

Notice of General Meeting



Ellies Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number 2007/007084/06)

JSE share code: ELI

ISIN: ZAE000103081

("the Company" or "Ellies")

Notice is hereby given that a general meeting of shareholders ("**General Meeting**") of Ellies will be held at 94 Eloff Street Ext, Village Deep, Johannesburg, 2001 on Friday, 9 December 2016 at the later of 10:00 or 10 minutes after the completion of the annual general meeting to consider and, if deemed fit, to pass, with or without modification, the ordinary resolutions set out below.

Important dates to note:

- (i) Record date for the receipt of the notice of the General Meeting is Friday, 4 November 2016;
- (ii) Last day to trade in order to be eligible to participate in and vote at the General Meeting is Tuesday, 29 November 2016;
- (iii) Record date to participate in and vote at the General Meeting is Friday, 2 December 2016; and
- (iv) Last day to lodge forms of proxy by 10:00 is Wednesday, 7 December 2016.

Notes:

- *In terms of the JSE Listings Requirements, in order for Ordinary Resolution Number 1 to be adopted, at least 75% (seventy-five percent) of all the voting rights exercised thereon, must have been exercised in favour thereof, excluding all votes attaching to all equity securities owned or controlled by persons who are existing participants in the scheme; and*
- *In order for Ordinary Resolution Numbers 2 and 3 to be adopted, more than 50% (fifty percent) of all the voting rights exercised thereon, must have been exercised in favour thereof.*

ORDINARY RESOLUTION NUMBER 1: APPROVAL OF AMENDMENTS TO THE ELLIES SHARE OPTION AND SHARE PURCHASE SCHEME

"Resolved that the Ellies Share Option and Share Purchase Scheme ("**the scheme**") be and hereby is amended as follows:

1. By deleting clause 1.2.29 in its entirety and replacing it with the following:

*"1.2.29 "**scheme allocation**" means 62 015 823 shares which shall include those shares offered and accepted and those shares in respect of which an option has been granted and accepted and those shares in respect of which an option has been exercised in terms of the scheme and those shares offered and accepted and those shares in respect of which an option is granted and accepted and those shares in respect of which an option has been exercised pursuant to any scheme put in place in respect of any subsidiary;"*

2. By deleting clause 13.1 in its entirety and replacing it with the following:

"13.1 The directors may from time to time offer shares to the trustees and grant options to the trustees in respect of such number of shares as do not exceed the scheme allocation. Simultaneously herewith, the remuneration committee established by the directors shall instruct and authorise the trustees in writing to offer such shares or grant options to employees named in the offer based on work performance of such employees within the group and/or the strategic retention incentivisation requirements of the group."

3. By deleting clause 16.1.1 in its entirety and replacing it with the following:

"16.1.1 The maximum number of scheme shares in respect whereof any one participant shall be entitled to accept an offer and/or exercise an option pursuant to this trust shall not exceed 8 000 000 provided that this maximum shall not apply in the event that any reduction in the company's issued ordinary share capital results in any offeree having accepted an offer or offers and/or exercised an option or options in excess of such maximum."

Notice of General Meeting continued

4. By deleting clause 17.2, sub-clauses 17.2.1 to 17.2.4 in their entirety and replacing them with the following:

"17.2 save as may be expressly provided to the contrary herein, the secretary shall forthwith against payment of the stamp duty, if any payable thereon, release such shares from the pledge provided for in clause 8.5 or other retention in terms of this clause 17.2, only as follows, as to:

17.2.1 0% (zero percent) of each tranche on or after the first anniversary as from the offer date or option date, as the case may be;

17.2.2 25% (twenty-five percent) of each tranche on or after the second anniversary as from the offer date or option date, as the case may be;

17.2.3 50% (fifty percent) of each tranche on or after the third anniversary as from the offer date or option date, as the case may be;

17.2.4 100% (one hundred percent) of each tranche on or after the fourth anniversary as from the offer date or option date, as the case may be,

to the beneficiary entitled thereto, it being recorded that the aforementioned release periods will apply on a cumulative basis and will apply even if the share debt in respect of the scheme shares has been paid in full."

