2019

One Barloworld

Delivering value
About Barloworld

Barloworld is a distributor of leading global brands with head offices in Johannesburg (South Africa) and Maidenhead (United Kingdom), providing integrated rental, fleet management, product support and logistics solutions. Established in 1902 in South Africa, we are one of the country’s oldest companies. Inspiring leadership, a reputation for ethical conduct, innovation and a commitment to giving back have ensured Barloworld’s longevity over the past 117 years.

The core divisions of the group comprise Equipment (earthmoving equipment and power systems), Automotive (car rental, motor retail, fleet services, used vehicles and disposal solutions) and Logistics (logistics management and supply chain optimisation).

The brands we represent on behalf of our principals include Avis, Audi, BMW, Budget, Caterpillar, Ford, Mazda, Mercedes-Benz, Toyota, Volkswagen and others.
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DEAR SHAREHOLDER

I have the pleasure of inviting you to attend the 103rd annual general meeting (AGM) of Barloworld Limited, to be held at Barloworld Corporate Office, 61 Katherine Street, Sandton, on Wednesday, 12 February 2020 at 12:30.

The following documents are enclosed:

○ An AGM document incorporating:
  • Notice of AGM setting out the resolutions to be proposed at the meeting;
  • A form of proxy;
  • Question form for AGM;
  • Shareholder diary; and
  • Corporate information.

Barloworld is committed to responsible environmental stewardship and minimising its environmental footprint, which is one of the aspects that underpins our sustainable development strategic focus area. We are thus mindful of our role in propagating environmental awareness through our value chain and, where possible, introducing initiatives to combat our impact on the environment. Further, the use of electronic communications will deliver savings to the company in terms of administration, printing and postage costs, as well as speeding up the provision of information, thus benefitting shareholders.

With this in mind, and in an effort to lower our paper consumption, while at the same time reducing solid waste and our carbon footprint, we will be printing a limited number of the Integrated Report 2019. Should you wish to receive a printed copy of the Integrated Report 2019, kindly e-mail your request to invest@barloworld.com.

The Integrated Report 2019, the full consolidated financial statements of the company and its subsidiaries (including the directors’ report, the independent auditors’ report and the audit committee report) and the remuneration report will be published on our website, www.barloworld.com. The summarised financial statements are set out on pages 157 to 172 of the Integrated Report 2019.

The social, ethics and transformation committee report as required by regulation 43 of the Companies Act is set out on page 154 of the Integrated Report 2019.

The remuneration policy, as required by the King Code of Governance Principles for South Africa is set out on pages 123 to 153 of the Integrated Report 2019.

If you are unable to attend, you may, as a shareholder, exercise your right to take part in the proceedings by complying with the notes to the form of proxy.

I would also like to draw your attention to your right to raise questions, at the appropriate time, during the meeting. As it may not be possible to answer every question that shareholders may care to raise at the meeting, and in order to ensure that matters of interest to shareholders are dealt with, I would like to suggest that you use the attached question form to ask, in advance, any question(s) of particular concern to you. We will be able to assess the most popular topics from the question forms returned, and will endeavour to address them all at the meeting. This advance compilation of relevant questions will, of course, not prevent you from raising questions, at the appropriate time, during the meeting.

The question form may be:

○ returned to the company secretary: 61 Katherine Street, Sandton (PO Box 782248, Sandton 2146, South Africa); or by email to andiswan@barloworld.com to be received no later than 12:30 on Wednesday, 5 February 2020; or

○ returned, together with the form of proxy, to our transfer secretaries in South Africa: Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000); or by fax: +27 11 834 4398 to be received no later than 12:30 on Monday, 10 February 2020; or

○ lodged, together with the form of proxy, at our registrars in the United Kingdom: Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, England, to be received no later than 12:30 (South African time) on Monday, 10 February 2020; or

○ handed in at the time of registering attendance at the meeting.

I look forward to welcoming you at the meeting.

ADV DB NTSEBEZA SC
Chairman
10 December 2019
Our board of directors

CORPORATE OFFICE
61 Katherine Street, Sandton
PO Box 782248, Sandton 2146, South Africa
Tel: +27 11 445 1000
Fax: +27 11 444 4170
Website: www.barloworld.com
Barloworld Limited (Reg No 1918/000095/06)

DIRECTORS
DB Ntsebeza (chairman)
NP Dongwana
FNO Edozien*
HH Hickey
MD Lynch-Bell**
NP Mnxasana
SS Ntsaluba
P Schmid
DM Sewela
HN Molotsi
NV Mokhesi
NV Lila
*British
**Nigerian

COMPANY SECRETARY
AT Ndoni

NON-EXECUTIVE DIRECTORS
Advocate Dumisa Buhle Ntsebeza SC
Chairman
Age: 70
Qualifications: BA, BProc, LLB, LLM (International Law)
Profile: Dumisa was appointed to the Barloworld board in May 1999. He is an advocate of the High Court of South Africa and a member of the Johannesburg Bar. In 2005 he was conferred the status of Silk and was the first black African advocate in the history of the Cape Bar to receive this recognition. He served as a commissioner on the Truth and Reconciliation Commission, and has been appointed from time to time as acting judge of the High Court of South Africa. In January 2017, Dumisa was appointed as Chancellor of the University of Fort Hare.
Business address: PABASA Sandton Chambers, 1st Floor Sandton Chambers, 82 Maude Street, Sandton, 2146
Nationality: South African

Neo Phakama Dongwana
Independent non-executive director
Age: 47
Qualifications: BCom (Cape Town), Postgraduate Diploma in Accounting (Cape Town), BCom (Hons in Financial Analysis and Portfolio Management) (Cape Town), CA(SA), MCom (Wits)
Profile: Neo was appointed to the Barloworld board in May 2012. She currently serves as a non-executive director of AVI Limited, Mpact Limited and Nedbank Limited. Prior to being a non-executive director, she was an Audit Partner at Deloitte for almost ten years. After qualifying as a CA(SA), Neo worked as an equities analyst at Gensec Asset Management. Neo is also a trustee of the Women’s Development Bank (WDB Trust) and a member of the Financial Sector Conduct Authority (FSCA) Tribunal. Neo is passionate about the growth and transformation of the chartered accountancy (CA) profession and in particular the development of women CAs. She is a committed member of the African Women Chartered Accountants (AWCA) and serves as a director of its investment arm.
Business address: PO Box 688, Northlands, 2116
Nationality: South African

