



Phumelela Gaming

Phumelela Gaming and Leisure Limited



NOTICE OF ANNUAL GENERAL MEETING
2017





DEFINITIONS

"Companies Act"

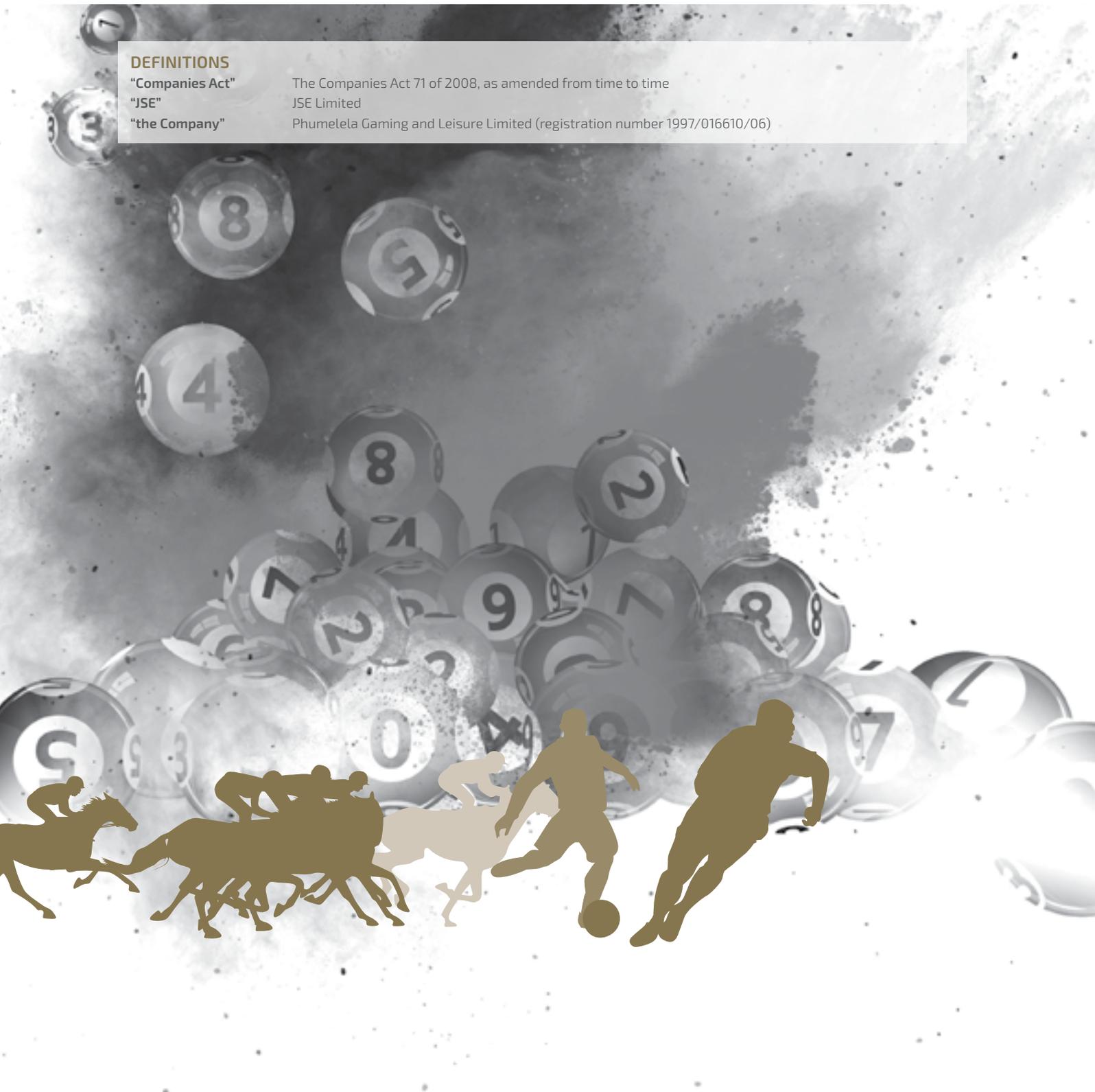
The Companies Act 71 of 2008, as amended from time to time

"JSE"

JSE Limited

"the Company"

Phumelela Gaming and Leisure Limited (registration number 1997/016610/06)



NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

Notice is hereby given to the shareholders of the Company, that the 18th annual general meeting ("AGM") of the shareholders of the Company will be held in the Centenary Room, Turffontein Racecourse, 14 Turf Club Street, Turffontein, Johannesburg on Tuesday, 12 December 2017 at 09:00 for the purpose of considering the ordinary and special resolutions set out below.

The record date for purposes of determining which shareholders are entitled to receive this notice is Friday, 3 November 2017.

The record date on which shareholders must be recorded as such in the register maintained by the transfer secretaries of the Company for the purposes of determining which shareholders are entitled to participate in and vote at the AGM is Friday, 1 December 2017. Accordingly, the last date to trade in order to be registered in the Company's register of shareholders is Tuesday, 28 November 2017.

ORDINARY RESOLUTIONS

Shareholders will be asked to consider and if deemed fit, to pass, with or without modification, the following ordinary resolutions:

Acceptance of annual financial statements

Ordinary resolution number 1 is proposed to receive and accept the Group annual financial statements and annual financial statements of the Company for the financial year ended 31 July 2017 together with the reports by the Company's auditors, directors, and Audit Committee. The complete annual financial statements of the Company for the financial year ended 31 July 2017 are contained in the Integrated Report 2017. Additional copies of the Integrated Report can be obtained from the Company's registered office.

