year	<b>829 340</b>	351 327
Cash and cash equivalents at the end of the year	<b>854 615</b>	829 340
Continuing operations	<b>854 615</b>	829 340

## Segmental analysis

Year ended 31 December 2019 R'000	Restated Year ended 31 December 2018 R'000
--	--

### BASIS OF SEGMENTATION

The executive management team of the Group has chosen to organise the Group into categories and manage the operations in that manner. The information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance is based on five categories.

The following summary describes each segment:

#### Perishables

Perishable products are products that are refrigerated.

#### Groceries (previously referred to as Ambient Groceries)

Groceries (also known as “shelf-stable” groceries) is a category of foods that can be stored and preserved at room temperature. The category also includes beverages and specialised food packaging.

#### Snacks and Confectionery

Premium snacks and confectionery products.

#### Baking and Baking Aids

Baked goods, specialised gluten-free offering and baking aids.

#### Household and Personal Care

Detergents and household cleaning products, as well as personal care products.

#### Reclassifications between segments

During the current year, management reclassified the tea operations of Khoisan Gourmet from the Niche Beverages segment to the Groceries segment. This better aligns the financial disclosure to the commercial practice where tea is considered to be part of the groceries stable.

The dairy blend and fruit concentrate business of Elvin, previously shown in the Niche Beverages category, was sold during the current year.

The remaining Niche Beverages businesses, which comprise Chamonix Springwater and the non-beverage Elvin operations, were reclassified and have been reported under Groceries.

During the current year, management also reclassified the operations previously shown under the Specialised Food Packaging segment to the Groceries segment. This aligns the financial disclosure to the manner in which the Specialised Food Packaging is managed.

Comparative figures of both the Niche Beverages segment and the Specialised Food Packaging segment have been reclassified to show these operations within the Groceries segment.

### INFORMATION ABOUT REPORTABLE SEGMENTS

#### Revenue from contracts with customers

Perishables	4 688 126	4 569 593
Groceries	3 177 811	3 138 461
Snacks and Confectionery	537 972	477 391
Baking and Baking Aids	699 841	627 839
Household and Personal Care	788 795	846 313
	<b>9 892 545</b>	9 659 597
Revenue comprised as follows:		
Total revenue for reportable segments	<b>9 917 389</b>	9 692 191
Elimination of inter segment revenue	<b>(24 844)</b>	(32 594)
Perishables	<b>(8 328)</b>	(5 663)
Groceries	<b>(12 141)</b>	(14 954)
Snacks and Confectionery	<b>(722)</b>	(94)
Baking and Baking Aids	<b>(3 434)</b>	(11 599)
Household and Personal Care	<b>(219)</b>	(284)
	<b>9 892 545</b>	9 659 597

	Year ended 31 December 2019 R'000	Restated Year ended 31 December 2018 R'000
<b>Operating profit (EBIT)</b>		
Perishables	402 686	338 942
Groceries	313 249	239 401
Snacks and Confectionery	60 666	58 723
Baking and Baking Aids	60 916	64 731
Household and Personal Care	(6 364)	5 492
Corporate	(129 395)	(85 770)
	<b>701 758</b>	621 519
<b>Reconciliation of operating profit per segment to profit before tax</b>		
Operating profit	701 758	621 519
Investment income	54 025	47 617
Finance costs	(262 774)	(269 310)
Profit before tax	<b>493 009</b>	399 826
The chief operating decision maker reviews the revenue and operating profit on a regular basis. The chief operating decision maker does not evaluate any of the Group's assets or liabilities on a segmental basis for decision making purposes.		
<b>NORMALISED EBIT AND EBITDA</b>		
<b>Group – continuing operations</b>		
Operating profit	701 758	621 519
Amortisation of customer contracts and brands with definitive useful lives	150 172	140 841
Due diligence costs	2 884	3 319
Expenses relating to share based payments	6 948	(13 208)
Government grants	(155)	(46)
Impairment losses on assets	–	556
Gain on disposal of property, plant and equipment	466	3 190
Costs and fees attributable to the Initial Public Offering	–	5 007
Retrenchment and settlement costs	16 646	7 050
Securities transfer tax	281	66
Straight-lining of operating leases	–	3 694
Strategic advisory fees	301	43
Unrealised loss on foreign exchange	11 035	45 494
Donation	–	6 000
<b>Normalised EBIT (after adoption of IFRS 16)</b>	<b>890 336</b>	823 525
Amortisation of software	10 913	8 017
Depreciation of property, plant and equipment	272 427	152 914
<b>Normalised EBITDA (after adoption of IFRS 16)</b>	<b>1 173 676</b>	984 456
Impact of IFRS 16 (lease payments and lease modifications)	(138 927)	–
<b>Normalised EBITDA (excluding adoption of IFRS 16)</b>	<b>1 034 749</b>	984 456
<b>Perishables</b>		
Operating profit	402 686	338 942
Amortisation of customer contracts	43 610	44 677
Due diligence costs	797	–
Government grants	(155)	–
Impairment losses	–	243
Loss on disposal of property, plant and equipment	45	365
Retrenchment and settlement costs	6 610	2 024
Straight-lining of operating leases	–	3 530
Unrealised loss on foreign exchange	2 094	5 456
<b>Normalised EBIT (after adoption of IFRS 16)</b>	<b>455 687</b>	395 237
Amortisation of software	2 090	306
Depreciation of property, plant and equipment	90 159	59 109
<b>Normalised EBITDA (after adoption of IFRS 16)</b>	<b>547 936</b>	454 652
Impact of IFRS 16 (lease payments and lease modifications)	(37 501)	–
<b>Normalised EBITDA (excluding adoption of IFRS 16)</b>	<b>510 435</b>	454 652



	Year ended 31 December 2019 R'000	Restated Year ended 31 December 2018 R'000
<b>Groceries</b>		
Operating profit	313 249	239 401
Amortisation of customer contracts	71 239	70 173
Government grants	–	(46)
Impairment losses	–	313
Loss on disposal of property, plant and equipment	371	2 275
Retrenchment and settlement costs	357	2 306
Straight-lining of operating leases	–	257
Unrealised loss on foreign exchange	8 578	39 904
<b>Normalised EBIT (after adoption of IFRS 16)</b>	<b>393 794</b>	<b>354 583</b>
Amortisation of software	2 404	4 485
Depreciation of property, plant and equipment	93 161	48 839
<b>Normalised EBITDA (after adoption of IFRS 16)</b>	<b>489 359</b>	<b>407 907</b>
Impact of IFRS 16 (lease payments and lease modifications)	(54 317)	–
<b>Normalised EBITDA (excluding adoption of IFRS 16)</b>	<b>435 042</b>	<b>407 907</b>
<b>Snacks and Confectionery</b>		
Operating profit	60 666	58 723
Amortisation of customer contracts	4 402	4 402
Profit/(loss) on disposal of property, plant and equipment	(4)	44
Retrenchment and settlement costs	790	–
Straight-lining of operating leases	–	(112)
Strategic advisory fees	118	–
Unrealised loss/(gain) on foreign exchange	589	(116)
<b>Normalised EBIT (after adoption of IFRS 16)</b>	<b>66 561</b>	<b>62 941</b>
Amortisation of software	3 821	809
Depreciation of property, plant and equipment	19 957	9 301
<b>Normalised EBITDA (after adoption of IFRS 16)</b>	<b>90 339</b>	<b>73 051</b>
Impact of IFRS 16 (lease payments and lease modifications)	(7 383)	–
<b>Normalised EBITDA (excluding adoption of IFRS 16)</b>	<b>82 956</b>	<b>73 051</b>
<b>Baking and Baking Aids</b>		
Operating profit	60 916	64 731
Amortisation of customer contracts	6 870	9 406
Loss on disposal of property, plant and equipment	98	59
Retrenchment and settlement costs	–	280
Straight-lining of operating leases	–	(666)
Unrealised (gain)/loss on foreign exchange	(61)	258
<b>Normalised EBIT (after adoption of IFRS 16)</b>	<b>67 823</b>	<b>74 068</b>
Amortisation of software	876	794
Depreciation of property, plant and equipment	35 091	17 774
<b>Normalised EBITDA (after adoption of IFRS 16)</b>	<b>103 790</b>	<b>92 636</b>
Impact of IFRS 16 (lease payments and lease modifications)	(17 029)	–
<b>Normalised EBITDA (excluding adoption of IFRS 16)</b>	<b>86 761</b>	<b>92 636</b>