Ngozi Frances Oluwatoyin Edozien
Independent non-executive director
Age: 54
Qualifications: BA in Social Studies (Harvard & Radcliffe Colleges), MBA, (Harvard Business School, Cambridge, MA USA)
Profile: Ngozi was appointed to the Barloworld board in March 2014. She is the Chief Executive Officer and Managing Director of InVivo Partners Limited and a Non-Executive Director of Stanbic IBTC Plc and Guinness Nigeria Plc (Diageo). Ngozi has had previous positions as: Chief Executive Officer of Actis West Africa; Founding Chief Executive Officer of Equity Vehicle for Health in Africa (EVHA); Vice President Strategic Planning & Business Development and Regional Director, Anglophone East, West and Central Africa at Pfizer Inc; and Associate Partner McKinsey & Company. She has also had investment banking experience at JP Morgan Inc New York. She is a member of the Young President’s Organisation, African Leadership Network Advisory Council and Institute of Directors Nigeria (IOD) amongst other professional organisations.
Business address: InVivo Partners Limited, 1st Floor, 9A Akarigbere Close, Off Idejo Street, Victoria Island, Lagos State, Nigeria
Nationality: Nigerian, American
Hester Hickey
Independent non-executive director
Age: 65
Qualifications: BCompt (Hons), CA(SA)
Profile: Hester was appointed to the Barloworld board in April 2017. She has held a number of positions, including lecturing at the University of Witwatersrand and was a partner at Ernst & Young. Hester previously served as the Chairperson of SAICA and worked for a number of listed companies including AngloGold Ashanti Limited where she held the position of Internal Audit Manager and finally Head of Risk. She is a non-executive director of Pan African Resources plc, Cashbuild Limited and Northam Platinum Limited.
Business address: PO Box 97208, Petervale 2151
Nationality: South African

Michael Lynch-Bell
Independent non-executive director
Age: 66
Qualifications: BA Hons Economics and Accountancy; “Fellow of the Institute of Chartered Accountants in England and Wales, FCA of the ICAEW
Profile: Michael was appointed to the Barloworld board in April 2017. His early Ernst & Young career was focused on auditing clients within the oil and gas sectors and added mining to his portfolio later. Michael also led Ernst & Young’s UK IPO and Global Natural Resources transaction teams in the Transaction Advisory practice. He has been involved with the CIS since 1991 and has advised many CIS companies on fundraising, re-organisations, transactions, corporate governance and IPOs. Michael is a former Chair of the Bureau and current member of UNECE’s Expert Group on Resource Classification and a non-executive director of Gem Diamonds, Lenta and Kaz Minerals.
Business address: Kaz Minerals Plc, Cardinal Place, 100 Victoria Street, London, SW1E 5JL
Nationality: British

Nomavuso Patience Mnxasana
Independent non-executive director
Age: 63
Qualifications: BCompt (Hons), CA(SA)
Profile: Nomavuso was appointed to the Barloworld board in October 2017. She was a senior partner and member of the executive committee of SizweNtsaluba VSP before serving as Group Audit and Risk Executive at Imperial Holdings Limited. She is a former director of Nedbank Group and the JSE and currently hold directorships at Arcelor Mittal SA Limited and the Industrial Development Corporation of South Africa Limited.
Business address: 4 Juarez Street, Kyalami Estate, Halfway House, Midrand, 1685
Nationality: South African

Neo Mokhesi
Independent non-executive director
Age: 58
Profile: Neo was appointed to the Barloworld board from 1 February 2019. She has over 25 years’ experience in marketing, corporate affairs, business development finance, strategy and corporate governance. Neo held a number of positions at the Industrial Development Corporation including being the executive responsible for Market Development into Rest of Africa, and executive and chairman of the Innovation department unit. She currently serves on the boards of Clover Industries, WDB Investment Holdings, Tsebo Solution Group and Moza.
Business address: PO Box 1159, Sunninghill, 2157
Nationality: South African

Hugh Molotsi
Independent non-executive director
Age: 53
Qualifications: BSc Comp, MSc Comp
Profile: Hugh was appointed to the Barloworld board from 1 February 2019. His early career started at Hewlett-Packard in the US as a software engineer. Until 2015, Hugh enjoyed a 22-year career with Intuit, a financial software and services firm based in the US, where he later became an Engineering Fellow and Vice President leading the Intuit Labs Incubator. Hugh is the CEO and founder of Ujama, a platform to help parents meet other parents so they can help each other with their kids. Hugh serves on numerous boards in the US, including Miller Centre for Social Entrepreneurship, Africa Diaspora Network, Linqto and All Star Code.
Business address: 19925 Stevens Creek Blvd, Suite 100, Cupertino CA 95014
Nationality: South African

Sango Siviwe Ntsaluba
Independent non-executive director
Age: 59
Qualifications: BCom, BCompt (Hons), HDip Tax Law, CA(SA), MCom
Profile: Sango was appointed to the Barloworld board in July 2008. He is a founding member and chairman of NMT Capital and founding member of SizweNtsalubaGobodo, one of the large auditing and accounting firms in South Africa. Sango serves on various boards such as the National Housing Finance Corporation, Pioneer Food Group Limited and Kumba Iron Ore Limited.
Business address: Building 4 Parc Nicol, 3001 William Nicol Drive, Bryanston, 2191
Nationality: South African
Peter Schmid
Independent non-executive director
Age: 57
Qualifications: BCom (Hons), CA(SA)
Profile: Peter was appointed to the Barloworld board in April 2017. Until recently, Peter was the Global head of Private Equity at ACTIS and he was responsible for the Global PE business. He spent 11 years in Ethos Private Equity as a partner where he led and originated many buy-outs across Southern Africa. Peter has served on numerous boards across emerging markets, including Alexander Forbes. Peter joined Investec Asset Management as “Head of Alternatives” with effect from 1 October 2018.
Business address: 9 Sundbrook Gardens, London TW10 7DD
Nationality: South African

EXECUTIVE DIRECTORS
Dominic Malentsha Sewela
Chief executive
Age: 54
Qualifications: BSc Chemical Engineering
Profile: Dominic rejoined Barloworld in 2007 as chief executive officer to the Equipment division South Africa. In 2014 he was promoted to chief operating officer of Barloworld Equipment Southern Africa and thereafter chief executive officer of Barloworld Equipment Southern Africa. He joined the board on 19 March 2014 and was subsequently appointed deputy chief executive effective 1 March 2016. From 1 October 2016, Dominic became the chief executive designate of Barloworld. Prior to joining Barloworld, Dominic was deputy managing director of Afgri Limited. On 8 February 2017, Dominic was appointed chief executive of Barloworld Ltd.
Business address: Barloworld Corporate Office, 61 Katherine Street, Sandton, 2196
Nationality: South African

Nopasika Lila
Group finance director
Age: 50
Qualifications: CA(SA), Postgraduate Diploma in Accounting (UKZN), BCom Accounting Science (WSU), Postgraduate Certificate in Corporate Governance (University of Johannesburg), Woman in Insurance Management Development Programme (GIBS), Higher Certificate in Financial Markets and Instruments (The Academy of Financial Markets)
Profile: Nopasika was appointed as the Group finance director of Barloworld Limited with effect from 1 August 2019. She previously served as the CEO and Principal Officer preceded by being the CFO of the Eskom Pension and Provident Fund. She is a Chartered Accountant with more than 20 years of experience in finance, corporate governance and the financial industry. She possesses advanced proficiencies in Funds Administration, Corporate Governance and Compliance Management, with demonstrated skills in leading major funds sustainably with astute control over risk management, reputation and stakeholder relations. She previously served on various boards both listed and unlisted, namely enX Group Limited, Nampak Limited and Basil Read, and chaired some of the audit committees.
Business address: Barloworld Corporate Office, 61 Katherine Street, Sandton, 2196
Nationality: South African
Notice of annual general meeting

BARLOWORLD LIMITED
(Incorporated in the Republic of South Africa)
Reg No 1918/000095/06
Income tax registration number 9000/051/71/5
Share code: BAW
JSE ISIN: ZAE000026639
Share code: BAWP
JSE ISIN: ZAE000026647
Namibian Stock Exchange share code: BWL
(“Barloworld” or the “company”)

Notice is hereby given that the hundred and third annual general meeting (“AGM”) of shareholders of the company will be held at Barloworld Corporate Office, 61 Katherine Street, Sandton, on Wednesday, 12 February 2020, at 12:30 for the purpose of considering the following business and, if deemed fit, to pass, with or without modification, the resolutions set out below.