1. Ordinary resolution number 1

"Resolved that the audited annual financial statements of the Company for the financial year ended 31 July 2017, together with the reports of the Company's auditors, directors and Audit Committee, be and are hereby received and accepted."

In order for this ordinary resolution number 1 to be adopted, the resolution is required to be supported by more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present or represented by proxy at the meeting.

Appointment of director

In terms of the Company's Memorandum of Incorporation, the nomination by the Board of Directors of the Company ("the Board") of any person as director of the Company requires approval by shareholders at an AGM of the Company. Mr Photios Anastassopoulos was nominated as director of the Company on 8 March 2017. The Board recommends to the shareholders of the Company that his appointment be approved.

A brief curriculum vitae in respect of Mr Anastassopoulos is contained in Annexure A to this notice.

2. Ordinary resolution number 2

"Resolved that the appointment of Mr P Anastassopoulos as director of the Company with effect from 8 March 2017 be and is hereby approved."

In order for this ordinary resolution number 2 to be adopted, the resolution is required to be supported by more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present or represented by proxy at the meeting.

Re-election of directors

In terms of article 8.1.5 of the Company's Memorandum of Incorporation, at every AGM at least one-third of the directors of the Company must retire and the directors to so retire shall be those who have been longest in office since their last election. Further, if at the date of any AGM any director shall have held office for a period of three years since his last election or appointment, he shall retire at such meeting either as one of the directors to retire by rotation, or additionally thereto.

In addition, in terms of article 8.1.5.2 of the Company's Memorandum of Incorporation, a non-executive director who intends to retire voluntarily at the AGM may be taken into account in determining the one-third of the non-executive directors to retire at such meeting.

Messrs MJ Jooste, MP Malungani, JB Walters and Dr E Nkosi are required to retire by rotation. Having so retired and being eligible, Messrs Jooste, Walters and Dr Nkosi offer themselves for re-election. Mr Malungani has not offered himself for re-election, he will however retire at the conclusion of the Board meeting scheduled on 12 December 2017 after the AGM. Brief curricula vitae in respect of Messrs Jooste, Walters and Dr Nkosi are contained on pages 38 to 41 of the Integrated Report 2017 and in Annexure A to this notice. The Board recommends the re-election of each of these retiring directors.

Accordingly, ordinary resolutions numbers 3 to 5 are proposed to re-elect Messrs MJ Jooste, JB Walters and Dr E Nkosi in accordance with article 8.1.2 of the Company's Memorandum of Incorporation and who, being eligible for re-election, offer themselves for re-election.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

3. Ordinary resolution number 3

"Resolved that Mr MJ Jooste, who retires as a director of the Company in terms of article 8.1.5 of the Company's Memorandum of Incorporation, and who is eligible and available for re-election, be and is hereby re-elected as a director of the Company."

In order for this ordinary resolution number 3 to be adopted, the resolution is required to be supported by more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present or represented by proxy at the meeting.

4. Ordinary resolution number 4

"Resolved that Mr JB Walters, who retires as a director of the Company in terms of article 8.1.5 of the Company's Memorandum of Incorporation, and who is eligible and available for re-election, be and is hereby re-elected as a director of the Company."

In order for this ordinary resolution number 4 to be adopted, the resolution is required to be supported by more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present or represented by proxy at the meeting.

5. Ordinary resolution number 5

"Resolved that Dr E Nkosi who retires as a director of the Company in terms of article 8.1.5 of the Company's Memorandum of Incorporation, and who is eligible and available for re-election, be and is hereby re-elected as a director of the Company."

In order for this ordinary resolution number 5 to be adopted, the resolution is required to be supported by more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present or represented by proxy at the meeting.

Election of Audit Committee

Ordinary resolution number 6 is proposed to elect an Audit Committee in terms of section 94(2) of the Companies Act and the King Report on Corporate Governance for South Africa ("King IV").

Section 94 of the Companies Act requires that, at each annual general meeting, shareholders of the Company must elect an audit committee comprising at least three members.

The Board recommends the election of Messrs R Cooper, JB Walters and Mrs NJ Mboweni to the Audit Committee. Brief curricula vitae in respect of each proposed member standing for election are set out on pages 38 to 41 of the Integrated Report 2017.

The Board is satisfied that the proposed members meet the requirements of section 94(4) of the Companies Act, that they are independent according to King IV and they possess the required qualifications and experience as prescribed in Regulation 42 of the Companies Act Regulations 2011, which requires that at least one-third of the members of a company's audit committee at any particular time must have academic qualifications or experience in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.

6. Ordinary resolution number 6

"Resolved that an Audit Committee comprising the independent and non-executive directors set out below be and is hereby elected in terms of section 94(2) of the Companies Act to hold office until the next AGM and to perform the duties and responsibilities stipulated in section 94(7) of the Companies Act including those stipulated in King IV and to perform such other duties and responsibilities as may, from time to time be delegated to it by the Board.

- 6.1 Mr R Cooper
- 6.2 Mrs NJ Mboweni
- 6.3 Mr JB Walters

In order for this ordinary resolution number 6 to be adopted, the resolution is required to be supported by more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present or represented by proxy at the meeting.

Appointment of external auditors

Ordinary resolution number 7 is proposed to approve the appointment of KPMG Inc. as the external auditors of the Company for the financial year ending 31 July 2018 and to remain in office until the conclusion of the next AGM, and to authorise the directors to determine their remuneration.

Subject to the passing of the resolution, Mr G Parker will be the individual registered auditor who will undertake the audit during the financial year ending 31 July 2018.