	Year ended 31 December 2019 R'000	Restated Year ended 31 December 2018 R'000
<b>Household and Personal Care</b>		
Operating (loss)/profit	(6 364)	5 492
Amortisation of customer contracts and brands with definitive useful lives	24 051	12 183
(Profit)/loss on disposal of property, plant and equipment	(27)	407
Retrenchment and settlement costs	8 655	1 946
Straight-lining of operating leases	–	685
Strategic advisory fees	183	42
Unrealised gain on foreign exchange	(163)	(8)
<b>Normalised EBIT (after adoption of IFRS 16)</b>	<b>26 335</b>	<b>20 747</b>
Amortisation of software	23	(569)
Depreciation of property, plant and equipment	29 140	16 179
<b>Normalised EBITDA (after adoption of IFRS 16)</b>	<b>55 498</b>	<b>36 357</b>
Impact of IFRS 16 (lease payments and lease modifications)	(19 165)	–
<b>Normalised EBITDA (excluding adoption of IFRS 16)</b>	<b>36 333</b>	<b>36 357</b>
<b>Corporate</b>		
Operating loss	(129 395)	(85 770)
Due diligence costs	2 087	3 319
Expenses/(income) relating to share based payments	6 948	(13 208)
(Profit)/loss on disposal of property, plant and equipment	(17)	40
Costs and fees attributable to the Initial Public Offering	–	5 007
Retrenchment and settlement costs	234	494
Securities transfer tax	281	66
Unrealised gain on foreign exchange	(2)	–
Donation	–	6 000
<b>Normalised EBIT (after adoption of IFRS 16)</b>	<b>(119 864)</b>	<b>(84 052)</b>
Amortisation of software	1 699	2 193
Depreciation of property, plant and equipment	4 918	1 712
<b>Normalised EBITDA (after adoption of IFRS 16)</b>	<b>(113 247)</b>	<b>(80 147)</b>
Impact of IFRS 16 (lease payments and lease modifications)	(3 531)	–
<b>Normalised EBITDA (excluding adoption of IFRS 16)</b>	<b>(116 778)</b>	<b>(80 147)</b>
<b>Export revenue</b>		
The Group mainly operates in South Africa. Revenue derived from customers domiciled within South Africa is classified as revenue from South Africa. Revenue from customers domiciled outside of South Africa is classified as export revenue.		
Export revenue for the year	1 220 092	1 270 480
<b>Major customers</b>		
During the period under review, revenue from certain customers exceeded 10% of total revenue.		
Customer A	19%	18%
Customer B	13%	14%
Customer C	10%	11%

# Notes to the condensed annual financial statements

for the year ended 31 December 2019

## 1. REPORTING ENTITY

Libstar is a leading producer and supplier of high-quality products in the CPG industry and markets a wide range of products in South Africa and globally. The Group provides a multi-product offering in several categories across multiple channels, while strategically positioning itself within the food and beverage and HPC sectors and maintaining the flexibility to capitalise on growth areas in the CPG industry.

## 2. BASIS OF PREPARATION AND REPORT OF THE INDEPENDENT AUDITOR

The summary consolidated financial statements of the Group for the year ended 31 December 2019 have been prepared in accordance with the requirements of the JSE Limited Listings Requirements ("The Listings Requirements") for preliminary reports, and the requirements of the Companies Act of South Africa, Act 71 of 2008, as amended, applicable to summary financial statements. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council and also, as a minimum, to contain the information required by IAS 34 – Interim Financial Reporting. This summarised report is extracted from audited information, but has not been audited.

These summarised consolidated financial statements and the audited consolidated financial statements, were prepared by P Makate CA(SA) under the supervision of CB de Villiers CA (SA), the Group Chief Financial Officer. The results were approved by the board of directors on 17 March 2020 and the directors take full responsibility for the preparation thereof.

The consolidated financial statements were audited by Moore Cape Town Inc., who expressed an unmodified opinion thereon. The audited annual financial statements and the auditor's report thereon are available for inspection at the Company's registered office.

## 3. ACCOUNTING POLICIES

The accounting policies applied by the Group in these financial statements are consistent with those applied in the consolidated annual financial statements for the year ended 31 December 2018 except as detailed below:

### ■ IFRS 16 Leases

The Group has applied IFRS 16 Leases retrospectively from 1 January 2019 and applied the modified retrospective approach. The Group has therefore not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening retained earnings balance on 1 January 2019. The new accounting policies are disclosed in the Accounting Policies section for Leases.

On adoption of IFRS 16 Leases, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 8.97%.

The right-of-use assets were measured on a retrospective basis as if the new rules had always been applied. The prior year straight-line accrual was adjusted directly against retained earnings on 1 January 2019.

In applying IFRS 16 Leases for the first time, the Group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019;
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- excluding initial direct costs for the measurement of the right-of-use assets at the date of initial application; and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains, a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying IAS 17 Leases and Interpretation 4 Determining whether an Arrangement contains a Lease.



**Adjustments recognised in the statement of financial position on 1 January 2019**

The change in accounting policy affected the following items in the statement of financial position on 1 January 2019:

- right-of-use assets – increased by R510.3m;
- deferred tax assets – increased by R19.7m; and
- lease liabilities – increased by R588.2m;
- retained earnings – decreased by R50.6m.

- **Hedge accounting**

The Group has applied hedge accounting prospectively to all forward contracts entered into from 1 January 2019.

The Group hedges the majority of its foreign currency exposures. Import-related exposures are hedged to the value of 6 to 9 months' firm commitment imports and export-related exposures are hedged to the value of 9 to 12 months' firm commitment exports, or within 48 hours of receipt of a firm order, whichever date is earlier. Hedging instruments are limited to standard foreign exchange contract (FEC's) only.

A foreign currency transaction is recognised, on initial recognition in South African Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period, the foreign currency monetary items are translated using the closing rate of exchange. Derivative financial instruments are initially and subsequently recognised at fair value, with changes in fair value being included in profit or loss other than derivatives designated as cash flow hedges.

The Group designates its derivatives as cash flow hedges. A hedge of the foreign currency risk of a firm commitment is designated and accounted for as a cash flow hedge. If these cash flow hedges meet the conditions for hedge accounting the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss.

Amounts deferred to the hedging reserves are recognised through profit and loss in the same period in which the hedged item affects profit and loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, for firm commitment transactions, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the firm commitment transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to profit or loss for the period.

A derivative with a positive fair value is recognised as a financial asset; a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

#### 4. ACCOUNTING JUDGEMENTS AND ESTIMATES

Management is required to make estimates and assumptions that affect the amounts presented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates.

In preparing these summarised consolidated financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated annual financial statements for the year ended 31 December 2018, except as noted above and note 13.

	2019 R'000	2018 R'000
<b>5. OTHER INCOME</b>		
Bad debts recovered	–	23
Commissions received	38	35
Gain on foreign exchange	26 927	10 337
Realised gain on foreign exchange	37 962	55 831
Unrealised loss on foreign exchange	(11 035)	(45 494)
Government grants <sup>1</sup>	206	137
Insurance claims received	385	2 020
Rebates received	–	67
Discounts and incentives received	871	–
Rental income	5 577	454
Sundry income	18 721	4 989
	<b>52 725</b>	<b>18 062</b>
<sup>1</sup> Income from government grants includes income received under the Manufacturing Competitiveness Enhancement Program, Skills Development Program and the Employer Tax Incentive program.		
<b>6. OPERATING PROFIT</b>		
Operating profit from continuing operations is calculated after taking into account the following:		
<b>6.1 OPERATING EXPENDITURE</b>		
Depreciation of property, plant and equipment	168 824	152 915
Depreciation of right-of-use assets (refer note 10)	103 387	–
Amortisation of brands	11 867	–
Amortisation of software	10 913	8 017
Amortisation of customer contracts	138 305	140 841
Loss on disposal of property, plant and equipment	466	3 190
Employee benefits	1 307 546	1 105 388
Salaries and wages	1 290 900	1 099 166
Retrenchment and settlement costs	16 646	6 222
Strategic advisory fees	301	43
Due diligence costs	2 884	8 326
Costs and fees attributable to the Initial Public Offering	–	5 007
Charges relating to share appreciation rights granted (LTI scheme)	(1 456)	(13 203)
Charges relating to long-term incentive scheme (LTIP scheme)	6 194	–
Charges relating to share based payments (GSP)	2 211	–
Securities transfer tax	281	66
Operating lease charges	–	140 451
Premises	–	110 364
Straight-lining of operating leases	–	3 694
Motor vehicles & equipment	–	26 393
Research and development costs expensed as incurred	1 773	430
Auditors remuneration	8 407	7 562