5. By deleting clause 21.1.1 in its entirety and replacing it with the following:

"21.1.1 to the extent that it is not exercised by the 5th (fifth) anniversary of the option date in respect of the shares which are the subject matter of the option not so exercised; or"

The amendments to the scheme set out in:

- paragraphs 1 and 3 above will increase the total number of shares the Company is permitted to issue to all participants pursuant to the scheme as well as the total number of shares the Company is permitted to issue to any individual participant of the scheme, bringing the total number of shares the Company is permitted to issue pursuant to the scheme to all participants as well as any individual participant in line with the increased share capital of the Company;
- paragraph 2 above will enable the Company to make awards to new employees as a retention mechanism and not just to reward existing employees for past performance;
- paragraph 4 above will decrease the period for which shares issued pursuant to the scheme are pledged and will also amend the percentage of shares released from the pledge on an annual basis, in line with the Company's latest retention and incentivisation requirements; and
- paragraph 5 will reduce the period in which scheme participants will be entitled to exercise the option awarded to participants in terms of the scheme from 10 years to five years. In the event that any options are not exercised within the prescribed five-year time period, this amendment will enable the Company to grant further options under the scheme in respect of such unexercised options.

ORDINARY RESOLUTION NUMBER 2: CONFIRMATION OF APPOINTMENT OF A BOCK AS A DIRECTOR OF THE COMPANY

"Resolved that A Bock (appointed as director by directors resolution on 14 July 2016) be and is hereby confirmed as a director of the Company."

ORDINARY RESOLUTION NUMBER 3: SIGNATURE OF DOCUMENTATION

"Resolved that any director or the Company Secretary of the Company be and is hereby authorised to sign all such documentation and do all such things as may be necessary for or incidental to the implementation of ordinary resolution numbers 1 and 2, which are passed by the shareholders in accordance with and subject to the terms thereof."

QUORUM

A quorum for the purposes of considering the ordinary resolutions above shall consist of three shareholders of the Company personally present or represented by proxy (and if the shareholder is a body corporate, the representative of the body corporate) and entitled to vote at the General Meeting. In addition, a quorum shall comprise 25% of all voting rights entitled to be exercised by shareholders in respect of those resolutions.

The date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Link Market Services South Africa Proprietary Limited (13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001), for the purposes of being entitled to attend, participate in and vote at the General Meeting is Friday, 2 December 2016.

In terms of section 63(2)(3)(e) and section 63(1) of the Companies Act, kindly note that shareholders holding certificated shares and shareholders holding shares in dematerialised form in "own-name":

- may attend and vote at the General Meeting; alternatively
- may appoint an individual as a proxy (who need not also be a member of the Company) to attend, participate in and speak and vote in your place at the General Meeting by completing the attached form of proxy and returning it to the registered office of the Company or to the transfer secretaries, by no later than 10:00 on Wednesday, 7 December 2016. Alternatively, the form of proxy may be handed to the chairman of the General Meeting at the General Meeting at any time prior to the commencement of the General Meeting. Please note that your proxy may delegate his/her authority to act on your behalf to another person, subject to the restrictions set out in the attached form of proxy. Please also note that the attached form of proxy must be delivered to the Company's registered office or to the transfer secretaries or handed to the chairman of the General Meeting, before your proxy may exercise any of your rights as a member of the Company at the General Meeting. Please note that any shareholder of the Company that is a company may authorise any person to act as its representative at the General Meeting.

Please also note that section 63(1) of the Companies Act requires that persons wishing to participate in the General Meeting (including the aforementioned representative) must provide satisfactory identification before they may so participate. Forms of identification include valid identity documents, driver's licences and passports.

NOTICE TO OWNERS OF DEMATERIALISED SHARES

Please note that if you are the owner of dematerialised shares held through a CSDP or broker (or their nominee) and are not registered as an "own-name" dematerialised shareholder then you are not a registered shareholder of the Company, but your CSDP or broker (or their nominee) would be.

VOTING AND PROXIES

A shareholder of the Company entitled to attend and vote at the General Meeting 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.