Section 90(1) of the Companies Act requires the Company to appoint an auditor each year at its AGM. The Audit Committee conducted an assessment of the performance and the independence of the external auditors and considered whether or not the external auditors comply with the requirements of section 90(2) of the Companies Act and section 22 of the Listings Requirements of the JSE. The Board is satisfied that the proposed external auditors comply with the relevant provisions and are duly accredited by the JSE.

7. Ordinary resolution number 7

"Resolved that KPMG Inc. be re-appointed as external auditors until the conclusion of the AGM, Mr G Parker be appointed as the designated auditor to hold office for the ensuing year and that the auditors' remuneration for the financial year ending 31 July 2018 shall be determined by the directors."

In order for this ordinary resolution number 7 to be adopted, the resolution is required to be supported by more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present or represented by proxy at the meeting.

8. Ordinary resolution number 8

"Resolved that, subject to the Listings Requirements of the JSE Limited, the Companies Act and the Company's Memorandum of Incorporation, as a general authority valid until the conclusion of the next annual general meeting of the Company, that the Company's authorised but unissued shares be and are hereby placed under the control of the directors to issue, grant options over or otherwise deal with or dispose of, on such terms and conditions and to such persons, whether they be shareholders or not, as the directors in their discretion deem fit."

In order for this ordinary resolution number 8 to be adopted, the resolution is required to be supported by more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present or represented by proxy at the meeting.

9. Ordinary resolution number 9

"Resolved that the directors of the Company be and are hereby authorised by way of a general authority to issue up to 11 500 000 ordinary shares of 2,5 cents each in the authorised share capital of the Company for cash, as and when they in their discretion deem fit, subject to the following limitations:

- That this authority is valid until the Company's next annual general meeting provided that it shall not extend beyond 15 (fifteen) months from the date that this authority is given;
- That an announcement giving full details including the impact on the net asset value, headline earnings per share and earnings per share will be published at the time of any issue representing, on a cumulative basis within 1 (one) financial year, 5% (five percent) or more of the number of shares in issue prior to the issue;
- That issues in the aggregate in any 1 (one) financial year may not exceed 15% (fifteen percent) of the number of shares in the Company's issued share capital;
- That in determining the price at which an issue of shares may be made in terms of this authority, the maximum discount permitted will be 10% (ten per cent) of the weighted average traded price of those shares as determined over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed by the directors of the Company; and
- That any such issue will only be made to public shareholders as defined by the Listings Requirements of the JSE and further; will not be made to any related parties, as defined by the Listings Requirements of the JSE."

Pursuant to the requirements of the Listings Requirements of the JSE, ordinary resolution number 9 is required to be supported by at least 75% (seventy five percent) of the voting rights exercised on the resolution by all shareholders present or represented by proxy at the general meeting.

Non-binding advisory vote on remuneration policy

The purpose of ordinary resolution number 10 is to endorse, by way of non-binding advisory vote, the remuneration policy elements in the remuneration policy and implementation report on pages 50 to 52 of the Integrated Report 2017.

King IV recommends that every year the Company's remuneration policy be tabled to shareholders for a non-binding advisory vote at the AGM.

10. Ordinary resolution number 10

"Resolved that in terms of the recommendations of King IV, the remuneration policy of the Company, as set out on pages 50 to 52 of the Integrated Report 2017 and the JSE Listings Requirements, be and is hereby adopted by way of a non-binding advisory vote."

In order for this ordinary resolution number 10 to be adopted, the resolution is required to be supported by more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present or represented by proxy at the meeting.

Non-binding advisory vote on the implementation report

In terms of King IV and the JSE Listings Requirements, an advisory vote should be obtained from shareholders on the implementation report of the Company's remuneration policy.

11. Ordinary resolution number 11

"Resolved that in terms of the recommendations of King IV and the JSE Listings Requirements the implementation report of the Company, as set out on pages 53 to 56 of the Integrated Report 2017, be and is hereby adopted by way of a non-binding advisory vote."

In order for this ordinary resolution number 11 to be adopted, the resolution is required to be supported by more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present or represented by proxy at the meeting.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

Executive Scheme

The purpose of ordinary resolution number 12 is that the directors of the Company consider it to be in the best interest of the Company that the Executive Scheme be adopted so as to ensure that appropriate incentives are granted to employees of the Company to encourage and motivate continued growth and profitability within the Company and to promote the retention of the Company's employees.

12. Ordinary resolution number 12

"Resolved that, the Phumelela (2018) Executive Share Option Scheme, details of which are set out in Annexure C to this notice, be and is hereby approved and that the directors of the Company be and they are hereby authorised to take such steps as may be necessary for the establishment and carrying into effect of the scheme, including the grant of options on the terms and conditions set out in the scheme, to participants of the scheme, including directors of the Company."

The scheme document is available for inspection by equity securities holders during normal business hours at the issuer's registered office. The full scheme will be open for inspection for a minimum 14 days from the date of posting of this notice of AGM.

In terms of the JSE Listings Requirements, the passing of ordinary resolution number 12 requires a 75% (seventy-five percent) majority of the votes cast in favour of the resolution by the Company's shareholders, excluding votes attaching to shares which are owned or controlled by persons who are existing participants in the scheme, which shares have been previously acquired in terms of the scheme.

CEO Scheme

The purpose of ordinary resolution number 13 is that the directors of the Company consider it to be in the best interest of the Company that the CEO Scheme be adopted so as to ensure that appropriate incentives are granted to the Chief Executive of the Company to encourage and motivate continued growth and profitability within the Company and to promote the retention of the Chief Executive.

