

**NOTICE OF THE GENERAL MEETING OF SHAREHOLDERS
SUBTROPICO LIMITED**
(Incorporated in the Republic of South Africa)
REGISTRATION NUMBER 1993/000220/06
(the "Company")

NOTICE IS HEREBY GIVEN that The General Meeting of the Company will be held on Friday, 27 October 2017 at 11h00 in No 5 Parkland Building, 229 Bronkhorst Street, New Muckleneuk, Pretoria, to consider, and if deemed fit, pass with or without modification, the resolutions as set out in this notice.

The Board of Directors of the Company has determined, in accordance with section 59 of the Companies Act No. 71 of 2008, as amended (the "Act"), that

- The record date for determining which shareholders are entitled to receive Notice of the meeting is the close of business on Thursday, 5 October 2017;
 - The record date for determining which shareholders may participate in and vote at the meeting is the close of business on Friday, 13 October 2017.
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1. WHEREAS in terms of section 164 of the Companies Act, Act 71 of 2008 (the "Act"), at any time before the special resolution as set out in this notice is voted on, a dissenting member may give the Company a written notice objecting to the special resolution.

Within 10 (ten) business days after the Company has adopted the special resolution, the Company must send a notice that the special resolution has been adopted to each member who:

- gave the Company a written notice of objection as contemplated above;
- has not withdrawn that notice; and
- has voted against the special resolution.

A member may, within 20 (twenty) business days after receiving the Company's aforementioned notice of the adoption of the special resolution, demand that the Company pay the member the fair value for all of his/her interest of the Company held by that person if:

- the member has sent the Company a notice of objection;
- the Company has adopted the special resolution; and
- the member voted against the special resolution and has complied with all of the procedural requirements of section 164 of the Act.

The wording of section 164 of the Act is set out in Annexure A to this notice.

2. WHEREAS in terms of Clause 11.3 of the New Mol *"the fair market value of any Shares, at any date, shall be an amount equal to the volume weighted average purchase price per Share with respect to the 5 most recent arms-length transfers, between Persons who are not related or inter-related with*

respect to each other, of Shares preceding that date, as determined and calculated by the Board, whose calculation of the fair market value per Share as at that date shall in the absence of manifest error and fraud be prima facie proof of the fair market value per Share ("Fair Market Value")."

3. WHEREAS the Company has entered into a Subscription Agreement with the Majority Shareholders (as listed in the first column of Schedule 3 to the Agreement) and UBI GP, in its capacity as general partner of the African Rainbow Capital Fund ("ARC Fund") ("the Subscriber") in terms of which ARC Fund subscribed for 825,999 Ordinary No Par Value Shares representing approximately 25.1% of the total issued securities of the Company;
4. WHEREAS "Completion Date" means the date that is the 10th Business Day immediately following the Fulfilment Date, or such other completion date as the Subscriber and the Company may agree upon in writing;
5. WHEREAS "New MOI" means a new memorandum of incorporation of the Company (to become effective from the Completion Date), in form and content approved of in writing by the Subscriber;

Any shareholder who requires a copy of the Proposed New MOI may obtain a copy from the company's registered office which is No 5 Parkland Building, 229 Bronkhorst Street, New Muckleneuk, Pretoria; telephone (012) 460 9910 or on the company's website <http://www.subtropicalimited.co.za/>

6. WHEREAS in terms of the Agreement, the whole of the Agreement (save for the Binding Provisions which shall be of immediate force and effect from the Signature Date) is subject to the fulfilment or waiver of certain conditions precedent which include the following, as one, in terms of Clause 3.1(b):

(b) "by no later than 45 Business Days after the Signature Date (or such later date as the Subscriber may specify by notice in writing to the Company):