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 attend and vote at the AGM is Friday, 7 February 2020.

1. ORDINARY RESOLUTIONS

1.1 ACCEPTANCE OF FINANCIAL STATEMENTS

Ordinary resolution 1 is proposed to receive and accept the group audited financial statements for the year ended 30 September 2019, including the directors’ report, the independent auditors’ report and the audit committee report thereon. The consolidated financial statements, including the directors’ report, the independent auditors’ report and the audit committee report are available online at www.barloworld.com.

1.1.1 ORDINARY RESOLUTION 1

“Resolved that the consolidated audited financial statements for the year ended 30 September 2019, including the directors’ report, the independent auditors’ report and the audit committee report thereon be and are hereby received and accepted.”

1.2 ELECTION AND RE-ELECTION OF DIRECTORS

In terms of clause 7.1.5 of the company’s Memorandum of Incorporation (MoI), at every AGM at least one-third of the directors, excluding the directors appointed in terms of clause 7.2.1 of the MoI, must retire by rotation.

Adv. DB Ntsebeza, Ms FNO Edozien, Mr DM Sewela and Mr SS Ntsaluba retire by rotation and all, except for Adv. DB Ntsebeza who will be retiring immediately after the AGM, are eligible and have offered themselves for re-election. In addition, Ms NV Lila who was appointed as a director on 1 August 2019 offers herself for appointment by election.

Ordinary resolution 2 is proposed to re-elect Ms FNO Edozien, who is required to retire by rotation in terms of clause 7.2.1 of the Mol, must retire by rotation.

Ordinary resolution 3 is proposed to re-elect Mr DM Sewela, who has served on the board as an independent non-executive director for an aggregated period in excess of nine years, retires by rotation and being eligible has offered himself for re-election until the next AGM.

Ordinary resolution 4 is proposed to re-elect Mr SS Ntsaluba, who has served on the board as an independent non-executive director for an aggregated period in excess of nine years, retires by rotation and being eligible has offered himself for re-election until the next AGM.

Ordinary resolution 5 is proposed to elect Ms NV Lila, who having been appointed executive director during the course of the 2019 calendar year is required to stand for election in terms of clause 7.2.1 of the Mol.

The performance and contribution of each director was considered by the board and the board recommends to shareholders the election and re-election of the retiring directors.

Brief biographical information of each of the retiring directors is set out on pages 3 to 5 of this document.

1.2.1 ORDINARY RESOLUTION 2

“Resolved that Ms FNO Edozien be and is hereby re-elected as a director of the company.”

1.2.2 ORDINARY RESOLUTION 3

“Resolved that Mr DM Sewela be and is hereby re-elected as a director of the company.”

1.2.3 ORDINARY RESOLUTION 4

“Resolved that Mr SS Ntsaluba be and is hereby re-elected as a director of the company until the next AGM.”

1.2.4 ORDINARY RESOLUTION 5

“Resolved that Ms NV Lila be and is hereby elected as a director of the company.”

1.3 ELECTION OF AUDIT COMMITTEE

Ordinary resolutions 6 to 9 are proposed to elect an audit committee in terms of section 94(2) of the Companies Act, No 71 of 2008 as
amended (“the Companies Act”) and the King Report on Corporate Governance for South Africa (“King IV”).

The board is satisfied that the proposed members of the audit committee, Mr SS Ntsaluba, Ms HH Hickey, Mr M Lynch-Bell, and Ms NP Mnxasana meet the requirements of section 94(4) of the Companies Act, that they are independent according to King IV and that they possess the required qualifications and experience as prescribed in Regulation 42 of the Companies Act Regulations, 2011.

Brief biographical notes of each member standing for election are set out on pages 3 to 5 of this document.

1.3.1 ORDINARY RESOLUTION 6
“Resolved that Mr SS Ntsaluba be and is hereby re-elected as a member and chair of the audit committee to hold office until the next AGM.”

1.3.2 ORDINARY RESOLUTION 7
“Resolved that Ms HH Hickey be and is hereby re-elected as a member of the audit committee to hold office until the next AGM.”

1.3.3 ORDINARY RESOLUTION 8
“Resolved that Mr M Lynch-Bell be and is hereby re-elected as a member of the audit committee to hold office until the next AGM.”

1.3.4 ORDINARY RESOLUTION 9
“Resolved that Ms NP Mnxasana be and is hereby re-elected as a member of the audit committee to hold office until the next AGM.”

1.4 APPOINTMENT OF EXTERNAL AUDITOR
Ordinary resolution 10 is proposed to approve the appointment of Ernst & Young as the new auditors for the Company for financial year 2020, in a shared arrangement with SNG Grant Thornton, in accordance with section 90(1) of the Companies Act, and to remain in office until the conclusion of the next AGM, and to authorise the audit committee to determine its remuneration.

Mr S Sithebe will be the individual registered auditor who will undertake the audit for the financial year ending 30 September 2020.

The audit committee and the board are satisfied that Ernst & Young and SNG Grant Thornton meet the provisions of the Companies Act.

1.4.1 ORDINARY RESOLUTION 10
“Resolved that Ernst and Young be appointed as the external auditors of the company and of the group for the financial year ending 30 September 2020 and to remain in office until the conclusion of the next AGM, and that their remuneration for the financial year ending 30 September 2020 be determined by the audit committee.”

1.5 AMENDMENT OF THE LONG-TERM INCENTIVE SCHEME
Ordinary resolution 11 is proposed to amend the Long-Term Incentive scheme by replacing the current Share Appreciation Scheme with the new 2019 Conditional Share Plan and amending the performance conditions of the current Forfeitable Share Plan.

1.5.1 ORDINARY RESOLUTION 11.1
“Resolved that the Barloworld Limited Conditional Share Plan, which has been tabled at this AGM and initialled by the chairman of the AGM for the purposes of identification, be approved and adopted.”

Shareholders are referred to Annexure A of the Notice of AGM for the salient features of the Barloworld Limited Conditional Share Plan.

1.5.2 ORDINARY RESOLUTION 11.2
“Resolved that the amendments to the Barloworld Limited Forfeitable Share Plan 2009, which has been tabled at this AGM and initialled by the chairman of the AGM for purposes of identification, be approved and adopted.

Shareholders are referred to Annexure A of the Notice of AGM for the amendments to the Barloworld Limited Forfeitable Share Plan 2009.

1.6 NON-BINDING ADVISORY VOTE ON REMUNERATION POLICY
The purpose of ordinary resolution 12 is to endorse, by way of a non-binding advisory vote, the remuneration policy of the company set out on pages 123 to 153 of the integrated report.