13. Ordinary resolution number 13

"Resolved that, the Phumelela (2018) Chief Executive Share Option Scheme, details of which are set out in Annexure C to this notice, be and is hereby approved and that the directors of the Company be and they are hereby authorised to take such steps as may be necessary for the establishment and carrying into effect of the scheme, including the grant of an option on the terms and conditions set out in the scheme to the participant of the scheme."

The scheme document is available for inspection by equity securities holders during normal business hours at the issuer's registered office. The full scheme will be open for inspection for a minimum 14 days from the date of posting of this notice of AGM.

In terms of the JSE Listings Requirements, the passing of ordinary resolution number 13 requires a 75% (seventy-five percent) majority of the votes cast in favour of the resolution by the Company's shareholders, excluding votes attaching to shares which are owned or controlled by persons who are existing participants in the scheme, which shares have been previously acquired in terms of the scheme.

14. Ordinary resolution number 14

"Resolved that, subject to the passing of ordinary resolutions numbers 12 and 13, any of the directors of the Company be and are hereby authorised and empowered, for and on behalf of the Company, to take all necessary steps and do all acts, matters and things and sign or depose to all such documents as may be necessary or desirable to give effect to ordinary resolutions numbers 12 and 13 passed at this meeting, and generally to do all things as may be necessary or expedient in order to give effect to this/ these resolution(s), and things done or to be done by the aforesaid director(s) on behalf of the Company be and are hereby ratified and approved."

In terms of the JSE Listings Requirements, the passing of ordinary resolution number 14 requires a 50% (fifty percent) majority of the votes cast in favour of the resolution by the Company's shareholders, excluding votes attaching to shares which are owned or controlled by persons who are existing participants in the scheme which shares have been previously acquired in terms of the scheme.

SPECIAL RESOLUTIONS

Shareholders will be asked to consider and if deemed fit, to pass, with or without modification, the following special resolutions:

Non-executive directors' fees

Section 66(8) (read with section 66(9) of the Companies Act) provides that, to the extent permitted in the Company's Memorandum of Incorporation, the Company may pay remuneration to its directors for their services as directors provided that such remuneration may only be paid in accordance with a special resolution approved by shareholders within the previous two years. Article 8.10.2.3 of the Company's Memorandum of Incorporation provides that any director who serves on any committee may be remunerated for their services as such.

The reason for and effect of special resolution number 1 is to grant the Company the authority to pay fees to its non-executive directors for their services as directors, in line with the recommendations of King IV and the Companies Act. Given the challenging economic climate, no increase in directors' fees is recommended.

1. Special resolution number 1

"Resolved as a special resolution that the non-executive directors' remuneration for the ensuing 12-month period is as follows:

Per meeting attended	2018 R	2017 R
Board Chairman	98 270	98 270
Board member	39 310	39 310
Audit Committee Chairman	67 420	67 420
Audit Committee member	33 710	33 710
Remuneration Committee Chairman	56 180	56 180
Remuneration Committee member	22 480	22 480
Social and Ethics Committee Chairman	32 760	32 760
Social and Ethics Committee member	20 850	20 850

In order for this special resolution number 1 to be adopted, the resolution is required to be supported by at least 75% (seventy-five percent) of the voting rights exercised on the resolution by shareholders present or represented by proxy at the meeting.

General approval of the provision of financial assistance in terms of section 45 of the Companies Act

Section 45 of the Companies Act provides, among other things, that except to the extent that the Memorandum of Incorporation of the Company provides otherwise, the Board may authorise the Company to provide direct or indirect financial assistance (which includes lending money, guaranteeing a loan or other obligation and securing any debt or obligation) to a related or inter-related company or corporation, to any director or prescribed officer provided that such authorisation shall be made pursuant to a special resolution of the shareholders adopted within the previous two years, which approved such assistance either for the specific recipient or generally for a category of potential recipients and the specific recipients fall within that category and provided that the Board is satisfied that (i) immediately after providing financial assistance, the Company would satisfy the solvency and liquidity test; and (ii) the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

The reason for and effect of special resolution number 2 is to grant the directors of the Company the authority to cause the Company to provide financial assistance, in the normal course of business, to any company or corporation which is related or inter-related to the Company or to any director or prescribed officer of a company or corporation which is related or inter-related to the Company.

2. Special resolution number 2

"Resolved that to the extent required by section 45 of the Companies Act, the directors may, subject to compliance with the requirements of the Company's Memorandum of Incorporation, the Companies Act and the Listings Requirements of the JSE, authorise the Company to provide any financial assistance to any company or corporation which is related or inter-related to the Company, or any director or prescribed officer of the company or corporation which is related or inter-related to the Company."

In order for this special resolution number 2 to be adopted, the resolution is required to be supported by at least 75% (seventy-five percent) of the voting rights exercised on the resolution by shareholders present or represented by proxy at the meeting.

Authority to acquire Company's own shares

The effect of special resolution number 3 and the reason therefor, is to grant the Company (or a subsidiary of the Company) a general approval in terms of the Companies Act for the acquisition by the Company (or a subsidiary of the Company) of up to 10% of the Company's ordinary issued share capital, which general approval shall be valid until the earlier of such next annual general meeting of the Company or its variation or revocation of such general authority by special resolution at any subsequent general meeting of the Company; provided that the general authority shall not extend beyond fifteen months from the date of this annual general meeting.

The Board intends acquiring shares in respect of its fulfilment and obligations in respect of the tranche of shares that may be exercisable as per the Executive Option Schemes, during the financial year ending 31 July 2018.