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 held in the Company by such shareholder.

A form of proxy is attached for the convenience of any shareholder holding certificated shares who cannot attend the General Meeting but who wishes to be represented thereat. Forms of proxy may also be obtained on request from the Company's registered office. The completed form of proxy must be deposited at, or posted to the office of the transfer secretaries, Link Market Services South Africa Proprietary Limited (13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001) to be received by no later than 10:00 on Wednesday, 7 December 2016.

Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the General Meeting should the shareholder subsequently decide to do so.

Shareholders who have already dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker and who wish to attend the General Meeting must instruct their CSDP or broker to issue them with the necessary letter of representation to attend.

Dematerialised shareholders, who have elected "own-name" registration in the sub-register through a CSDP and who are unable to attend but who wish to vote at the General Meeting must complete and return the attached form of proxy and lodge it with the transfer secretaries, Link Market Services South Africa Proprietary Limited (13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001) to be received by no later than 10:00 on Wednesday, 7 December 2016. All beneficial owners whose shares have been dematerialised through a CSDP or broker other than with "own-name" registration, must provide the CSDP or broker with their voting instructions in terms of their custody agreement should they wish to vote at the general meeting. Alternatively, they may request the CSDP or broker to provide them with a letter of representation, in terms of their custody agreements, should they wish to attend the general meeting. Such shareholder must not complete the attached form of proxy.

Accordingly, in these circumstances, subject to the mandate between yourself and your CSDP or broker, as the case may be:

- if you wish to attend the General Meeting you must contact your CSDP or broker, and obtain the relevant letter of representation from it; alternatively
- if you are unable to attend the General Meeting but wish to be represented at the General Meeting, you must contact your CSDP or broker, and furnish it with your voting instructions in respect of the General Meeting and/or request it to appoint a proxy. You must not complete the attached form of proxy. The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, within the time period required by your CSDP or broker.

Notice of General Meeting continued

CSDPs, brokers or their nominees, as the case may be, recorded in the Company's sub-register as holders of dematerialised shares should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares, vote by either appointing a duly authorised representative to attend and vote at the General Meeting or by completing the attached form of proxy in accordance with the instructions thereon and returning it to the registered office of the Company or to the transfer secretaries, by no later than 10:00 on Wednesday, 7 December 2016. Alternatively, the form of proxy may be handed to the chairman of the General Meeting at the General Meeting at any time prior to the commencement of the General Meeting.

VOTING AT THE GENERAL MEETING

In order to more effectively record the votes and give effect to the intentions of members, voting on all resolutions will be conducted by way of a poll.

ELECTRONIC PARTICIPATION

Shareholders or their proxies may participate in the General Meeting by way of telephone conference call. Shareholders or their proxies who wish to participate in the General Meeting via the teleconference facility will be required to advise the Company thereof by no later than Friday, 2 December 2016 by submitting, by email to Tshegofatso.Ramaoka@computershare.co.za or by fax to be faxed to 011 688 5279, for the attention of Tshegofatso Ramaoka, relevant contact details including email address, cellular number and landline, as well as full details of the shareholder's title to the shares issued by the Company and proof of identity, in the form of copies of identity documents and share certificates (in the case of certificated shareholders), and (in the case of dematerialised shareholders) written confirmation from the shareholder's CSDP confirming the shareholder's title to the dematerialised shares. Upon receipt of the required information, the shareholder concerned will be provided with a secure code and instructions to access the electronic communication during the General Meeting.

Shareholders who wish to participate in the General Meeting by way of telephone conference call must note that they will not be able to vote during the General Meeting. Such shareholders, should they wish to have their votes counted at the General Meeting, must, to the extent applicable: (i) complete the attached form of proxy or (ii) contact their CSDP or broker, in both instances, as set out above.