	2019 R'000	2018 R'000
<b>7. EARNINGS PER SHARE</b>		
<b>7.1 BASIC EARNINGS PER SHARE</b>		
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:		
Earnings used in the calculation of basic earnings per share	<b>278 395</b>	222 224
From continuing operations	<b>355 452</b>	273 130
From discontinued operations	<b>(77 057)</b>	(50 906)
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000)	<b>597 519</b>	566 445
Basic earnings per share in cents		
From continuing operations	<b>59.5</b>	48.2
From discontinued operations	<b>(12.9)</b>	(9.0)
From continuing and discontinued operations	<b>46.6</b>	39.2
<b>7.2 DILUTED EARNINGS PER SHARE</b>		
The earnings used in the calculation of diluted earnings per share does not require adjustments. Refer to note 8.1 above for the earnings used in the calculation of diluted earnings per share.		
The weighted average number of ordinary shares used in the calculation of diluted earnings per share are as follows:		
Weighted average number of ordinary shares for the purposes of diluted earnings per share ('000)	<b>598 481</b>	566 445
Diluted earnings per share in cents		
From continuing operations	<b>59.4</b>	48.2
From discontinued operations	<b>(12.9)</b>	(9.0)
From continuing and discontinued operations	<b>46.5</b>	39.2
Reconciliation of weighted average number of shares used as the denominator:		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	<b>597 519</b>	566 445
Adjustments for calculation of diluted earnings per share:		
Deferred Shares – GSP <sup>1</sup>	<b>962</b>	–
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	<b>598 481</b>	566 445

<sup>1</sup> Awards to deferred shares granted to executives under the GSP are included in the calculation of diluted earnings per share, assuming all outstanding awards will vest. The deferred shares are not included in the determination of basic earnings per share. Further information about the GSP is provided in note 13.

	2019 R'000	2018 R'000
<b>7. EARNINGS PER SHARE</b> continued		
<b>7.3 NORMALISED EARNINGS PER SHARE (EPS)</b>		
To arrive at Normalised EPS, the after-tax earnings from continuing operations is adjusted for the after-tax impact of the following:		
Profit for the year from continuing operations	<b>355 452</b>	273 130
Normalised for:	<b>136 368</b>	146 776
Amortisation of customer contracts and brands with definitive useful lives	<b>108 124</b>	101 406
Due diligence costs	<b>2 884</b>	3 319
Expenses/(income) relating to share based payments	<b>5 003</b>	(9 510)
Government grants	<b>(155)</b>	(46)
Costs and fees attributable to the Initial Public Offering	<b>–</b>	5 007
Retrenchment costs	<b>11 985</b>	5 076
Securities transfer tax	<b>281</b>	66
Straight lining of operating leases	<b>–</b>	2 660
Strategic advisory fees	<b>301</b>	43
Donation	<b>–</b>	6 000
Unrealised forex losses	<b>7 945</b>	32 757
Normalised earnings used in the calculation of basic earnings per share	<b>491 820</b>	419 906
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000)	<b>597 519</b>	566 445
Normalised basic earnings per share in cents	<b>82.3</b>	74.1
The headline earnings used in the calculation of headline earnings and diluted headline earnings per share are as follows:		
<b>2019</b>	<b>Gross</b>	<b>Net of tax</b>
Basic earnings from continuing operations	<b>355 452</b>	<b>355 452</b>
Adjustments	<b>466</b>	<b>2 322</b>
Loss on disposal of property, plant and equipment	<b>466</b>	<b>2 322</b>
Headline earnings from continuing operations	<b>355 918</b>	<b>357 774</b>
<b>2018</b>	<b>Gross</b>	<b>Net of tax</b>
Basic earnings from continuing operations	273 130	273 130
Adjustments	3 190	2 475
Loss on disposal of property, plant and equipment	3 190	2 475
Headline earnings from continuing operations	276 320	275 605



	2019 R'000	2018 R'000
<b>7. EARNINGS PER SHARE</b> continued		
<b>7.4 HEADLINE EARNINGS PER SHARE</b>		
Basic earnings from discontinued operations	(77 057)	(50 906)
Adjustments (net of tax)	52 258	35 304
(Profit)/loss on disposal of property, plant and equipment	(7 000)	5 064
Impairment of brands	34 258	30 240
Impairment of goodwill	25 000	–
Headline earnings from discontinued operations	(24 799)	(15 602)
Headline earnings from continuing and discontinued operations	332 975	260 003
Headline earnings per share in cents		
From continuing operations	59.9	48.7
From discontinued operations	(4.2)	(2.8)
From continuing and discontinued operations	55.7	45.9
Diluted headline earnings per share in cents		
From continuing operations	59.8	48.7
From discontinued operations	(4.2)	(2.8)
From continuing and discontinued operations	55.6	45.9
<b>7.5 NORMALISED HEADLINE EARNINGS PER SHARE (HEPS)</b>		
To arrive at normalised HEPS, the Normalised EPS is adjusted for the after-tax impact of the below:		
<b>2019</b>		<b>Net</b>
Normalised basic earnings from continuing operations		491 820
Adjustments		2 322
Loss on disposal of property, plant and equipment		2 322
Normalised headline earnings from continuing operations		494 142
Normalised headline earnings per share from continuing operations (cents)		82.7
<b>2018</b>		<b>Net</b>
Normalised basic earnings from continuing operations		419 906
Adjustments		2 475
Loss on disposal of property, plant and equipment		2 475
Normalised headline earnings from continuing operations		422 381
Normalised headline earnings per share from continuing operations (cents)		74.6

**8. DIRECTORS' REMUNERATION**

<b>Name/designation</b>	<b>Basic salary R'000</b>	<b>Bonuses R'000</b>	<b>Total remuneration and benefits R'000</b>
<b>2019</b>			
AV van Rensburg (Executive Director)	5 820	3 123	8 943
RW Smith (Executive Director)	4 000	1 858	5 858
W Luhabe (Chairman Non-Executive Director)	1 060	–	1 060
JP Landman (Lead Independent Non-Executive Director)	610	–	610
S Masinga (Independent Non-Executive Director)	730	–	730
S Khanna (Independent Non-Executive Director)	720	–	720
<b>Total – 2019</b>	<b>12 940</b>	<b>4 981</b>	<b>17 921</b>
<b>2018</b>			
AV van Rensburg (Executive Director)	5 820	873	6 693
RW Smith (Executive Director)	4 000	600	4 600
TF Judge (Executive Director)* Resigned in April 2018	700	287	987
TW Millar (Executive Director)* Resigned in April 2018	436	–	436
W Luhabe (Chairman Non-Executive Director)	758	–	758
JP Landman (Lead Independent Non-Executive Director)	547	–	547
P Langeni (Independent Non-Executive Director)	457	–	457
<b>Total – 2018</b>	<b>12 718</b>	<b>1 760</b>	<b>14 478</b>

Mr CB De Villiers was appointed as executive director effective 1 January 2020.

**9. PROPERTY, PLANT AND EQUIPMENT**

During the year ended 31 December 2019, the group acquired plant, equipment and computer software in the amount of R401 million (2018: R349 million). These include major capex of R122 million at Lancewood, of which R73 million was earmarked to upgrade the milk-receiving area, distribution centre and hard cheese packing lines, R23 million in respect of a new par-bake frozen facility at Amaro, R22 million in respect of capital enhancing projects which include a bar-line upgrade at Ambassador, R24 million in respect of prepared meal facility at Millennium, R13 million relating to a tea plant upgrade at Cape Herb and Spice.

There has been no major change in the nature of property, plant and equipment, the policy regarding the use thereof, or the encumbrances over the property, plant and equipment as disclosed in the audited financial statements for the year ended 31 December 2018.