Disclosures in regard to the requirements of the JSE applying to special resolution 3 in terms of Rule 11.26 of the Listings Requirements and as contained in the Integrated Report 2017 are set out in Annexure B to this notice.

3. Special resolution number 3

"Resolved that, the Company (or a subsidiary of the Company) be and is hereby authorised to acquire up to 10% of the Company's ordinary issued share capital, subject to the requirements of the Companies Act, the Company's Memorandum of Incorporation and the Listings Requirements of the JSE, being that:

- any such acquisition of ordinary shares shall be implemented on the open order book of the JSE and without any prior arrangement;

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

- authorisation must be given in terms of the Company's Memorandum of Incorporation;
- the Company undertakes to advise the sponsor before entering the market to commence any share repurchases;
- this general authority shall be valid until the Company's next AGM, provided that it shall not extend beyond fifteen months from the date of passing of this special resolution number 3;
- an announcement will be published as soon as the Company has acquired ordinary shares constituting, on a cumulative basis, 3% of the number of ordinary shares in issue prior to the acquisition pursuant to which the aforesaid 3% threshold is reached, containing full details of such acquisitions;
- acquisitions of shares in aggregate in any one financial year may not exceed 10% of the Company's ordinary issued share capital as at the date of passing this special resolution number 3;
- in determining the price at which ordinary shares issued by the Company are acquired by it in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% of the weighted average of the market value at which such ordinary shares are traded on the JSE as determined over the five business days immediately preceding the date of repurchase of such ordinary shares by the Company;
- repurchases may not take place during a prohibited period unless the Company has a repurchase programme in place where the dates and quantities of securities to be traded during the relevant period are fixed and full details of the programme have been disclosed in writing to the JSE prior to the commencement of the prohibited period;
- repurchases may only be effected by one agent at any given time;
- it is the opinion of the Company's Board of Directors that following the repurchase of shares:
 - the Company and the Group will be able, in the ordinary course of business, to pay its debts for a period of 12 months from the date of this notice;
 - the assets of the Company and the Group will be in excess of the liabilities, measured in accordance with the accounting policies used in the audited annual financial statements for 12 months from the date of this notice;
 - the ordinary share capital and reserves of the Company and the Group will be adequate for a period of 12 months from the date of this notice;
 - the working capital of the Company and the Group will be adequate for a period of 12 months from the date of this notice. In terms of the Companies Act the solvency and liquidity test will be applied before any repurchase; and
- prior to the implementation of a repurchase, the Company and the Group will have passed the solvency and liquidity test and that since the last test was performed there would have been no material changes to the financial position of the Group."

In order for this special resolution number 3 to be adopted, the resolution is required to be supported by at least 75% (seventy-five percent) of the voting rights exercised on the resolution by shareholders present or represented by proxy at the meeting.

TO TRANSACT SUCH OTHER BUSINESS AS MAY BE TRANSACTED AT AN ANNUAL GENERAL MEETING

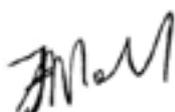
Identification

Section 63(1) of the Companies Act requires that the meeting participants provide identification. Such identification must be to the reasonable satisfaction of the Chairman of the AGM.

Electronic participation by shareholders

Should any shareholder (or a proxy for a shareholder) wish to participate in the AGM by way of electronic participation, it is recommended that such shareholder make an application in writing (including details as to how the shareholder or its representative (including its proxy) can be contacted) to so participate to the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 (PO Box 61051, Marshalltown 2107) to be received by the transfer secretaries at least five business days (being 4 December 2017) prior to the AGM in order for the transfer secretaries to arrange for the shareholder (or its representative or proxy) to provide reasonably satisfactory identification to the transfer secretaries for the purposes of section 63(1) of the Companies Act and for the transfer secretaries to provide the shareholder (or its representative or proxy) with details as to how to access any electronic participation to be provided. The Company reserves the right not to provide for electronic participation at the AGM in the event that it determines that it is not practical to do so. The costs of accessing any means of electronic participation provided by the Company will be borne by the Company.

By order of the Board



F MOLOI
COMPANY SECRETARY
9 November 2017

ANNEXURE A

BRIEF CURRICULA VITAE OF DIRECTORS FOR ELECTION AND RE-ELECTION

Markus Jooste (56)

BAcc, CA (SA)

Markus is group chief executive officer for Steinhoff International Holdings N.V. a Dutch company with its primary listing on the Frankfurt Stock Exchange. He completed a Bachelor of Accountancy at University of Stellenbosch in 1982 and a certificate in the Theory of Accounting at the University of Cape Town in 1983 before qualifying as a Chartered Accountant in 1986. In 1988, Markus joined the group today known as the Steinhoff Africa group, as financial director. With the listing on the JSE in 1998 he was appointed as an executive director. In 2000, Markus was appointed chief executive officer of Steinhoff International Holdings limited.

Markus serves on the boards of various unlisted Steinhoff group companies and the following listed companies: PSG Group Limited (member of the Remuneration Committee), Steinhoff Africa Retail Holdings Limited (member of the Remuneration Committee) and KAP Industrial Holdings Limited (recently resigned as director). Markus was appointed as a non-executive director to the Phumelela Gaming and Leisure Limited Board in 2005 and serves on the Remuneration Committee.

John Barry Walters (73)

Barry is a past Chairman of the Racing Association and has been actively involved in the horseracing industry for many years, having acted as Chairman of Gosforth Park Turf Club and the Highveld Racing Authority. Barry was extensively involved in negotiations with Government to bring about corporatisation of the horseracing industry and is an owner and breeder.