By order of the board

CIS Company Secretaries Proprietary Limited

Company Secretary

7 November 2016

Form of proxy



Ellies Holdings Limited

(Incorporated in the Republic of South Africa)
(Registration number 2007/007084/06)
JSE share code: ELI
ISIN: ZAE000103081
("the Company" or "Ellies")

For use by the holders of the Company's certificated ordinary shares ("**certified shareholders**") and/or dematerialised ordinary shares held through a Central Securities Depository Participant ("**CSDP**") or broker who have selected "own-name" registration ("**own-name dematerialised shareholders**"), registered as such at the close of business on Friday, 4 December 2016, at the General Meeting of the Company to be held on Friday, 9 December 2016 at 94 Eloff Street Ext, Village Deep, Johannesburg at the later of 10:00 or 10 minutes after the completion of the annual general meeting, or at any adjournment thereof, if required. Additional forms of proxy are available from the transfer secretaries of the Company.

Not for use by holders of the Company's dematerialised ordinary shares who have not selected "own-name" registration. Such shareholders must contact their CSDP or broker timeously if they wish to attend and vote at the General Meeting and request that they be issued with the necessary authorisation to do so or provide the CSDP or broker timeously with their voting instructions should they not wish to attend the General Meeting in order for the CSDP or broker to vote in accordance with their instructions at the General Meeting.

I/We

(Name in block letters)

of

(Address)

being the registered holder of ordinary shares in the capital of the Company, hereby appoint:

- _____ or failing him/her,
- _____ or failing him/her,
- the chairman of the General Meeting, as my/our proxy to act for me/us on my/our behalf at the General Meeting, or any adjournment thereof, which will be held for the purpose of considering and, if deemed fit, passing with or without modification, the special and ordinary resolutions as detailed in the Notice of General Meeting, and to vote for and/or against such resolutions and/or abstain from voting in respect of the ordinary shares registered in my/our name(s), in accordance with the following instructions:

	Number of votes		
	For*	Against*	Abstain*
Ordinary resolution number 1: Approval of amendments to the Ellies Share Option and Share Purchase Scheme			
Ordinary resolution number 2: Confirmation of appointment of A Bock as a director			
Ordinary resolution number 3: To authorise the signature of documentation			

* One vote per share held by shareholders recorded in the register on the voting record date.

* Mark "for", "against" or "abstain" as required. If no options are marked the proxy will be entitled to vote as he/she thinks fit. Unless otherwise instructed, my/our proxy may vote or abstain from voting as he/she thinks fit.

Signed _____ this day of _____ 2016

Signature

Assisted by (if applicable)

(State capacity and full name)

A shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend, vote and speak in his/her stead. A proxy need not be a member of the company. Each shareholder is entitled to appoint one or more proxies to attend, speak and, on a poll, vote in place of that shareholder at the General Meeting.

Forms of proxy must be deposited at Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000), so as to arrive by no later than 10:00 on Wednesday, 7 December 2016.