- (i) the New MOI (which will be effective from the Completion Date) has been adopted with effect from the Completion Date by special resolution of the Company's shareholders and the proper notice of amendment, the New MOI and the special resolution have been filed in terms of the Companies Act;*
- (ii) the Company shall have delivered to the Subscriber a certified copy of the New MOI that was filed with the Commission;*
- (iii) none of the Shareholders shall have elected to exercise any of their appraisal rights, to the extent applicable, under section 164 of the Companies Act;"*

7. WHEREAS the Board of Directors proposed that the Company adopt a New Mol; and
8. WHEREAS the New Mol was drafted according to the specific requirements and instructions of the Company and its Shareholders; and
9. WHEREAS the New Mol, as presented to the Shareholders, was read, understood and accepted by the Shareholders.

1. SPECIAL RESOLUTIONS

For the purposes of sections 62(3)(c) and 65(9) of the Act, unless otherwise specified, in order for the special resolution appearing hereunder to be passed, the resolution must be supported by at least 75% of the voting rights exercised on each special resolution.

Consider, and if deemed fit, passing, with or without modification, the following Special Resolution:

1.1 Special Resolution Number 1: Amendment to Memorandum of Incorporation

NOW THEREFORE IT IS RESOLVED that the Memorandum of Incorporation, as presented to the Shareholders, is hereby approved, accepted and adopted.

The reason for and effect of this Special Resolution Number 1:

The reason for and effect of this proposed special resolution is for the existing Mol to be deleted in its entirety and replaced with the proposed new Mol as presented to Shareholders.

2. ORDINARY RESOLUTIONS

For the purposes of sections 62(3)(c) and 65(7) of the Act, unless otherwise specified, in order for each of the ordinary resolutions appearing hereunder to be passed, each resolution must be supported by more than 50% of the voting rights exercised on each ordinary resolution.

Consider, and if deemed fit, passing, with or without modification, the following Ordinary Resolution:

2.1 Ordinary Resolution Number 1: Authority to Act

IT IS FURTHER RESOLVED that any one director of the Company be and are hereby authorised to sign the Memorandum of Incorporation on behalf of the Shareholders and do all such things as are necessary to register the new Memorandum of Incorporation with the Companies and Intellectual Property Commission (CIPC).

Shareholders are reminded that:

- a Shareholder entitled to attend and vote at the GM is entitled to appoint a Proxy (or more than one Proxy) to attend, participate in and vote at the meeting in the place of the Shareholder, and Shareholders are referred to the Proxy Form attached to this Notice in this regard;
- a Proxy need not also be a Shareholder of the Company; and

- in terms of section 63 (1) of the Act, any person attending or participating in a Meeting of Shareholders must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as Shareholder or as Proxy for a Shareholder) has been reasonably verified.

By Order of the Board



Dr BP Botha

CHAIRMAN AND DIRECTOR

**PROXY FORM FOR
THE GENERAL MEETING OF SHAREHOLDERS
SUBTROPICO LIMITED**
(Incorporated in the Republic of South Africa)
REGISTRATION NUMBER 1993/000220/06
(the "Company")

This Proxy Form relates to the **GENERAL MEETING** of the Company to be held on **Friday, 27 October 2017** at **11h00** in **No 5 Parkland Building, 229 Bronkhorst Street, New Muckleneuk, Pretoria ("the GM")**.

I/We _____ (insert name of registered shareholder)

of _____ (insert address),

being the registered owner of _____ (insert number) shares in Subtropico Limited do hereby appoint,

1. _____ or failing him / her,
2. _____ or failing him / her,
3. the chairman of the GM

to attend and participate in the GM as my/our proxy to attend and speak and to vote for me/us and on my/our behalf at the GM and at any postponement, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed at the GM, and to vote on the resolutions in respect of the ordinary shares registered in my/our name(s), in the following manner:

RESOLUTION	IN FAVOUR	AGAINST	ABSTAIN
Special Resolution Number 1: Amendment to Memorandum of Incorporation RESOLVED that the Memorandum of Incorporation, as presented to the Shareholders, is hereby approved, accepted and adopted.			
Ordinary Resolution Number 2: Authority to Act RESOLVED that any one director of the Company be and are hereby authorised to sign the Memorandum of Incorporation on behalf of the Shareholders and do all such things as are necessary to register the new Memorandum of Incorporation with the Companies and Intellectual Property Commission (CIPC).			