The board is responsible for determining the remuneration of executive directors in accordance with the remuneration policy of the company. The remuneration committee assists the board in its responsibility for setting and administering remuneration policies in the company's long-term interests. The remuneration committee considers and recommends remuneration for all levels in the company, including the remuneration of senior executives and executive directors, and advises on the remuneration of non-executive directors. King IV recommends that every year the company's remuneration policy should be tabled to shareholders for a non-binding advisory vote at the AGM.

The remuneration committee prepared, and the board considered and accepted, the remuneration policy, as set out in the remuneration report on pages 123 to 153 of the integrated report, and shareholders are required to vote on it.
1.6.1 ORDINARY RESOLUTION 12
“Resolved that the company’s remuneration policy, as set out in the remuneration implementation report on pages 123 to 153 of the integrated report, be and is hereby endorsed by way of a non-binding advisory vote.”

If the remuneration implementation report is voted against by 25% or more of the voting rights exercised on the resolution, the company will in its voting results announcement extend an invitation to dissenting shareholders to engage with the company to discuss the reason for their dissenting votes. The manner and timing of such engagement will be set out in voting results announcement.

1.7 NON-BINDING ADVISORY VOTE ON REMUNERATION IMPLEMENTATION REPORT
The purpose of ordinary resolution 13 is to endorse, by way of a non-binding advisory vote, the remuneration implementation report of the company set out on pages 123 to 153 of the integrated report.

1.7.1 ORDINARY RESOLUTION 13
“Resolved that the company’s remuneration implementation report, as set out in the remuneration report on pages 123 to 153 of the integrated report, be and is hereby endorsed by way of a non-binding advisory vote.”

If the remuneration implementation report is voted against by 25% or more of the voting rights exercised on the resolution, the company will in its voting results announcement extend an invitation to dissenting shareholders to engage with the company to discuss the reason for their dissenting votes. The manner and timing of such engagement will be set out in voting results announcement.

2. SPECIAL RESOLUTIONS

Voting Percentage
Each of special resolutions 1 to 3 will be considered by way of a separate vote and in order for each such resolution to be adopted, the support of at least 75% (seventy-five percent) of the voting rights on the resolution cast by shareholders present or represented by proxy at this meeting is required.

2.1 TO APPROVE THE NON-EXECUTIVE DIRECTORS’ FEES
Section 66(8) (read with section 66(9)) of the Companies Act) provides that, to the extent permitted in the MoI, 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. Clause 7.9 of the MoI does not limit, restrict or qualify the power of the company to pay remuneration to its directors for their service. The remuneration committee has considered the remuneration for non-executive directors and the board has accepted the recommendations of the remuneration committee.

2.1.1 SPECIAL RESOLUTION 1
“Resolved that the fees payable to the non-executive directors for their services to the board and committees of the board be revised by a separate vote in respect of each item, with effect from 1 January 2020 as follows:

<table>
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<tr>
<th>Non-executive directors’ fees</th>
<th>Present</th>
<th>Proposed*</th>
</tr>
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<tbody>
<tr>
<td>1.1 Chairman of the board</td>
<td>R1 833 754</td>
<td>R1 575 000</td>
</tr>
<tr>
<td>1.2 Resident non-executive directors</td>
<td>R397 024</td>
<td>R412 905</td>
</tr>
<tr>
<td>1.3 Non-resident non-executive directors</td>
<td>£64 292</td>
<td>£66 864</td>
</tr>
<tr>
<td>1.4 Resident chairman of the audit committee</td>
<td>R335 428</td>
<td>R348 845</td>
</tr>
<tr>
<td>1.5 Resident members of the audit committee</td>
<td>R161 015</td>
<td>R167 456</td>
</tr>
<tr>
<td>1.6 Non-resident members of the audit committee</td>
<td>£6 868</td>
<td>£7 143</td>
</tr>
<tr>
<td>1.7 Non-resident chairman of the remuneration committee</td>
<td>–</td>
<td>£20 000</td>
</tr>
<tr>
<td>1.8 Resident chairman of the remuneration committee</td>
<td>R249 524</td>
<td>R259 505</td>
</tr>
<tr>
<td>1.9 Resident chairman of the social, ethics and transformation committee</td>
<td>R193 719</td>
<td>R201 468</td>
</tr>
<tr>
<td>1.10 Resident chairman of the risk and sustainability committee (Resident)</td>
<td>R204 610</td>
<td>R235 302</td>
</tr>
<tr>
<td>1.11 Resident chairman of the general purposes committee (Resident)</td>
<td>R158 229</td>
<td>R158 229</td>
</tr>
<tr>
<td>1.12 Resident chairman of the nomination committee</td>
<td>R158 229</td>
<td>R181 963</td>
</tr>
<tr>
<td>1.13 Resident members of each of the board committees other than the audit committee</td>
<td>R107 729</td>
<td>R112 038</td>
</tr>
<tr>
<td>1.14 Non-resident members of each of the board committees other than the audit committee</td>
<td>£4 799</td>
<td>£4 991</td>
</tr>
</tbody>
</table>

* These amounts exclude VAT, as appropriate, and will be valid from 1 January 2020, and subsist until another special resolution dealing with the fees payable to non-executive directors is adopted, or this special resolution expires, whichever happens first.
2.2 LOANS OR OTHER FINANCIAL ASSISTANCE TO RELATED OR INTER-RELATED COMPANIES OR CORPORATIONS

Section 45 of the Companies Act provides, among other things, that, except to the extent that the memorandum of incorporation of a 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, including a subsidiary of the company incorporated in or outside of the Republic of South Africa, 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 recipient falls within that category.

2.2.1 SPECIAL RESOLUTION 2

“Resolved that the directors of the company be and are hereby authorised, in accordance with section 45 of the Companies Act, to authorise the company to provide direct or indirect financial assistance to any company or corporation, including a subsidiary of the company incorporated in or outside of the Republic of South Africa, which is related or inter-related to the company.”

2.3 GENERAL AUTHORITY TO ACQUIRE THE COMPANY’S OWN SHARES

Special resolution 3 is proposed to authorise the acquisition by the company, and any subsidiary of the company, of up to 10% of the ordinary shares issued by the company.

The board’s intention is for the shareholders to pass a special resolution granting the company and its subsidiaries a general authority to acquire ordinary shares issued by the company in order to enable the company and its subsidiaries, subject to the requirements of the Companies Act, the Listings Requirements of the JSE and the company’s Mol, to acquire ordinary shares issued by the company, should the board consider that it would be in the interest of the company and/or its subsidiaries to acquire ordinary shares issued by the company while the general authority subsists.