Please read the notes on the reverse side hereof

Notes to form of proxy

1. This form of proxy is only to be completed by those ordinary shareholders who are:
 - (a) holding ordinary shares in certificated form; or
 - (b) recorded in the sub-register in electronic form in their "own-name",on the date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Link Market Services South Africa Proprietary Limited, in order to vote at the General Meeting being Friday, 2 December 2016, and who wish to appoint another person to represent them at the General Meeting.
2. Certificated shareholders wishing to attend the General Meeting have to ensure beforehand with the transfer secretaries of the company (being Link Market Services South Africa Proprietary Limited that their shares are registered in their name.
3. Beneficial shareholders whose shares are not registered in their "own-name", but in the name of another, for example, a nominee, may not complete a form of proxy, unless a form of proxy is issued to them by a registered shareholder and they should contact the registered shareholder for assistance in issuing instruction on voting their shares, or obtaining a proxy to attend, speak and, on a poll, vote at the General Meeting.
4. Shareholder(s) that are certificated or own-name dematerialised shareholders may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space/s provided, with or without deleting "the chairman of the General Meeting", but any such deletion must be initialled by the shareholder(s). The person whose name stands first on this form of proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow. If no proxy is named on a lodged form of proxy the chairman shall be deemed to be appointed as the proxy.
5. 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, in the case of any proxy, other than the chairman, to vote or abstain from voting as deemed fit and in the case of the chairman to vote in favour of any resolution.
6. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder, but the total of the votes cast or abstained may not exceed the total of the votes exercisable in respect of the shares held by the shareholder.
7. Forms of proxy must be lodged at or posted to Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000) to be received by not later than 10:00 on Wednesday 7 December 2016.
8. 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, should such shareholder wish to do so. Where there are joint holders of shares, the vote of the first joint holder who tenders a vote, as determined by the order in which the names stand in the register of members, will be accepted.
9. The chairman of the General Meeting may reject or accept any form of proxy which is completed and/or received, otherwise than in accordance with these notes, provided that, in respect of acceptances, the chairman is satisfied as to the manner in which the shareholder concerned wishes to vote.
10. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company or the transfer secretaries or waived by the chairman of the General Meeting.
11. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
12. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
13. Where there are joint holders of any shares, only that holder whose name appears first in the register in respect of such shares need sign this form of proxy.
14. If duly authorised, companies and other corporate bodies who are shareholders of the Company having shares registered in their own-name may, instead of completing this form of proxy, appoint a representative to represent them and exercise all of their rights at the meeting by giving written notice of the appointment of that representative. This notice will not be effective at the General Meeting unless it is accompanied by a duly certified copy of the resolution or other authority in terms of which that representative is appointed and is received at Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000), so as to arrive by no later than 10:00 on Wednesday, 7 December 2016.
15. This form of proxy may be used at any adjournment or postponement of the General Meeting, including any postponement due to a lack of quorum, unless withdrawn by the shareholder.
16. The foregoing notes contain a summary of the relevant provisions of section 58 of the Companies Act, 2008 (the "Companies Act"), as required in terms of that section. In addition, an extract from the Companies Act reflecting the provisions of section 58 of the Companies Act, is attached to this form of proxy.

Extract from the Companies Act

“58. Shareholder right to be represented by proxy

- (1) At any time, a shareholder of a company may appoint any individual, including an individual who is not a shareholder of that company, as a proxy to:
 - (a) participate in, and speak and vote at a shareholders' meeting on behalf of the shareholder; or
 - (b) give or withhold written consent on behalf of the shareholder to a decision contemplated in section 60.
- (2) A proxy appointment:
 - (a) must be in writing, dated and signed by the shareholder; and
 - (b) remains valid for:
 - (i) one year after the date on which it was signed; or
 - (ii) any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in subsection (4)(c), or expires earlier as contemplated in subsection (8)(d).
- (3) Except to the extent that the Memorandum of Incorporation of a company provides otherwise:
 - (a) a shareholder of that company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder;
 - (b) a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
 - (c) a copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.
- (4) Irrespective of the form of instrument used to appoint a proxy:
 - (a) the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder.
 - (b) the appointment is revocable unless the proxy appointment expressly states otherwise; and
 - (c) if the appointment is revocable, a shareholder may revoke the proxy appointment by:
 - (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and
 - (ii) delivering a copy of the revocation instrument to the proxy, and to the company.
- (5) The revocation of a proxy appointment constitutes a complete and final cancellation of the 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; or
 - (b) the date on which the revocation instrument was delivered as required in subsection (4)(c)(ii).
- (6) If the instrument appointing a proxy or proxies has been delivered to a company, as long as that appointment remains in effect, any notice that is required by this 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 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.
- (7) A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the Memorandum of Incorporation, or the instrument appointing the proxy, provides otherwise.
- (8) If a company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of instrument for appointing a proxy:
 - (a) the invitation must be sent to every shareholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;
 - (b) the invitation, or form of instrument supplied by the company for the purpose of appointing a proxy, must:
 - (i) bear a reasonably prominent summary of the rights established by this section;
 - (ii) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by the shareholder; and
 - (iii) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution or resolutions to be put at the meeting, or is to abstain from voting;
 - (c) the company must not require that the proxy appointment be made irrevocable; and
 - (d) the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to subsection (5).
- (9) Subsection (8)(b) and (d) do not apply if the company merely supplies a generally available standard form of proxy appointment on request by a shareholder.”