## 10. LEASES

This note provides information for leases where the group is a lessee. The Group has applied IFRS 16 Leases using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been amended. Please refer to the Accounting Policies section for the accounting policy and adjustments recognised on adoption of IFRS 16 Leases on 1 January 2019.

### AMOUNTS RECOGNISED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The Consolidated Statement of Financial Position shows the following amounts relating to leases:

	2019 R'000
Non-current right-of-use assets	655 596
Non-current lease liabilities	(677 674)
Current lease liabilities	(75 712)
<b>Right-of-use assets</b>	
Right-of-use assets recognised on 1 January 2019	510 304
Modification and additions in the current year	248 679
Depreciation for the year	(103 387)
Increase in assets	655 596
<b>Deferred tax asset</b>	
Retrospective adjustment to deferred tax asset at 1 January 2019	19 662
Movement for the year	6 190
Increase in deferred tax asset	25 852
<b>Finance Lease Liability</b>	
Lease liability recognised as at 1 January 2019	(588 230)
Modification and additions in the current year	(237 618)
Add: finance costs	(55 085)
Less: lease payments	127 547
Increase in financial liabilities	(753 386)
<b>Amounts recognised in the Consolidated Statement of profit or loss and other Comprehensive Income</b>	
The statement of profit or loss and other comprehensive income shows the following amounts relating to leases:	
Lease rental expense and lease modification	138 927
Depreciation of right-of-use assets	(103 387)
Finance costs in respect of lease liability	(55 085)
Reduction in profit before tax	(19 545)

The total cash outflow for leases in 2019 was R127,5m.

	2019 R'000	2018 R'000
<b>11. SHARE CAPITAL</b>		
Share capital	<b>4 727 314</b>	4 818 884
Share premium	–	–
	<b>4 727 314</b>	4 818 884
Authorised capital comprises:		
10,000,000,000 ordinary shares of no par value		
1,000,000 preference shares		
Issued capital comprises:		
595,812,254 (2018: 607,759,505) fully paid ordinary shares of no par value	<b>4 727 314</b>	4 818 884
1,000,000 preference shares of no par value	–	–
	<b>4 727 314</b>	4 818 884
	<b>Number of shares<sup>1</sup></b>	<b>Share capital R'000</b>
<b>11.1 FULLY PAID ORDINARY SHARES</b>		
Balance at 1 January 2018	3 910 973	4 187 177
Share split	484 960 644	–
Share issue	193 049 783	1 500 730
Capital distribution	–	(800 000)
Treasury shares	(73 049 783)	(730)
Share repurchase	(1 112 112)	(7 964)
Capitalisation of costs directly attributable to issue of shares	–	(60 329)
Balance at 31 December 2018	<b>607 759 505</b>	<b>4 818 884</b>
Share repurchase	<b>(11 947 251)</b>	<b>(91 570)</b>
Balance at 31 December 2019	<b>595 812 254</b>	<b>4 727 314</b>
<sup>1</sup> Included in the number of shares are 73 049 783 treasury shares with a share capital of R0.7m wholly owned by an Employee Share Trust established for the benefit of employees of the group.		
<b>Alterations to authorised and issued shares</b>		
<ul style="list-style-type: none"> <li>During the year 11,947,251 shares were repurchased. There were no additional shares issued in the current year;</li> <li>In the prior year the shareholders of the Company approved the subdivision of each Ordinary Share into 125 Ordinary Shares such that, following the subdivision, the Company had an authorised Ordinary Share capital consisting of 1 250 000 000 Ordinary Shares and an issued Ordinary Share capital consisting of 488 871 625 Ordinary Shares; and</li> <li>In the prior year the shareholders of the Company approved an increase in the number of authorised Ordinary Shares by 8 750 000 000 Ordinary Shares such that the number of authorised Ordinary Shares is 10 000 000 000 Ordinary Shares.</li> </ul>		

## 12. SHAREHOLDER ANALYSIS

### ORDINARY SHARES AS AT 31 DECEMBER 2019

#### Directors' Interests

#### Ordinary share capital

Name/designation	December 2019				December 2018			
	Direct shares held	Held indirectly or by an associate	Total shares held	Total % held	Direct shares held	Held indirectly or by an associate	Total shares held	Total % held
AV van Rensburg	5 954 592	–	5 954 592	0.87	5 954 592	–	5 954 592	0.87
RW Smith	3 947 915	–	3 947 915	0.58	3 947 915	–	3 947 915	0.58
WS Hamid*	–	–	–	0.00	–	–	–	0.00
S Khanna	–	–	–	0.00	–	–	–	0.00
JP Landman <sup>1</sup>	–	75 000	75 000	0.01	–	60 000	60 000	0.01
W Luhabe	–	–	–	0.00	–	–	–	0.00
P Langeni <sup>^</sup>	–	–	–	0.00	–	–	–	0.00
S Masinga	–	–	–	0.00	–	–	–	0.00
TF Judge <sup>^</sup>	–	–	–	0.00	–	–	–	0.00
TW Millar <sup>^</sup>	–	–	–	0.00	–	–	–	0.00

\* Resignations in the current period: WS Hamid

<sup>^</sup> Resignations in the prior period: P Langeni, TF Judge, TW Millar

<sup>1</sup> Indirect shares held by Ruland Trust, an associate of JP Landman

Where directors have resigned in the current financial period, the table above shows nil values in respect of the current period and the direct and indirect shareholding held at the end of the prior period. Where directors have been appointed in the year under review, the table above shows nil values in respect of the prior period.

There has been no change in directors' interests or any share dealings by directors in the ordinary shares of the Company subsequent to 31 December 2019 and to the date of this report.

#### Preference share capital

No directors held a direct interest in preference share capital during the current or prior periods.

The following directors held an indirect interest in preference share capital due to their participation in the Ratchet Trust (100% shareholder of preference share):

- van Rensburg held 12.9 units at the close of the current and prior period;
- Smith held 11.1 units at the close of the current and prior period;
- Judge held 8.4 units at the close of the prior period and resigned during the prior period; and
- Millar held 4.4 units at the close of the prior period and resigned during the prior period.



**12. SHAREHOLDER ANALYSIS** continued

Ordinary shareholder spread	Number of shareholders	Number of shares	% of shares in issue
Public	1 695	246 844 081	36.2
Non-public	8	435 077 327	63.8
■ Directors	2	9 902 507	1.5
■ Associates of directors	1	75 000	0.0
■ The trustees of any employees' share scheme or pension fund established for the benefit of any directors or employees of the applicant and its subsidiaries;	2	73 049 783	10.7
■ Treasury shares <sup>^</sup>	1	13 059 362	1.9
■ Persons interested in 10% or more (other than directors or associates of directors)	2	338 990 675	49.7
<b>Total issued shares</b>	<b>1 703</b>	<b>681 921 408</b>	<b>100.0</b>

<sup>^</sup> Libstar Operations Proprietary Limited an subsidiary of Libstar Holdings Limited, purchased 13,059,363 treasury shares at an average price of R7,62 per share and these shares reverted to authorised but unissued.

In so far as it is known to the company, the following shareholders, directly or indirectly beneficially hold 5% or more shares in the issued share

Major ordinary shareholders	Number of shares	% of shares in issue
Apef Pacific Mauritius Limited	252 463 077	37.0
Government Employees Pension Fund	86 527 598	12.7
Business Venture Investments 2071*	39 334 499	5.8

\* Business Venture Investments No 2071 (RF) Proprietary Limited (BDT SPV), is wholly-owned by a Employee Share Trust established for the benefit of employees of the Group.