2.3.1 SPECIAL RESOLUTION 3

“Resolved that the company and any subsidiary of the company be and are hereby authorised, subject to the provisions of the Companies Act, the Listings Requirements of the JSE and the company’s Mol, to acquire (“repurchase”), as a general repurchase, ordinary shares issued by the company or 6% non-redeemable cumulative preference shares of the company (collectively, “securities”), provided that the company and any subsidiary may only make such general repurchase subject to the following:

(a) the repurchase of securities in the aggregate in any one financial year by the company or any subsidiary of the company, may not in the aggregate exceed 10% of each class of securities as at the beginning of the financial year;

(b) the repurchase of securities being effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited);

(c) authorisation thereto being given by the company’s Mol;

(d) the approval shall be valid only until the next AGM or for 15 months from the date of the resolution, whichever period is shorter;

(e) repurchases may not be made at a price greater than 10% above the weighted average of the market value for the securities for the five business days immediately preceding the date on which the repurchase is effected;

(f) at any point in time, the company may only appoint one agent to effect any repurchase(s) on the company’s behalf;

(g) a resolution is passed by the board authorising the repurchase and confirming that the company has passed the solvency and liquidity test as set out in section 4 of the Companies Act, and that, since the test was performed, there have been no material changes to the financial position of the group;

(h) the directors undertake that the company will not commence a repurchase of securities as contemplated above, unless the following can be met:

○ the company and the group would be able in the ordinary course of business to pay its debts for a period of 12 months following the date of repurchase;

○ the consolidated assets of the company and the group would be in excess of the consolidated liabilities of the company and the group for a period of 12 months following the date of repurchase. For this purpose, the assets and liabilities would
be recognised and measured in accordance with the accounting policies used in the latest audited group annual financial statements which comply with the Companies Act;

○ the ordinary capital and reserves of the company and the group would be adequate for a period of 12 months following the date of repurchase; and

○ the working capital of the company and the group would be adequate for ordinary business purposes for a period of 12 months following the date of repurchase.

(i) the company or any of its subsidiaries may not repurchase securities during a prohibited period, as defined in paragraph 3.67 of the Listings Requirements of the JSE, unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE in writing, prior to the commencement of the prohibited period;

(j) any repurchase will be subject to the applicable provisions of the Companies Act (including sections 114 and 115 to the extent that section 48(8) is applicable) in relation to that particular repurchase; and

(k) after the company or any of its subsidiaries have acquired securities which constitute, on a cumulative basis, 3% of the number of a class of securities in issue (at the time that authority from shareholders for the repurchase is granted), and for each 3% in aggregate acquired in respect of a class of securities thereafter, the company shall publish an announcement in terms of the Listings Requirements of the JSE, containing full details of such repurchases.

**DISCLOSURES IN REGARD TO OTHER LISTINGS REQUIREMENTS OF THE JSE APPLYING TO SPECIAL RESOLUTION 3**

The Listings Requirements of the JSE prescribe certain disclosures, which are disclosed in the group audited annual financial statements and the integrated report.

**MAJOR SHAREHOLDERS**

Details of major shareholders of the company are set out on page 156 of the Integrated Report.

**MATERIAL CHANGE**

There has been no material change in the financial or trading position of the company or the group since the date of publication of the company’s annual results on 14 November 2019.

**SHARE CAPITAL OF THE COMPANY**

Details of the share capital of the company are set out on page 156 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 the statement false or misleading.

**CERTIFICATED SHAREHOLDERS/DEMATERALISED SHAREHOLDERS WITH OWN-NAME REGISTRATION**

Registered holders of certificated 6% non-redeemable cumulative preference shares ("preference shares") and holders of dematerialised preference shares in their own names may attend the AGM and, in relation to special resolution 3 only, speak and vote or are entitled to appoint a proxy to attend the AGM and, in relation to special resolution 3 only, speak and vote in their stead.

**ANY PERSON APPOINTED AS A PROXY NEED NOT BE A SHAREHOLDER OF THE COMPANY**

Proxy forms should be forwarded to reach the company’s transfer secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, Johannesburg 2001 (PO Box 4844, Johannesburg, 2000) or United Kingdom registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZL, England, by not later than 12:30 (South African time) on Monday, 10 February 2020.

Proxy forms may also be handed to the chairman of the AGM or transfer secretaries at the AGM at any time prior to the commencement of voting at the AGM.

**DEMATERALISED SHAREHOLDERS**

Shareholders who have dematerialised their shares through a Central Securities Depositary Participant (CSDP) or stockbroker, and who have not elected own-name registration and wish to attend the AGM, should timeously inform their CSDP or stockbroker of their intention to attend the meeting and request such CSDP or stockbroker to issue them with the necessary authority to attend. If they do not wish to attend the AGM, they may provide such CSDP or stockbroker with their voting instructions.

**VOTING RIGHTS**

The ordinary shareholders are entitled to vote on all the resolutions set out above. On a show of hands, every ordinary shareholder who is present in person or by proxy at the AGM will
have one vote (irrespective of the number of ordinary shares held in the company) and, on a poll, every ordinary shareholder will have one vote for every ordinary share held or represented. The 6% non-redeemable cumulative preference shareholders ("preference shareholders") are entitled to vote only on special resolution 3. On a show of hands, every preference shareholder who is present in person or by proxy at the AGM will have one vote (irrespective of the number of preference shares held in the company) and, on a poll, every preference shareholder will have 40 votes for every preference share held or represented.

IDENTIFICATION

In terms of section 63(1) of the Companies Act, any person attending or participating in the AGM must present reasonably satisfactory identification and the person presiding at the AGM must be reasonably satisfied that the right of any person to participate in and vote, whether as a shareholder or as a proxy for a shareholder, has been reasonably verified. Acceptable forms of identification include valid identity documents, drivers' licences and passports.

ELECTRONIC PARTICIPATION BY SHAREHOLDERS

Should any shareholder (or a proxy for a shareholder) wish to participate in the AGM by way of electronic participation, that shareholder should 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, at their address above, to be received by the transfer secretaries at least five business days prior to the AGM 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 on 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

AT NDONI
Company secretary
Sandton
10 December 2019
Shareholders’ diary and map

Financial year-end 30 September
Annual general meeting (AGM) 12 February 2020

Reports and profit statements

<table>
<thead>
<tr>
<th></th>
<th>Published</th>
</tr>
</thead>
<tbody>
<tr>
<td>Half-yearly interim report</td>
<td>May</td>
</tr>
<tr>
<td>Preliminary report for the year</td>
<td>November</td>
</tr>
<tr>
<td>Integrated annual report</td>
<td>December</td>
</tr>
</tbody>
</table>

Dividends

<table>
<thead>
<tr>
<th>Dividends</th>
<th>Declared</th>
<th>Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; 6% cumulative preference shares</td>
<td>May</td>
<td>June</td>
</tr>
<tr>
<td>&gt; Ordinary shares</td>
<td>October</td>
<td>November</td>
</tr>
<tr>
<td>– interim</td>
<td>May</td>
<td>June</td>
</tr>
<tr>
<td>– final</td>
<td>November</td>
<td>January</td>
</tr>
</tbody>
</table>

Details of final dividend declared

cent per share

- Dividend declared  
  Friday, 15 November 2019
- Last day to trade cum dividend  
  Tuesday, 7 January 2020
- Shares trade ex-dividend  
  Wednesday, 8 January 2020
- Record date  
  Friday, 10 January 2020
- Payment date  
  Monday, 13 January 2020

Share certificates may not be dematerialised or re-materialised between and, both days inclusive.