(Indicate instruction to proxy by way of a cross in space provided above). Except as instructed above or if no instructions are inserted above, my/our proxy may vote as he/she thinks fit.

Signed on this _____ day of _____ 2017

Signature: _____

Name: _____

Designation: _____

Companies Act 71 of 2008 as amended

Chapter 7: Remedies and Enforcement

Part B: Rights to seek specific remedies

164. Dissenting shareholders appraisal rights

- (1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.
- (2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to—
 - (a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37 (8); or
 - (b) enter into a transaction contemplated in section 112, 113, or 114,

that notice must include a statement informing shareholders of their rights under this section.

- (3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.
- (4) Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who—
 - (a) gave the company a written notice of objection in terms of subsection (3); and
 - (b) has neither—
 - (i) withdrawn that notice; or
 - (ii) voted in support of the resolution.
- (5) A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if—
 - (a) the shareholder—
 - (i) sent the company a notice of objection, subject to subsection (6); and
 - (ii) in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;
 - (b) the company has adopted the resolution contemplated in subsection (2); and
 - (c) the shareholder—
 - (i) voted against that resolution; and
 - (ii) has complied with all of the procedural requirements of this section.
- (6) The requirement of subsection (5) (a) (i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.
- (7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within—
 - (a) 20 business days after receiving a notice under subsection (4); or

- (b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.
- (8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state—
- (a) the shareholder's name and address;
 - (b) the number and class of shares in respect of which the shareholder seeks payment; and
 - (c) a demand for payment of the fair value of those shares.
- (9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless—
- (a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12) (b);
 - (b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or
 - (c) the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.
- (10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.
- (11) Within five business days after the later of—
- (a) the day on which the action approved by the resolution is effective;
 - (b) the last day for the receipt of demands in terms of subsection (7) (a); or
 - (c) the day the company received a demand as contemplated in subsection (7) (b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.
- (12) Every offer made under subsection (11)—
- (a) in respect of shares of the same class or series must be on the same terms; and
 - (b) lapses if it has not been accepted within 30 business days after it was made.
- (13) If a shareholder accepts an offer made under subsection (12)—
- (a) the shareholder must either in the case of—
 - (i) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or
 - (ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and
 - (b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and—
 - (i) tendered the share certificates; or

(ii) directed the transfer to the company of uncertificated shares.

(14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has—

- (a) failed to make an offer under subsection (11); or
- (b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.

(15) On an application to the court under subsection (14)—

- (a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;
- (b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and
- (c) the court—

(i) may determine whether any other person is a dissenting shareholder who should be joined as a party;

(ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);

(iii) in its discretion may—

(aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or

(bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;

(iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and

(v) must make an order requiring—

(aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13) (a); and

(bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13) (a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.

(15A) At any time before the court has made an order contemplated in subsection (15) (c) (v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case— (a) that shareholder must comply with the requirements of subsection 13 (a); and

(b) the company must comply with the requirements of subsection 13 (b).

- (16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.
- (17) If there are reasonable grounds to believe that compliance by a company with subsection (13) (b), or with a court order in terms of subsection (15) (c) (v) (bb), would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 months—
- (a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and
 - (b) the court may make an order that—
 - (i) is just and equitable, having regard to the financial circumstances of the company; and
 - (ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.
- (18) If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.
- (19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to—
- (a) the provisions of that section; or
 - (b) the application by the company of the solvency and liquidity test set out in section 4.
- (20) Except to the extent—
- (a) expressly provided in this section; or
 - (b) that the Panel rules otherwise in a particular case,

a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person.