Ordinary shareholder spread	Number of shareholders	% of shareholders	Number of shares	% of shares in issue
1 – 1 000 000 shares	1 625	95.4	76 044 634	11.2
1 000 001 – 3 000 000 shares	53	3.1	89 835 565	13.2
3 000 001 – 6 000 000 shares	17	1.0	70 924 558	10.4
6 000 001 – 40 000 000 shares	6	0.4	106 125 976	15.6
More than 40 000 000 shares	2	0.1	338 990 675	49.7
	<b>1 703</b>	<b>100.0</b>	<b>681 921 408</b>	<b>100.0</b>

	2019 R'000	2018 R'000
<b>13. SHARE-BASED PAYMENTS</b>		
<b>Non-current liabilities:</b>		
Cash settled share appreciation rights (LTI scheme)	2 353	20 811
Cash settled share based payments (LTIP)	6 194	–
	<b>8 547</b>	20 811
<b>Current liabilities:</b>		
Cash settled share appreciation rights (LTI scheme)	4 156	–
<b>Equity:</b>		
Equity settled share based payments (GSP)	2 211	–

#### 13.1 DETAILS OF THE CASH SETTLED SHARE APPRECIATION RIGHTS SCHEME OF THE GROUP (LTI SCHEME)

During 2016, the Group established a share appreciation rights scheme for executives and senior employees of the Group. In accordance with the terms of the plan, qualifying executives and senior employees may be awarded units annually, based upon their performance. Each unit allocated is the equivalent of an ordinary share in the Group. The units allocated are issued at the then prevailing market value of an ordinary share in the Group and incorporates a suitable discount factor. The units vest over a three year period from the date of issue. Upon vesting of a unit, the holder thereof is entitled to receive the difference between the then determined market value of the unit and its issue price, payable in cash.

The number of units granted is calculated in accordance with the performance-based formula approved by the Board and the remuneration committee. The formula rewards executives and senior employees to the extent of the Group's and the individual's achievement judged against both qualitative and quantitative criteria from the following financial measures:

- Improvement in share price;
- Improvement in net profit; and
- Employee performance bonus for the prior financial year.

The number of units previously granted were adjusted for subdivision allocations prior to the Initial Public Offering. Issue prices were adjusted to take into account a suitable discount factor.

The Group is in the process of winding down this scheme, and the final allocations in terms of this scheme were made in the prior year. The LTI scheme will run its course and units will vest in terms of the rules of the LTI scheme up to 2020.

The following share appreciation rights were awarded during the current financial year:

Unit series	Number	Vesting date	Issue price
(1) Granted on 1 January 2016	4 086 513	31/12/2018	9,79
(2) Granted on 1 January 2017	4 593 946	31/12/2019	11,87
(3) Granted on 1 January 2018	7 150 161	31/12/2020	12,92

**13. SHARE-BASED PAYMENTS** continued**13.1 DETAILS OF THE CASH SETTLED SHARE APPRECIATION RIGHTS SCHEME OF THE GROUP (LTI SCHEME)** continued**13.1.1 Fair value of the share appreciation rights allocated in the year**

The total movement of the share appreciation rights during the financial year is a decrease of R9,8m (2018: R13,2m decrease). Units were priced using the Economic Value Added model. Expected volatility is based on the historical share price volatility over the past 3 years.

Inputs into the model

	2019	2018
Issue date share price	–	R12,92
Expected vesting date share price	–	R13,84
Expected volatility	–	15.0%
Vesting period	–	3 years
Dividend yield	–	–
Risk-free interest rate	–	8.9%

**13.1.2 Movements in share appreciation rights during the year**

The following table reconciles the share appreciation rights outstanding:

	Number of units issued	Weighted average issue price R	Number vested	Value R'000
Balance at 1 January 2018	8 680 459	11,87	–	34 019
Movement in fair value of units issued in 2018	–	–	–	(18 945)
Allocated during the year	7 150 161	12,92	4 086 513	5 737
<b>Balance at 1 January 2019</b>	<b>15 830 920</b>	<b>12,92</b>	<b>4 086 513</b>	<b>20 811</b>
Movement in fair value of units issued in 2019	–	–	<b>4 593 946</b>	<b>(14 302)</b>
<b>Balance at 31 December 2019</b>	<b>15 830 920</b>	<b>–</b>	<b>8 680 459</b>	<b>6 509</b>

The first allocation of units vested in full on 31 December 2018. The second allocation of units vested in full on 31 December 2019.

**13.2 DETAILS OF THE LONG-TERM INCENTIVE SCHEME OF THE GROUP – (LTIP SCHEME)**

The Group has developed a new cash-settled long term incentive scheme (known as the LTIP). The LTIP is designed as a cash-settled incentive scheme whereby senior employees may be awarded notional units which are linked to the price of ordinary shares of the Group. The LTIP is regulated by a detailed set of rules. As with the previous LTI scheme, the LTIP seeks to attract and retain senior employees and promote ongoing loyalty, commitment and motivation. All senior employees are eligible to participate in the LTIP. The LTIP is implemented by the Board through the direction of the Remuneration Committee. On an annual basis, senior employees may be offered three components (i) allocations of Share Appreciation Rights ("SARs"), (ii) awards of the Performance Share Plan ("PSP"), or (iii) grants of the Forfeitable Share Plan ("FSP").

### 13. SHARE-BASED PAYMENTS continued

#### 13.2 DETAILS OF THE LONG-TERM INCENTIVE SCHEME OF THE GROUP – (LTIP SCHEME) continued

A summary of each component of offer under LTIP is set out below.

##### 13.2.1 Share appreciation rights (SARs)

On 4 April 2019, eligible employees were allocated conditional and notional awards, at an allocation price of R8.08, which if settled in the future will be settled in cash equal to the appreciation of Libstar Holdings Limited (“Libstar”) shares as calculated on the exercise date. Settlement is contingent on the extent to which the performance criteria has been met and the holder exercising their right. Award holders shall be settled a cash amount to the value of X, which will be determined as follows:

A = appreciation in Libstar share market value = Libstar share market value at exercise date – allocation price

N = number of vested rights exercised

$X = N \times A$

Award holders are not entitled to a dividend during the life of the award. The awards vest 3 years after allocation, from which point the rights may be exercised to the extent that the performance condition, as described below, has been met. The awards may be exercised for the next 4 years, ie: between the vesting date of 4 April 2022 and the maturity date of 4 April 2026.

The performance condition is measured over a minimum of a 3 year period starting at the allocation date and ending at the vesting date. The real growth in normalised headline earnings (“NHE”) of Libstar is compared to the consumer price index (“CPI”) using a vesting scale of the NHE versus CPI to determine the portion of awards that will vest. Vesting is further contingent on the award holder remaining employed by the Group.

The SARs was valued by utilising the binomial tree approach valuation method. The result of which represent the fair value per unit (excluding pre-vesting forfeiture), which is fixed in time. A range of expected vesting percentages for the NHE vs. CPI performance condition were utilised. The number of awards was adjusted by these expected vesting percentages as well as adjusted for pre-vesting forfeiture to arrive at a number of awards expected to vest. The fair value per unit was then multiplied the number of awards expected to vest to arrive at a total value. Refer to 13.2.4 for the inputs and assumptions used in the measurement of the fair values at grant date and reporting date.

There were no SARs granted in prior years, and none of the SARs had vested as at 31 December 2019. Refer to 13.2.4 for number of awards issued during the current financial year.

##### 13.2.2 Performance Share Plan (PSP)

On 4 April 2019, eligible employees were allocated conditional and notional awards, which if settled in the future will be settled in cash equal to the value of Libstar shares. Settlement is contingent on the extent to which the 3 performance criteria have been met and the award holder exercising their right.

In contrast to the SARs, the award holders do not pay any consideration for the awards and receive the cash equal to the Libstar share value in full. The awards vest 3 years after allocation on 4 April 2022, from which point the rights may be exercised to the extent that certain performance conditions, as described below, have been met. The performance conditions are measured over the 3 year period starting at the allocation date and ending at the vesting date.

The PSP is subject to the following performance conditions in the proportions stated:

1. NHE vs. CPI performance condition (as described in section 23.2.1) – 30%;
2. ROAA vs. WACC performance condition (as described below) – 30%; and
3. TSR performance condition (as described below) – 40%.

The Libstar return on adjusted assets (“ROAA”) is compared to the Libstar adjusted weighted average cost of capital (“WACC”) using a vesting scale to determine the portion of awards that will vest under the ROAA versus WACC performance condition.

Libstar’s total shareholder return (“TSR”) will be compared to the TSR of a group of peer companies, each weighted by their market capitalisation using a vesting scale to determine the portion of awards that will vest under the TRS performance condition.

Vesting is further contingent on the award holder remaining employed by the Group. There were no PSPs granted in prior years, and none of the PSPs had vested as at 31 December 2019. Refer to 23.2.4 for number of awards issued during the current financial year.