The map below indicates the location of Barloworld Limited, Sandton, where the AGM will be held.
**Form of proxy**

Barloworld Limited  
(Incorporated in the Republic of South Africa)  
Company registration number 1918/000095/06  
Income tax registration number 9000/051/71/5  
Share code: BAW  
JSE ISIN: ZAE000026639  
Share code: BAWP  
JSE ISIN: ZAE000026647  
Namibian Stock Exchange share code: BWL  
("Barloworld" or the "company")

Only for the use of registered holders of certificated ordinary shares (ordinary shares) and certificated 6% non-redeemable cumulative preference shares (preference shares) in the company and holders of dematerialised ordinary shares with own-name registration and dematerialised preference shares with own-name registration at the annual general meeting to be held at Barloworld Corporate Office, 61 Katherine Street, Sandton, on Wednesday, 12 February 2020 at 12:30 (South African time).

Holders of ordinary shares and preference shares in the company (collectively, "shares") (whether certificated or dematerialised) through a nominee must not complete this form of proxy but should inform that nominee timeously, or, if applicable, their Central Securities Depository Participant (CSDP) or stockbroker of their intention to attend the annual general meeting (AGM) and request such nominee, CSDP or stockbroker, to issue them with the necessary authorisation to attend or provide such nominee, CSDP or stockbroker with their voting instructions should they not wish to attend the AGM in person. Such shareholders must not return this form of proxy to the transfer secretaries.

I/We of ___________ being the holder(s) of ordinary shares or preference shares hereby appoint ___________ of ___________ as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolution(s) to be proposed at the meeting and at each adjournment of the meeting and to vote for or against such resolutions or to abstain from voting in respect of the ordinary shares or the preference shares registered in my/our name, in accordance with the following instructions (see note 9).

**PART A – TO BE COMPLETED BY ORDINARY SHAREHOLDERS**

* Insert an X or the number of ordinary shares (see note 9)

<table>
<thead>
<tr>
<th>Ordinary resolutions</th>
<th>For</th>
<th>Against</th>
<th>Abstain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary resolution 1: Acceptance of annual financial statements</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Ordinary resolution 2: Re-election of Ms FNO Edozien</td>
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<tr>
<td>Ordinary resolution 3: Re-election of Mr DM Sewela</td>
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<tr>
<td>Ordinary resolution 4: Re-election of Mr SS Ntsaluba</td>
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<tr>
<td>Ordinary resolution 5: Election of Ms NV Lila</td>
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<tr>
<td>Ordinary resolution 6: Re-election of Mr SS Ntsaluba as a member and chair of the audit committee</td>
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<tr>
<td>Ordinary resolution 7: Re-election of Ms HH Hickey as a member of the audit committee</td>
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<tr>
<td>Ordinary resolution 8: Re-election of Mr M Lynch-Bell as a member of the audit committee</td>
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<tr>
<td>Ordinary resolution 9: Re-election of Ms NP Mnxasana as a member of the audit committee</td>
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<td>Ordinary resolution 10: Appointment of external auditor</td>
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<tr>
<td>Ordinary resolution 11: Amendment of the Long-Term Incentive Scheme</td>
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<tr>
<td>11.1: Adoption of the Barloworld Limited Conditional Share Plan</td>
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<tr>
<td>11.2: Amendment to the Barloworld Limited Forfeitable Share Plan 2009</td>
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<tr>
<td>Ordinary resolution 12: Non-binding advisory vote on remuneration policy</td>
<td></td>
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<tr>
<td>Ordinary resolution 13: Non-binding advisory vote on remuneration implementation report</td>
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</tbody>
</table>
## FORM OF PROXY CONTINUED

<table>
<thead>
<tr>
<th>Special resolutions</th>
<th>For</th>
<th>Against</th>
<th>Abstain</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Special resolution 1: Approval of non-executive directors' fees</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1 Chairman of the board</td>
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<td></td>
<td></td>
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<tr>
<td>1.2 Resident non-executive directors</td>
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</tr>
<tr>
<td>1.3 Non-resident non-executive directors</td>
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<tr>
<td>1.4 Resident chairman of the audit committee</td>
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<tr>
<td>1.5 Resident members of the audit committee</td>
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<tr>
<td>1.6 Non-resident members of the audit committee</td>
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</tr>
<tr>
<td>1.7 Non-resident chairman of the remuneration committee</td>
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<tr>
<td>1.8 Resident chairman of the remuneration committee</td>
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<tr>
<td>1.9 Resident chairman of the social, ethics and transformation committee</td>
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<tr>
<td>1.10 Resident chairman of the risk and sustainability committee</td>
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<tr>
<td>1.11 Resident chairman of the general purposes committee</td>
<td></td>
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<tr>
<td>1.12 Resident chairman of the nomination committee</td>
<td></td>
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<tr>
<td>1.13 Resident members of each of the board committees other than audit committee</td>
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<td></td>
<td></td>
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<tr>
<td>1.14 Non-resident members of each of the board committees</td>
<td></td>
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</tr>
<tr>
<td><strong>Special resolution 2: Approval of loans or other financial assistance to related or inter-related companies and corporations</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Special resolution 3: General authority to acquire the company's own shares</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Insert an “X” in the relevant spaces above according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of ordinary shares than you own in the company, insert the number of ordinary shares held in respect of which you desire to vote (see note 9).

### PART B – TO BE COMPLETED BY 6% NON-REDEEMABLE CUMULATIVE PREFERENCE SHAREHOLDERS

<table>
<thead>
<tr>
<th>Resolution</th>
<th>*For</th>
<th>*Against</th>
<th>*Abstain</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Special resolution 3: General authority to acquire the company’s own shares</strong></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

* Insert an “X” in the relevant space above according to how you wish your vote to be cast. However, if you wish to cast your vote in respect of a lesser number of preference shares than you own in the company, insert the number of preference shares held in respect of which you desire to vote (see note 9).

Signed at ________ on __________ 2019/2020

Signature/s

(Authority of signatory to be attached if applicable – see note 11)

Assisted by me

(Where applicable – see note 12)

Each ordinary shareholder is entitled to appoint a proxy (who need not be a shareholder of the company) to attend, speak and vote in place of that ordinary shareholder at the meeting.

Each preference shareholder is entitled to appoint a proxy (who need not be a shareholder of the company) to attend, in relation to special resolution 3 only, speak and, vote in place of that preference shareholder at the meeting.

The ordinary shareholders are entitled to vote on all the resolutions set out in the notice of the AGM. On a show of hands, every ordinary shareholder who is present in person or by proxy at the meeting will have one vote (irrespective of the number of ordinary shares held in the company) and, on a poll, every shareholder will have one vote for every ordinary share held or represented.

The preference shareholders are entitled to vote on special resolution 3 set out in the notice of the AGM. On a show of hands, every preference shareholder who is present in person or by proxy at the meeting will have one vote (irrespective of the number of preference shares held in the company) and, on a poll, every preference shareholder will have 40 votes for every preference share held or represented.

Please read the notes below.
NOTES PROXY FORM

Instructions on signing and lodging of the annual general meeting (AGM) form of proxy.

1. A deletion of any printed matter and the completion of any blank spaces need not be signed or initialled. Any alterations must be signed, not initialled.

2. The chairman shall be entitled to decline to accept the authority of a signatory:
   a) under a power of attorney; or
   b) on behalf of a company, unless the power of attorney or authority is deposited with the transfer secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000), or the United Kingdom registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, England, by not later than 12:30 (South African time) on Monday, 10 February 2020.