Dr Elijah Nkosi (56)

MBChB, MAP and MBA

Elijah is a general medical practitioner based in Soweto. He holds a Master of Business Administration (MBA) from Wits Business School, and qualified as a doctor at Medunsa in 1986. He is a shareholder of Dihla, which is an empowerment shareholder of Phumelela. Elijah is an executive director of PPI A Investments. He is also an executive director in the IPA Foundation of SA, a national network of general practitioners; and is also the Chief Executive Officer of a GP network called SP NET.

Photios Anastassopoulos (48)

With an entrepreneurial career spanning over twelve years Photios acts as the joint owner of Ana Brother Retailers and several other businesses within the retail and property sector. He has been involved in the sports gaming industry within South Africa and greater Africa for many years, which have afforded him extensive knowledge and technical experience in the gaming industry. Photios currently acts as Chief Executive Officer of Supabets SA Holdings and serves as a director on the Betting World Board of Directors. He was appointed to the Board of Phumelela on 8 March 2017 and his appointment is subject to approval by shareholders at the AGM.

ANNEXURE B

DISCLOSURES REGARDING THE REQUIREMENTS OF THE JSE APPLYING TO SPECIAL RESOLUTION NUMBER 3 IN TERMS OF RULE 11.26 OF THE LISTINGS REQUIREMENTS AND AS CONTAINED IN THE INTEGRATED REPORT

The Listings Requirements of the JSE prescribe certain disclosures, which are disclosed in the audited financial statements and the Integrated Report as provided below:

Material change

There has been no material change in the financial or trading position of the Company and its subsidiaries since the date of publication of the Company's annual results on 6 October 2017.

Share capital of the Company

Details of the share capital of the Company are set out on page 112 to 113 of the Integrated Report.

Major shareholders

Details of major shareholders of the Company are set out on pages 138 of the Integrated Report.

Directors' responsibility statement

The directors, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading and that all reasonable inquiries to ascertain such facts have been made.

Certificated shareholders and dematerialised shareholders with own-name registration

A shareholder of the Company entitled to attend and vote at the AGM of shareholders is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, vote and speak in his/her stead. In order to be valid, it is recommended that forms of proxy be lodged at the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 (PO Box 61051, Marshalltown 2107), by 10:00 on Friday, 8 December 2017.

On a show of hands, every shareholder of the Company present in person or represented by proxy shall have one vote only. On a poll, every shareholder of the Company present in person or represented by proxy shall have one vote for every share in the Company held by such shareholder.

Dematerialised shareholders other than own-name registration

The shareholders of the Company who have dematerialised their shares in the Company through a Central Securities Depository Participant ("CSDP") or broker other than own-name registration and who wish to attend the annual general meeting must instruct their CSDP or broker to issue them with the necessary authority to attend.

Should shareholders of the Company who have dematerialised their shares wish to vote by way of proxy, they must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between them and their CSDP or broker, except for shareholders who have elected own-name registration in the sub-register through a CSDP or broker, which shareholders must complete the attached form of proxy and return it in accordance with the instructions contained therein to the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 (PO Box 61051, Marshalltown 2107), so as to be received by them no later than 10:00 on Friday, 8 December 2017, or in terms of the custody agreement entered into between the dematerialised own-name shareholders and their CSDP.

A proxy need not be a shareholder of the Company. A shareholder entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend, participate in and vote at the annual general meeting in the place of a shareholder.

In respect of dematerialised shares, it is important to ensure that the person or entity (such as a nominee) whose name has been entered into the relevant sub-register maintained by a CSDP completes the form of proxy in terms of which he/she appoints a proxy to vote at the general meeting of shareholders in accordance with the instructions received from dematerialised beneficial holders.

ANNEXURE C

SALIENT FEATURES OF THE PHUMELELA (2018) EXECUTIVE SHARE OPTION SCHEME AND THE PHUMELELA (2018) GROUP CHIEF EXECUTIVE OFFICER SHARE OPTION SCHEME

Introduction

The Company wishes to advise its shareholders of the proposed Schemes and to approve the ordinary resolutions necessary to give effect to the Schemes.

SALIENT FEATURES OF THE SCHEME

Executive Scheme

The Amended Scheme was originally approved by the JSE and shareholders in 2008 and 2014 respectively.

The directors of the Company consider it to be in the best interest of the Company that the Executive Scheme be adopted so as to ensure that appropriate incentives are granted to employees of the Company to encourage and motivate continued growth and profitability within the Company and to promote the retention of the Company's employees.

The number of shares which will be issued or transferred to a participant on exercise of an option or a portion thereof shall depend on certain growth rates being met and will be settled in shares or the cash equivalent in accordance with a prescribed formula set out in the Executive Scheme. The options are to be exercised in various tranches.