### 13. SHARE-BASED PAYMENTS continued

#### 13.2 DETAILS OF THE LONG-TERM INCENTIVE SCHEME OF THE GROUP – (LTIP SCHEME) continued

##### 13.2.3 Details of the Forfeitable Share Plan (FSP)

On 4 April 2019, eligible employees were allocated conditional and notional awards which if settled in the future will be settled in cash equal to the value of Libstar shares. Settlement is contingent on the extent to which the performance criteria has been met and the holder exercising their right. Award holders shall be settled a cash amount to the value of X, which will be determined as follows:

S = Libstar share market value at allocation, reduced for expected dividends during the vesting period

N = number of vested rights exercised

$X = N \times S$

In contrast to the SARs, the award holders do not pay any consideration for the awards and receive the cash equal to the Libstar share value in full.

The awards vest 3 years after allocation at 4 April 2022, when the rights may be exercised to the extent that the performance condition, as described below, have been met.

The performance condition is measured over the 3 year period starting at the allocation date and ending at the vesting date. The awards will vest if Libstar attains a “Complaint Contributor” status in terms of B-BBEE and Transformation on an all-or-nothing basis. Vesting is further contingent on the award holder remaining employed by the Group.

There were no FSPs granted in prior years, and none of the FSPs had vested as at 31 December 2019. Refer to 13.2.4 for the number of awards issued during the current financial year.

##### 13.2.4 Fair value of the LTIP

###### Valuation methods:

The SARs was valued by utilising the binomial tree approach valuation method. The result of which represent the fair value per unit (excluding pre-vesting forfeiture), which is fixed in time. A range of expected vesting percentages for the NHE vs. CPI performance condition were utilised. The number of awards were adjusted by these expected vesting percentages as well as adjusted for pre-vesting forfeiture to arrive at a number of awards expected to vest. The fair value per unit was then multiplied by the number of awards expected to vest to arrive to a total value. Refer to the below for the inputs and assumptions used in the measurement of the fair values at grant date and reporting date.

The PSP was valued in two parts:

###### 1. Fair value per unit (excluding performance conditions)

The fair value per unit (excluding performance conditions) is calculated as the share price at valuation date, reduced for expected dividends over the remainder of the vesting period. The fair value per unit is then multiplied by the number of shares remaining adjusted for forfeiture.

###### 2. Proportion of shares vesting under the performance conditions

To determine the number of shares that will vest at the end of the vesting period as a result of the performance conditions, a model was built that has both stochastic (i.e. random future outcomes) and deterministic (i.e. fixed future outcomes) features. Awards subject to the NHE vs. CPI and ROAA vs. WACC performance conditions were modelled deterministically and awards applicable to the TSR condition were modelled stochastically with a Monte Carlo Simulation Model.

The FSP was valued in two parts:

###### 1. Fair value per unit (excluding forfeiture)

The fair value per unit (excluding forfeiture) is calculated as the share price at valuation date, reduced for expected dividends over the vesting period. The fair value per unit is then multiplied by the number of shares remaining adjusted for forfeiture.

###### 2. Proportion of shares expected to vest

A range of expected vesting percentages for the B-BBEE performance condition were provided by management. The number of awards were adjusted by these expected vesting percentages as well as adjusted for forfeiture to arrive at a number of awards expected to vest. The fair value per unit was then multiplied by the number of awards expected to vest to arrive at a total value.



### 13. SHARE-BASED PAYMENTS continued

#### 13.2 DETAILS OF THE LONG-TERM INCENTIVE SCHEME OF THE GROUP – (LTIP SCHEME) continued

##### 13.2.4 Fair value of the LTIP continued

The following inputs were used as at 31 December 2019 to calculate a fair value for the 3 components of the LTIP. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair values.

	2019
Valuation date	31 December 2019
Grant date	4 April 2019
Vesting date	4 April 2022
Maturity date	4 April 2026
Share price at grant date	R8.08
Share price at valuation date	R7.59
Awards issued – SARs	7 110 829
Awards issued – PSP	1 377 944
Awards issued – FSP	344 593
Forfeiture rate p.a	5.00%
Dividend yield p.a	See table below
Risk-Free interest rate	BESA Swap Curve
Volatility	See table below
Exercise Multiple	1.8
Non-Market performance conditions vesting percentages	See table below
<b>Expected Dividend Yields</b>	
Scenarios	
Lower Bound	3.00%
Mid Estimate	3.25%
Upper Bound	3.50%
<b>Volatility Range</b>	
Scenarios	
Lower Bound	36.04%
Mid Estimate	38.54%
Upper Bound	41.04%
Volatility was calculated based on the daily returns of the share price, under the assumption that the natural logarithm of the share price returns are normally distributed. Since the Libstar share price data only exists from 8 May 2018, the standard deviation of the daily log returns on the available data as at the valuation date of 31 December 2019 was considered to arrive at a range which is deemed to be reasonable.	
<b>Non-Market Performance Conditions Vesting Percentages</b>	
<b>Expected NHE vs. CPI Performance Condition Vesting Percentages</b>	
Scenarios	
Lower Bound	65.00%
Mid Estimate	70.00%
Upper Bound	75.00%
<b>Expected ROAA vs. WACC Performance Condition Vesting Percentages</b>	
Scenarios	
Lower Bound	75.00%
Mid Estimate	80.00%
Upper Bound	85.00%
<b>Expected B-BBEE Performance Condition Vesting Percentages</b>	
Scenarios	
Lower Bound	70.00%
Mid Estimate	75.00%
Upper Bound	80.00%

**13. SHARE-BASED PAYMENTS** continued**13.2 DETAILS OF THE LONG-TERM INCENTIVE SCHEME OF THE GROUP – (LTIP SCHEME)** continued**13.2.5 Movements in LTIP components during the year**

The following table reconciles the 3 LTIP components outstanding:

	Number of units issued	Weighted average issue price R	Number vested	Value R'000
<b>Share Appreciation Rights (SARs)</b>				
<b>Balance at 1 January 2019</b>	–	–	–	–
Awards issued – 4 April 2019	8 474 882	8,08	–	3 743
Movement in fair value of units issued in 2019	(1 364 053)	–	–	(969)
<b>Balance at 31 December 2019</b>	<b>7 110 829</b>	<b>8,08</b>	<b>–</b>	<b>2 774</b>
<b>Performance Share Plan (PSP)</b>				
<b>Balance at 01 January 2019</b>	–	–	–	–
Awards issued – 4 April 2019	1 586 360	8,08	–	3 158
Movement in fair value of units issued in 2019	(208 416)	–	–	(418)
<b>Balance at 31 December 2019</b>	<b>1 377 944</b>	<b>8,08</b>	<b>–</b>	<b>2 740</b>
<b>Forfeitable Share Plan (FSP)</b>				
<b>Balance at 1 January 2019</b>	–	–	–	–
Awards issued – 4 April 2019	396 659	8,08	–	736
Movement in fair value of units issued in 2019	(52 066)	–	–	(56)
<b>Balance at 31 December 2019</b>	<b>344 593</b>	<b>8,08</b>	<b>–</b>	<b>680</b>
<b>Total balance of the LTIP at 31 December 2019</b>	<b>8 833 366</b>		<b>–</b>	<b>6 194</b>

**13.3 DETAILS OF THE GROUP SHARE PLAN – GSP**

The Group has also developed a new share-settled Group Share Plan (“GSP”). On an annual basis, senior employees may be offered 3 components (i) allocations of Share Appreciation Rights (“SARs”), (ii) awards of the Performance Share Plan (“PSP”), or (iii) grants of the Forfeitable Share Plan (“FSP”).

These allocation methods of the 3 components are substantially similar to those used in the LTIP. The difference is that the GSP is settled in Libstar shares to the value of the awards as opposed to the LTIP which is settled in cash. The GSP is an equity settled share scheme and the grant date was 31 July 2019. Further details of the GSP components are not included and should be read together with the LTIP scheme components above. Refer to section 13.2.1 – 13.2.3.

### 13. SHARE-BASED PAYMENTS continued

#### 13.3 DETAILS OF THE GROUP SHARE PLAN – GSP continued

##### 13.3.1 Fair value of the GSP

The valuation methods used to value the 3 components of the GSP are substantially similar to the valuation methods of the LTIP. Refer to section 13.2.4 for further details.

The following inputs were used as at 31 December 2019 to calculate a fair value for the 3 components of the GSP. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair values.