3. The signatory may insert the name of any person(s) whom the signatory wishes to appoint as his/her proxy in the blank space/s provided for that purpose.

4. When there are joint holders of shares and if more than one such joint holder be present or represented, then the person whose name appears first in the securities register in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof.

5. The completion and lodging of this form of proxy will not preclude the signatory from attending the AGM and speaking and voting in person thereat should such person wish to do so, to the exclusion of any proxy appointed in terms hereof.

6. If, in the appropriate place on the face of the proxy, there is no indication of how to vote in respect of any resolution, the proxy shall be entitled to vote as he/she deems fit in respect of that resolution.

7. The chairman of the AGM may reject or accept any form of proxy which is completed other than in accordance with these instructions, provided that in the event of acceptance, he/she is satisfied as to the manner in which a shareholder wishes to vote.

8. If the shareholding is not indicated on the form of proxy, the proxy will be deemed to be authorised to vote the total shareholding registered in the shareholder’s name.

9. Please insert an “X” in the relevant space according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in the company, insert the number of shares held in respect of which you wish to vote. 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 at the meeting. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her proxy, but the total of the votes cast in respect of which abstention is recorded may not exceed the total number of votes exercisable by the shareholder or by his/her proxy.

10. A form of proxy sent by electronic medium to the company secretary or transfer secretaries within the time allowed for submission shall be deemed to constitute an instrument of proxy.

11. 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 secretary or waived by the chairman of the AGM.

12. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the company secretary.

SUMMARY IN TERMS OF SECTION 58(8)(B)(I) OF THE COMPANIES ACT, 2008 (AS AMENDED)

Section 58(8)(b)(i) provides that if a company supplies a form of instrument for appointing a proxy, the form of proxy supplied by the company for the purpose of appointing a proxy must bear a reasonably prominent summary of the rights established by section 58 of the Companies Act, 2008 (as amended), which summary is set out below:

- A shareholder of a company may, at any time, appoint any individual, including an individual who is not a shareholder of that company, as a proxy, among other things, to participate in, and speak and vote at, a shareholders’ meeting on behalf of the shareholder.

- A proxy 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.

- A proxy may delegate the proxy’s authority to act on behalf of the shareholder to another person.

- A proxy appointment must be in writing, dated and signed by the shareholder, and remains valid only until the end of the meeting at which it was intended to be used, unless the proxy appointment is revoked, in which case the proxy appointment will be cancelled with effect from such revocation.

- A shareholder may revoke a proxy appointment in writing.

- A proxy 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.

- A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction.
Question form for annual general meeting

Name of shareholder: 

Address: 

Contact details: 

Telephone number: 

Fax number: 

Email: 

Questions: 

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

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__________________________________________________________________________
Annexure A

BARLOWORLD LIMITED – SALIENT FEATURES OF NEW CONDITIONAL SHARE PLAN AND AMENDMENTS TO THE FORFEITABLE SHARE PLAN

INTRODUCTION

Barloworld Limited (“the company”) has two managerial share plans in place, namely the Share Appreciation Right Scheme (SAR) and the Forfeitable Share Plan (“FSP”). The purpose of these salient features and the accompanying resolutions are twofold:

i) To seek shareholder approval for the adoption of a new plan, namely a Conditional Share Plan (“CSP”). The CSP will replace the SAR and in future executives will receive a combination of FSP and CSP awards.

ii) To seek shareholder approval for changes to the FSP. The Company is cognisant of shareholders’ expectations in relation to dilution of share plans, which necessitated a reduction of the current FSP limit. Furthermore, aggregate limits will be used across the FSP and CSP. The FSP rules have also been amended to include specific reference to the application of malus. The proposed changes to the FSP rules to effect this change are also detailed below.

RATIONALE FOR CHANGE AND BRIEF OVERVIEW OF THE CSP

Following a shareholder engagement process and taking the company’s growth strategy into consideration, the Remuneration Committee (“Committee”) wishes to ensure that the interests of executives are further aligned with those of shareholders. The Committee believes the CSP will achieve this purpose. In summary the CSP operates as follows:

○ The CSP comprises performance awards in the form of conditional rights to shares where a participant shall only be entitled to shareholder rights in respect of such conditional shares after vesting thereof. [14.1(e)]

○ The vesting of all performance awards will be subject to the satisfaction of performance conditions, measured over a three-year forward-looking performance period.

○ The Committee may impose an additional two-year holding period post vesting during which time the shares cannot be disposed of. Such holding period will encourage shareholding amongst executives and be used as a mechanism to achieve minimum shareholding requirements.

○ The Committee also has the discretion to determine whether to allocate dividend equivalents in respect of such conditional shares. The dividends equivalents will be paid on vesting, based on the actual number of shares vesting. To the extent applicable, the dividend equivalents will also be subject to the holding period.

○ The participant will give no consideration for the award, settlement or vesting of awards. [14.1(d)(i)]

○ Performance awards will be subject to malus up to the end of the holding period. Following the release of the shares, the existing claw-back policy will remain in place.

ELIGIBILITY

Although the CSP is flexible to include any senior employee, eligibility is currently restricted to executives on Grade 19 and above. [14.1(a)]

USE OF INSTRUMENTS, PERFORMANCE CONDITIONS AND VESTING LEVELS [14.1(F)]

In line with the requirements of King IV™ and Barloworld’s current practice, annual awards will be made in line with the remuneration policy to ensure long-term shareholder value creation. The Committee will have the discretion to determine the number of awards, by taking into consideration the seniority and performance of an executive as well as his/her grade and guaranteed pay. The Company believes that this principle will further enhance a pay-for-performance culture.

Notwithstanding the above, overall affordability to the Company will be considered each time an award is made.

Following the approval of the CSP, the following awards with their respective vesting and performance conditions will be made in terms of the CSP and FSP (the latter remains unchanged from the previous policy):

○ FSP retention awards, subject to continued employment for a three-year vesting period

○ FSP performance awards, subject to continued employment and performance conditions over a three-year period

○ CSP performance awards, subject to continued employment and performance conditions over a three-year period and an additional two-year holding period post vesting during which the shares cannot be forfeited but cannot be traded.
Vesting levels under the FSP remain unchanged. To counter the upside in the CSP’s vesting levels, lower entry level vesting levels are introduced: no vesting will commence below threshold performance, target performance will result in 30% vesting while stretch performance will result in up to 250% vesting. In summary:

<table>
<thead>
<tr>
<th>Performance condition</th>
<th>Weighting Below threshold</th>
<th>Threshold</th>
<th>Target</th>
<th>Stretch</th>
</tr>
</thead>
<tbody>
<tr>
<td>FSP retention</td>
<td>–</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>FSP performance</td>
<td>HEPS 25%</td>
<td>0%</td>
<td>5.6%</td>
<td>18.8%</td>
</tr>
<tr>
<td></td>
<td>FCF 35%</td>
<td>0%</td>
<td>7.9%</td>
<td>26.2%</td>
</tr>
<tr>
<td></td>
<td>ROIC 40%</td>
<td>0%</td>
<td>9.0%</td>
<td>30.0%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>25%</td>
<td>47.5%</td>
<td>100%</td>
</tr>
<tr>
<td>CSP performance</td>
<td>HEPS 25%</td>
<td>0%</td>
<td>0%</td>
<td>7.5%</td>
</tr>
<tr>
<td></td>
<td>FCF 35%</td>
<td>0%</td>
<td>0%</td>
<td>10.5%</td>
</tr>
<tr>
<td></td>
<td>ROIC 40%</td>
<td>0%</td>
<td>0%</td>
<td>12.0%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>0%</td>
<td>0%</td>
<td>30%</td>
</tr>
</tbody>
</table>