The Executive Scheme incorporates the provisions set out below in order for the Executive Scheme to comply with schedule 14 of the JSE Listings Requirements. The Executive Scheme:

- identifies the category of persons who are entitled to participate in the scheme as senior employees and directors of any company within the Group;
- sets out the maximum number of shares which may be utilised for purposes of the Executive Scheme as 10 250 000 (ten million, two hundred and fifty thousand) shares;
- records the fixed maximum number of shares to which any one participant may be entitled under the Executive Scheme as 1 025 000 (one million and twenty five thousand) shares;
- provides for the establishing of criteria for the award of options, which once established cannot be amended after the option is granted;
- provides if an option becomes exercisable, a participant may be required to pay the par value of shares that he/she will acquire upon exercise of the option, so that the shares which are acquired by any participant will be fully paid, and all shares will rank pari passu in all respects, including but not limited to in respect of rights to voting, dividends, transfer, as well as rights arising on a liquidation, with existing issued shares;
- does not allow for options to be re-priced;
- records that awards are made by the Board to identified senior employees and directors of any company within the Group in order to reward such persons for their contribution to the Group and to incentivise their continued contribution;
- provides that on a takeover, merger or corporate action, provided that an option becomes exercised unless determined otherwise by the directors, an option may be exercised so that the participant would then acquire shares or further shares in the Company;
- provides that should the participant leave the employ of the Group:
 - if arising out of a resignation or dismissal then the option lapses immediately;
 - if arising out of retirement or incapacity then the option lapses within 3 (three) months;
 - if arising out of death, then the option lapses within one year, to be exercised by the executor;
- records that the above provisions may not be amended without the approval of the Company in general meeting by way of an ordinary resolution passed by a 75% (seventy-five percent) majority of all votes cast by holders of shares, present in person or by proxy;
- provides that the directors of the Company may, at their absolute discretion, pay the Participants the cash equivalent of the shares, being the market value as at the settlement determination date, in lieu of allotting and issuing or transferring the shares to the Participants;
- provides for adjustments to the maximum numbers of shares and the maximum number of shares to which any one Participant may be entitled under the Executive Scheme in the event of a consolidation or sub-division of the Company's shares and for adjustments in the case of capitalisation shares being issued or rights issues or a reduction of the ordinary share capital being implemented by the Company, excluding where equity securities are issued as consideration for an acquisition, for cash or under a vendor consideration placing. Any adjustment should give a Participant entitlement to the same proportion of the equity capital as that to which he/she was previously entitled. Before such adjustments are implemented the auditors must confirm that such adjustments are in accordance with the Executive Scheme. If a special dividend is declared during a vesting period then the directors may adjust the strike price;

ANNEXURE C CONTINUED

- requires the Company's auditor, or other independent advisers acceptable to the JSE, to confirm to the JSE, in writing,
 - that any such adjustments are in accordance with the provisions of the Executive Scheme;
 - adjustments must be reported in the annual financial statements of the Company;
 - does not allow for options to be back-dated; and
 - authorises the Company to acquire shares on the market to fulfil the obligations of the Company under the Executive Scheme.

The Executive Scheme permits the Company to acquire the shares, whether directly or indirectly, by purchasing the shares or entering into call options, forward purchases or any similar type of arrangement, and, if need be, using one of its wholly owned subsidiaries.

CEO Scheme

The object and purpose of the CEO Scheme is to grant the option to acquire shares in the Company to the Participant to enable him to acquire a further amount of fully paid shares in the Company in the manner and on the terms and conditions set out in the CEO Scheme.

The directors of the Company consider it to be in the best interest of the Company that the CEO Scheme be adopted so as to ensure that appropriate incentives are granted to the Participant to encourage and motivate continued growth and profitability within the Company and to promote the retention of the Participant. The CEO Scheme:

- identifies Willem Adriaan du Plessis as the Participant;
- sets out the maximum number of shares which may be utilised for purposes of the CEO Scheme as 1 500 000 (one million, five hundred thousand) shares;
- records that the Participant may not dispose of the 1 500 000 (one million, five hundred thousand) shares which he has already acquired as a prerequisite for him being eligible for the option in terms of the CEO Scheme;
- provides for the establishing of criteria for the award of options, which, once established, cannot be amended after the option is granted;
- provides if an option becomes exercisable, a Participant may be required to pay the par value of shares that he will acquire upon exercise of the option, so that the shares which are acquired by any Participant will be fully paid, and all shares will rank *pari passu* in all respects, including but not limited to in respect of rights to voting, dividends, transfer, as well as rights arising on a liquidation, with existing issued shares;
- does not allow for options to be re-priced;
- provides that on a takeover, merger or corporate action, provided that an option becomes exercised unless determined otherwise by the directors, an option may be exercised so that the Participant would then acquire shares or further shares in the Company;
- provides that should the Participant leave the employ of the Group:
 - if arising out of a resignation or dismissal then the option lapses immediately;
 - if arising out of retirement or incapacity then the option lapses within 3 (three) months;
 - if arising out of death, then the option lapses within one year, to be exercised by the executor;
- records that the above provisions may not be amended without the approval of the Company in general meeting by way of an ordinary resolution passed by a 75% (seventy five percent) majority of all votes cast by holders of shares, present in person or by proxy;
- provides for adjustments to the maximum numbers of shares and the maximum number of shares to the Participant may be entitled under the CEO Scheme in the event of a consolidation or sub-division of the Company's shares and for adjustments in the case of capitalisation shares being issued or rights issues or a reduction of the ordinary share capital being implemented by the Company, excluding where equity securities are issued as consideration for an acquisition, for cash or under a vendor consideration placing. Any adjustment should give the Participant entitlement to the same proportion of the equity capital as that to which he was previously entitled. Before such adjustments are implemented the auditors must confirm that such adjustments are in accordance with the CEO Scheme;
- requires the Company's auditor, or other independent advisers acceptable to the JSE, to confirm to the JSE, in writing, that any such adjustments are in accordance with the provisions of the CEO Scheme;
- adjustments must be reported in the annual financial statements of the Company;
- does not allow for options to be back-dated; and
- authorises the Company to acquire shares on the market to fulfil the obligations of the Company under the CEO Scheme.