	2019
Valuation date	31 July 2019
Grant date	31 July 2019
Vesting date	31 July 2022
Maturity date	31 July 2026
Share price at grant date	R8.65
Awards issued – SARs	2 269 550
Awards issued – PSP	1 274 590
Awards issued – FSP	318 796
Forfeiture rate p.a	5.00%
Dividend yield p.a	See table in section 13.2.4
Risk-Free interest rate	BESA Swap Curve
Volatility	See Table in section 13.2.4
Exercise Multiple	1.8
Non-Market performance conditions vesting percentages	See Table in section 13.2.4

##### 13.3.2 Movements in GSP components during the year

The following table reconciles the 3 GSP components as at 31 December 2019:

	Number of units issued	Weighted average issue price R	Number vested	Value R'000
Share Appreciation Rights (SARs)	2 269 550	8,56	–	597
Performance Share Plan (PSP)	1 274 590	8,56	–	1 391
Forfeitable Share Plan (FSP)	318 796	8,56	–	223
<b>Total balance of the GSP at 31 December 2019</b>	<b>3 862 936</b>		<b>–</b>	<b>2 211</b>

There were no awards granted in prior years, and none of the SARs, awards of the PSP and FSP vested as at 31 December 2019.

**13. SHARE-BASED PAYMENTS** continued**13.4 EXPENSES ARISING FROM SHARE-BASED PAYMENT TRANSACTIONS**

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	<b>2019 R'000</b>	<b>2018 R'000</b>
Charges/(credit) relating to share appreciation rights granted (LTI scheme)	<b>(1 456)</b>	(13 208)
Charges relating to long-term incentive scheme (LTIP scheme)	<b>6 194</b>	–
Charges relating to share based payments (GSP)	<b>2 211</b>	–
	<b>6 949</b>	(13 208)

**14. FINANCIAL INSTRUMENTS**

At the reporting dates, the financial assets and liabilities of the Libstar Group that are classified at fair value through profit and loss comprise forward exchange contracts. These are classified at a Level 2 in terms of the fair value hierarchy.

**15. SUBSEQUENT EVENTS**

The Board of Libstar has approved and declared a final cash dividend of 25 cents per ordinary share (gross) in respect of the year ended 31 December 2019.

# Annexure C

## Form of proxy

### LIBSTAR HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2014/032444/06)

("Company")

### ANNUAL GENERAL MEETING

**Wednesday, 10 June 2020 at 10:00** entirely through electronic communication.

A Shareholder entitled to attend the AGM and vote thereat is entitled to appoint a proxy or proxies to attend the AGM and speak and vote in his/her stead. A proxy need not be a member of the Company.

I/We,

being a Shareholder of Libstar Holdings Limited do hereby appoint

or,

failing him/her

or, failing him/her, the chairman of the AGM, as my/our proxy to vote or abstain from voting on my/our behalf at the AGM of the Company to be held through electronic communication on **Wednesday, 10 June 2020 at 10:00** and at any adjournment thereof, in respect of the resolutions below (with or without modifications thereto) as follows:

Ordinary Resolutions	Number of voting rights (shares)		
	In favour	Against	Abstain
1. Election of Mr C de Villiers as director			
2.1 Re-election of Ms W Luhabe as independent non-executive director			
2.2 Re-election of Mr JP Landman as independent non-executive director			
3.1 Election of Ms S Masinga as audit and risk committee member			
3.2 Election of Mr S Khanna as audit and risk committee member			
3.3 Election of Mr JP Landman as audit and risk committee member			
4. Appointment of Moore Cape Town Incorporated as independent external auditor			
5. Endorsement of remuneration policy			
6. Endorsement of remuneration implementation report			
7. General authority to issue shares for cash			
8. General signatory authority			
<b>Special Resolutions</b>			
1. Approval of the remuneration of directors			
1.1 Chairman of the board of directors			
1.2 Independent non-executive director			
1.3 Chairman of the audit and risk committee			
1.4 Member of the audit and risk committee			
1.5 Chairman of the remuneration committee			
1.6 Member of the remuneration committee			
1.7 Chairman of the social & ethics committee			
1.8 Member of the social & ethics committee			
1.9 Chairman of the nomination committee			
1.10 Member of the nomination committee			
1.11 Chairman of the investment and strategy committee			
1.12 Member of the investment and strategy committee			
2. General authority to provide financial assistance			
3. General authority to repurchase shares			

(Indicate instructions to proxy by way of a cross in the spaces provided above, failing which the proxy may vote as he/she thinks fit.)

Signed at

on

2020

Signature

Each holder entitled to attend and vote at the meeting is entitled to appoint one or more individuals as proxy/ies to attend, participate in, speak and vote or abstain from voting in his/her/its stead.

A proxy need not be a person entitled to vote at the meeting. My/our proxy may (subject to any restriction set out herein)/may not delegate the proxies authority to act on behalf of me/us to another person (delete as appropriate).

This Form of Proxy will lapse and cease to be of force and effect immediately after the AGM of the Company or any adjournment(s) thereof, unless it is revoked earlier.



# Notes to the form of proxy

## LIBSTAR HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2014/032444/06)

("Company")

1. Shareholders are advised that the Company has appointed The Meeting Specialists (Pty) Ltd ("TMS") as its proxy receiving agent.
2. Proxy appointment must be in writing, dated and signed by the Shareholder.
3. Forms of Proxy must be presented via email to TMS at [proxy@tmsmeetings.co.za](mailto:proxy@tmsmeetings.co.za) to be received on or before **10:00 on Tuesday, 9 June 2020**.
4. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the holder's choice in the space provided, with or without deleting "the chairman of the meeting". Any such deletion must be initialed by the Shareholder.
5. A Shareholder's instruction to the proxy must be indicated by the insertion of the relevant percentage of voting rights exercisable by that holder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the meeting, as he deems fit, in respect of all the Shareholder's voting rights exercisable thereat, but where the proxy is the chairman, failure to comply will be deemed to authorise the proxy to vote in favour of the resolution.
6. A Shareholder or his proxy is not obliged to use all the voting rights exercisable by the Shareholder or by his proxy, but the total of the voting rights cast and in respect whereof abstention is recorded may not exceed the total of the voting rights exercisable by the Shareholder or by his proxy.
7. A Shareholder's authorisation to the proxy, including the chairman of the meeting, to vote on his or her behalf, shall be deemed to include the authority to vote on procedural matters at the meeting.
8. The completion and lodging of this Form of Proxy will not preclude the relevant Shareholder from attending the meeting and speaking and voting in person thereat and the exclusion of any proxy appointed in terms hereof should such Shareholder wish to do so.
9. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity must be attached to this form. Without limiting the generality hereof, the Company will accept a valid identity document, a valid driver's licence or a valid passport as satisfactory identification.
10. Any alteration to this form must be initialed by the signatory(ies).
11. A Shareholder may revoke the proxy appointment by: (i) cancelling it in writing with a copy to the company secretary, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to [proxy@tmsmeetings.co.za](mailto:proxy@tmsmeetings.co.za) to be received before the replacement proxy exercises any rights of the Shareholder, or any adjournment(s) thereof.
12. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's/proxies' authority to act on behalf of the Shareholder as of the later of: (i) the date stated in the revocation instrument, if any; or (ii) the date on which the revocation instrument was delivered as required in paragraph 11.

**In compliance with the provisions of Section 58(8)(b)(i) of the Act, a summary of the rights of a Shareholder to be represented, as set out in Section 58 of the Act, is set out immediately below:**

1. A Shareholder entitled to attend and vote at the AGM may appoint any individual (or two or more individuals) as a representative/proxy or as representatives/proxies to attend, participate in and vote at the AGM. A representative/proxy need not be a Shareholder of the Company.
2. A letter of representation or proxy appointment must be in writing, dated and signed by the Shareholder appointing a representative/proxy, and, subject to the rights of a Shareholder to revoke such appointment (as set out below), remains valid only until the end of the AGM.
3. A representative/proxy may delegate the proxy's authority to act on behalf of a Shareholder to another person, subject to any restrictions set out in the instrument appointing the representative/proxy.
4. The appointment of a representative/proxy is suspended at any time and to the extent that the Shareholder who appointed such representative/proxy chooses to act directly and in person in the exercise of any rights as a Shareholder.
5. The appointment of a representative/proxy is revocable by the Shareholder in question cancelling it in writing or making a later inconsistent appointment of a representative/proxy, and delivering a copy of the revocation instrument to the representative/proxy and to the Company. The revocation of a representative/proxy appointment constitutes a complete and final cancellation of the representative/proxy's authority to act on behalf of the Shareholder as of the later of (a) the date stated in the revocation instrument, if any; and (b) the date on which the revocation instrument is delivered to the Company as required in the first sentence of this paragraph.
6. If the instrument appointing the representative/proxy or representatives/proxies has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Act or the Company's Memorandum of Incorporation to be delivered by the Company to the Shareholder, must be delivered by the Company to (a) the Shareholder, or (b) the representative/s, proxy or proxies, if the Shareholder has (i) directed the Company to do so in writing; and (ii) paid any reasonable fee charged by the Company for doing so.