**PERFORMANCE TARGETS**

The following targets are proposed for the first awards under the CSP, presented alongside the FSP targets (planned award date: February 2020 following the annual general meeting):

<table>
<thead>
<tr>
<th>Metric</th>
<th>Weighting</th>
<th>Threshold</th>
<th>Target</th>
<th>Stretch</th>
</tr>
</thead>
<tbody>
<tr>
<td>HEPS</td>
<td>25%</td>
<td>CPI</td>
<td>CPI + 6% growth rate</td>
<td>n/a</td>
</tr>
<tr>
<td>FCF</td>
<td>35%</td>
<td>EBITDA FCF conversion</td>
<td>EBITDA FCF conversion</td>
<td>50%</td>
</tr>
<tr>
<td>ROIC</td>
<td>40%</td>
<td>13%</td>
<td>16%</td>
<td></td>
</tr>
</tbody>
</table>

**MANNER OF SETTLEMENT**

The CSP rules are flexible in order to allow for settlement in any of the following manners:

- By way of a market purchase of shares.
- Use of treasury shares.
- Issue of shares.

In line with existing practice, the company intends to continue to purchase shares in the market in settlement of the CSP.

**LIMITS AND ADJUSTMENTS AND AMENDMENT TO THE FSP LIMIT**

Up to now, the company could settle 10% of its issued share capital under its share plans. However, in line with new shareholder expectations, a 5% limit will now be used, set on an aggregate basis. The aggregate number of shares which may be settled under the FSP and CSP collectively following the AGM, shall not exceed 10 634 629 shares, which represents 5% of the current issued share capital of the company. Shareholders are also referred to Ordinary Resolution 11 in this regard.

Shares issued by the company or shares held in treasury which are used to settle the plans, will be included in the company limit. Awards which are forfeited will be excluded in calculating the limit. Similarly, any shares purchased in the market in settlement of the plans will be excluded. The Committee must, where required, adjust the limit (without the prior approval of shareholders in a general meeting), to take account of a sub-division or consolidation of the shares of the company [14.1(b) and 14.3(a)]

The maximum number of shares which may be settled to any individual participant in aggregate under the FSP and CSP following the AGM, may not exceed 2 126 926 shares, which represents approximately 1% of the current number of issued shares of the company. [14.1(c)] The Committee may, where required, adjust the individual limit to take account of a capitalisation issue, a special distribution, a rights issue or reduction in capital of the company. [14.3(b)] Shareholders are also referred to Ordinary Resolution 11 in this regard.
The auditors, or other independent advisor acceptable to the JSE, shall confirm to the JSE in writing that any adjustment made in terms of this paragraph has been properly calculated on a reasonable and equitable basis, in accordance with the rules of the Plans and must be reported on in the company's financial statements in the year during which the adjustment is made. The issue of shares as consideration for an acquisition, and the issue of shares or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to the company limit and the individual limit. [14.3(d), (e)]

**TERMINATION OF EMPLOYMENT AND UNVESTED AWARDS**

**[14.1(H)]**

**FAULT TERMINATIONS**

Participants terminating employment due to resignation or lawful dismissal from the employ in compliance with the provisions of the Labour Relations Act will be classified as “fault terminations” and will forfeit all unvested awards.

**NO FAULT TERMINATIONS**

Participants terminating employment due to voluntary retirement, retirement, death, redundancy, disability, or the sale of a subsidiary company will be classified as “no fault terminations”.

The vesting of the unvested awards will be advanced to a date as soon as practical after the date of termination of employment. The extent to which the performance conditions have been met, will determine the number of shares to vest. Such number will further be pro-rated to reflect the number of months in employment from the award date to the date of termination of employment, relative to the total number of months in the vesting period.

**TERMINATION OF EMPLOYMENT DURING THE HOLDING PERIOD**

**[14.1(H)]**

Where a participant ceases to be employed for any reason whatsoever during the holding period, any shares (including their related dividend equivalents) that are subject to the holding period will continue to be subject to the holding period and will be released to that Participant on the original release date, as communicated in the award letter.

**CHANGE OF CONTROL**

**[14.1(G)]**

If the company undergoes a change of control, a portion of the awards will vest. The portion to vest will reflect the number of months in employment from the award date to the change of control date, relative to the total number of months in the vesting period and the extent to which performance conditions have been met.

The portion of the awards that do not vest, will continue to be subject to the terms of the award letter relating thereto unless, but may be adjusted as the Committee sees fit, provided the participant is not worse off.

Awards will not vest because of an internal reconstruction or similar event which is not a change of control. In this case the Committee shall make such adjustment to the number of awards or convert awards into awards in respect of shares in one or more other companies, provided the participants are no worse off.

**MALUS AND TRIGGER EVENTS**

Malus will apply up to the end of the holding period. Claw-back will apply subsequent to the holding period and will be regulated in terms of the company's existing policy in this regard. The trigger events that could result in malus and claw-back being invoked are contained in the remuneration report.

**AMENDMENTS**

**[14.2]**

The Committee may alter or vary the rules of the CSP as it sees fit, however, in the following instances the CSP may not be amended without the prior approval of the JSE and a resolution by the shareholders of 75% of the voting rights:

- The category of persons who are eligible for participation in the CSP.
- The number of shares which may be utilised for the purpose of the CSP.

- The individual limitations on benefits or maximum entitlements.
- The basis upon which awards are made;
- The amount payable upon the award, settlement or vesting of an award.
- The voting, dividend, transfer and other rights attached to the awards, including those arising on a liquidation of the Company.
- The adjustment of awards in the event of a variation of capital of the Company or a change of control of the Company.
- The procedure to be adopted in respect of the vesting of awards in the event of termination of employment.

**GENERAL**

The CSP and the amendments to the FSP have been approved by the JSE. The rules of the CSP together with the amendments to the FSP are available for inspection from 19 December 2019 to 10 February 2020 at the Company's registered office, Barloworld Corporate Office, 61 Katherine Street, Sandton, 2146, South Africa.

In terms of the JSE Listings Requirements, the passing of Ordinary Resolution number 11.1 to adopt the CSP requires the approval of a 75% majority of the voting rights exercised on the resolution.

In terms of the JSE Listings Requirements, the passing of Ordinary Resolution number 11.2 to amend the FSP requires the approval of a 75% majority of the voting rights exercised on the resolution.
BARLOWORLD LIMITED
(Registration number 1918/000095/06)
JSE codes: BAW and BAWP
ISIN codes: ZAE000026639 and ZAE000026647

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MD Lynch-Bell**
NP Mnaxasana
SS Ntsaluba
P Schmid
HN Molotsi
NV Mokhesi
DM Sewela
NV Lila
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