The CEO Scheme permits the Company to acquire the shares, whether directly or indirectly, by purchasing the shares or entering into call options, forward purchases or any similar type of arrangement, and, if need be, using one of its wholly owned subsidiaries. Furthermore, the CEO Scheme records that the Participant has already acquired 1 500 000 (one million, five hundred thousand) shares which are the "Matched Shares" which he continues to hold.

FORM OF PROXY

PHUMELELA GAMING AND LEISURE LIMITED

Registration number 1997/016610/06
Share code: PHM ISIN: ZAE 000039269
("Phumelela" or "the Company")

For use by the holders of certificated shares or own-name dematerialised shareholders at the annual general meeting of shareholders to be held in the Centenary Room, Turffontein Racecourse, 14 Turf Club Street, Turffontein, Johannesburg on Tuesday, 12 December 2017 at 09:00.

I/We (names in full)

of (address)

being the holder(s) of _____ certificated shares or "own-name" dematerialised shares of Phumelela hereby appoint (see note 1)

1. _____ and[#]/or failing him*,

2. _____ and[#]/or failing him*,

3. the Chairman of the meeting, as my/our* proxy to act for me/us* at the annual general meeting of the Company which will be held on Tuesday, 12 December 2017 at 09:00 and at every adjournment or postponement thereof for the purpose of considering and, if deemed fit, passing with or without modification the resolutions to be proposed thereat and to vote for and/or against such resolutions and/or* abstain from voting in respect of the shares in the issued share capital of the Company registered in my/our* name (see note 2) as follows:

		Number of votes		
		In favour of	Against	Abstain
Ordinary resolutions				
1.	To receive and adopt the annual financial statements for the year ended 31 July 2017			
2.	Appointment of Mr P Anastassopoulos as director of the Company			
	Re-election of the following directors:			
3.	Mr MJ Jooste			
4.	Mr JB Walters			
5.	Dr E Nkosi			
6.	To elect the following Audit Committee members:			
6.1	Mr R Cooper			
6.2	Mrs NJ Mboweni			
6.3	Mr JB Walters			
7.	Re-appointment of KPMG Inc. as independent auditors for the ensuing year			
8.	Placement of shares under the control of the directors			
9.	General authority to issue shares for cash			
10.	Non-binding advisory vote on remuneration policy			
11.	Non-binding advisory vote on implementation report			
12.	Approval of the Executive Share Option Scheme			
13.	Approval of the Chief Executive Share Option Scheme			
14.	Approval of the directors to act in terms of ordinary resolutions numbers 12 and 13			
Special resolutions				
1.	To approve the non-executive directors' remuneration for the ensuing year			
2.	To enable the provision of financial assistance to related or inter-related companies or corporations or directors and prescribed officers			
3.	A general approval for the Company to acquire Phumelela Gaming and Leisure Limited shares			

and generally to act as my/our* proxy at the said general meeting. (If no directions are given, the proxy holder will be entitled to vote or abstain from voting as that proxy holder deems fit.)

Signed at _____ this _____ day of _____ 2017

Signature _____

Assisted by me (where applicable) _____

(State capacity and full name) _____

Each shareholder is entitled to appoint one or more proxies (none of whom need be a shareholder/s of the Company) to attend, speak and vote in place of that shareholder at the general meeting.

*Delete as applicable. #Two or more persons may be appointed as proxies concurrently.

Please read the notes on the reverse hereof.

NOTES TO THE FORM OF PROXY

1. A shareholder entitled to attend and vote at a shareholders' meeting shall be entitled to appoint a proxy to participate in, speak and vote at the meeting in his stead. A proxy need not be a shareholder of the Company. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided.
The person whose name stands first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.
2. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by the proxy.
3. It is recommended that forms of proxy be lodged with or posted to the Company's transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 (PO Box 61051, Marshalltown 2107), to reach them no later than 10:00 on Friday, 8 December 2017.
4. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity or other legal capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the Chairman of the general meeting.
6. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
7. If any shares are jointly held, the first name appearing in the register shall, in the event of any dispute, be taken as the shareholder.
8. A proxy appointment remains valid for one year after the date of signature and is revocable by the shareholder appointing the proxy by cancellation in writing, a later inconsistent appointment of a proxy and delivery of a copy of the revocation instrument to the proxy and the Company.
9. A proxy may not delegate his/her authority to act on behalf of a shareholder to another person.

CORPORATE INFORMATION

DIRECTORS

MP Malungani (Chairman)
WA du Plessis (Group Chief Executive Officer)
AW Heide (Chief Operating Officer and Group Finance Director)
JA Stuart (International Executive Director)
VJ Moodley (Executive Director, Sports Betting)
P Anastassopoulos
R Cooper
MJ Jooste
B Kantor
SKC Khampepe
NJ Mboweni
E Nkosi
CJH van Niekerk
JB Walters

SECRETARY

F Moloji

REGISTERED OFFICE

Turffontein Racecourse
14 Turf Club Street
Turffontein
Johannesburg

AUDITORS

KPMG Inc.

PRINCIPAL BANKER

First National Bank – A division of FirstRand Bank Limited

ATTORNEYS

Roodt Inc.

MERCHANT BANK

Investec Bank Limited

SPONSOR

Investec Bank Limited

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited

COMPANY REGISTRATION NUMBER

1997/016610/06

COUNTRY OF INCORPORATION

South Africa

WEBSITE

www.phumelela.com

LISTING

Travel and Leisure – JSE Limited
(ISIN: ZAE000039269 Share Code: PHM)



www.phumelela.com