## Annexure D

# Registration form to participate in the virtual annual general meeting

**To be held on 10 June 2020 at 10:00**

### LIBSTAR HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2014/032444/06)

("Company")

- Shareholders or their proxies who wish to participate in the annual general meeting via electronic communication ("Participants"), must register with the Company's meeting scrutineers to do so by delivering the signed form below ("the application") to The Meeting Specialists (Pty) Ltd ("TMS") at email [proxy@tmsmeetings.co.za](mailto:proxy@tmsmeetings.co.za) by no later than **09:00 on 9 June 2020**.
- The application may also be delivered to The Meeting Specialists (Pty) Ltd, JSE Building, One Exchange Square, 2 Gwen Lane, Sandown, 2196, so as to be received by the meeting scrutineers by no later than the time and date set out above.
- Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with 'own name' registration, should contact their Central Securities Depository Participant ("CSDP") or broker in the manner and time stipulated in their agreement with their CSDP or Broker:
  - to furnish them with their voting instructions; and
  - in the event that they wish to participate in the meeting, to obtain the necessary authority to do so.
- Participants will be able to vote during the annual general meeting through an electronic participation platform. Such Participants, should they wish to have their vote(s) counted at the annual general meeting, must provide TMS with the information requested below.
- Each shareholder, who has complied with the requirements below, will be contacted between **5 June and 9 June 2020** via email/mobile with a unique link to allow them to participate in the virtual general meeting.
- The cut-off time, for administrative purposes, to participate in the meeting will be at **09:00 on 9 June 2020**.
- The Participant's unique access credentials will be forwarded to the email/cell number provided below.
- Please take note of the virtual meeting guide for shareholders attached to this page.

### APPLICATION FORM

Name and surname of shareholder	
Name and surname of shareholder representative (If applicable)	
ID number of shareholder or representative	
Email address	
Cell number	
Telephone number	
Name of CSDP or Broker (If shares are held in dematerialised format)	
SCA number/Broker account number or own name account number	
Number of shares	
Signature	
Date	

- The cost of dialling in using a telecommunication line/webcast/web-streaming to participate in the general meeting is for the expense of the Participant and will be billed separately by the Participant's own telephone service provider.
- The Participant acknowledges that the telecommunication lines/webcast/web-streaming are provided by a third party and indemnifies Libstar Holdings Limited, the Johannesburg Stock Exchange Limited (“**JSE**”), The Meeting Specialists (Pty) Ltd (“**TMS**”) (virtual platform service provider) and/or its third party service providers against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines/webcast/web-streaming, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against Libstar Holdings Limited, the JSE, TMS and/or its third party service providers, whether for consequential damages or otherwise, arising from the use of the telecommunication lines/webcast/web-streaming or any defect in it or from total or partial failure of the telecommunication lines/webcast/web-streaming and connections linking the telecommunication lines/webcast/web-streaming to the general meeting.
- Participants will be able to vote during the general meeting through an electronic participation platform. Such Participants, should they wish to have their vote(s) counted at the general meeting, must act in accordance with the requirements set out above.
- Once the Participant has received the link, the onus to safeguard this information remains with the Participant.
- The application will only be deemed successful if this application form has been fully completed and signed by the Participant and delivered or e-mailed to TMS at **proxy@tmsmeetings.co.za**.

By signing this registration form, I agree and consent to the processing of my personal information above for the purpose of participation in the annual general meeting.

Shareholder name

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Signature

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Date

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## Annexure E

# Virtual meeting guide for shareholders

### HOW TO ACCESS THE VIRTUAL MEETING

1. In order to participate and vote in the meeting, each user must have an internet-enabled device (phone, laptop, desktop) capable of browsing to a regular website (in order to vote and participate).
2. Closer to the meeting date or on the day of the virtual meeting, you will receive a link and a password to enter the virtual meeting room.
3. Click on the Link and you will be directed to the meeting platform.
4. An additional unique link will be sent, individually, to each shareholder who has made contact with The Meeting Specialist (Pty) Ltd on **proxy@tmsmeetings.co.za** and who has successfully been validated to vote at the meeting.
5. Guests will only be allowed to observe and listen to the proceedings of the meeting.

### NAVIGATING THE MEETING PLATFORM

1. Shareholders who would like to pose questions, please click on the Q & A icon on the bottom of your screen, to ask your question.
2. If you have a question on a particular resolution, please type your name, the resolution number, followed by your question and press enter or send.
3. Alternatively, if you would like to address the meeting directly, please click on the raise your hand icon. Once the chairperson has identified you, your microphone will be un-muted, and you will be able to address the meeting.

### HOW TO EXERCISE YOUR VOTES

1. All shareholders or their representatives, who have requested to vote, would have received a link from Digital Cabinet to either their phone number or email address.
2. The voting will be available on all the resolutions when the chairman opens the meeting.
3. Please click on the **vote now** link and it will direct you to the voting platform.
4. You will notice that the voting platform contains all the resolutions which have been published in the notice of meeting, with your votes automatically defaulted to Abstain.
5. Please note – Once you click submit, your votes can not be retracted and re-voted.
6. You may vote on all the resolutions simultaneously by defaulting all your votes as either “For” or “Against” or keeping it as an “Abstained” vote and then clicking on the submit button on the bottom of the electronic ballot form.
7. You may also indicate your votes individually, per resolution, by selecting the relevant option (For, Against or Abstain), on a resolution by resolution basis.
8. Once you have voted on all the resolutions, scroll down to the bottom of the page and click submit.
9. You will receive a message on your screen confirming that your votes have been received.
10. Once again, please ensure that you have selected the correct option on a resolution. Either, For or Against or Abstain before clicking the submit button.

**You will only be able to access both the meeting platform and the voting platform, 10 minutes prior to commencement of the virtual meeting.**

# Corporate information

## COMPANY AND REGISTERED OFFICE

Libstar Holdings Limited  
Registration Number: 2014/032444/06  
1st Floor, 62 Hume Road, Dunkeld, Johannesburg, 2196,  
South Africa  
(PO Box 630, Northlands, 2116)

## WEBSITE

[www.libstar.co.za](http://www.libstar.co.za)

## DIRECTORS

Wendy Yvonne Nomathemba Luhabe (independent non-executive director) (chairman)  
Johannes Petrus (JP) Landman (lead independent non-executive director)  
Sibongile Masinga (independent non-executive director)  
Sandeep Khanna (independent non-executive director)  
Andries Vlok van Rensburg (chief executive officer)  
Robin Walter Smith (chief financial officer)(2019)  
Charl Benjamin de Villiers (chief financial officer)(2020)

## COMPANY SECRETARY

Corpstat Governance Services (Pty) Ltd  
Hurlingham Office Park  
Block C  
59 Woodlands Avenue  
Hurlingham Manor  
Sandton  
2196

## MEETING SPECIALISTS

The Meeting Specialists (Pty) Ltd  
JSE Building  
One Exchange Square  
2 Gwen Lane  
Sandown  
2196

## SPONSOR

The Standard Bank of South Africa Limited  
30 Baker Street, Rosebank,  
Johannesburg, 2196, South Africa  
(PO Box 61344, Marshalltown, 2107)

## AUDITORS

Moore Cape Town Inc.  
Block 2, Northgate Park, Corner Section Street  
and Koeberg Road, Paarden Eiland  
Cape Town, 7405, South Africa  
(PO Box 1955, Cape Town, 8000)

## TRANSFER SECRETARIES

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





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[www.libstar.co.za](http://www.libstar.co.za)