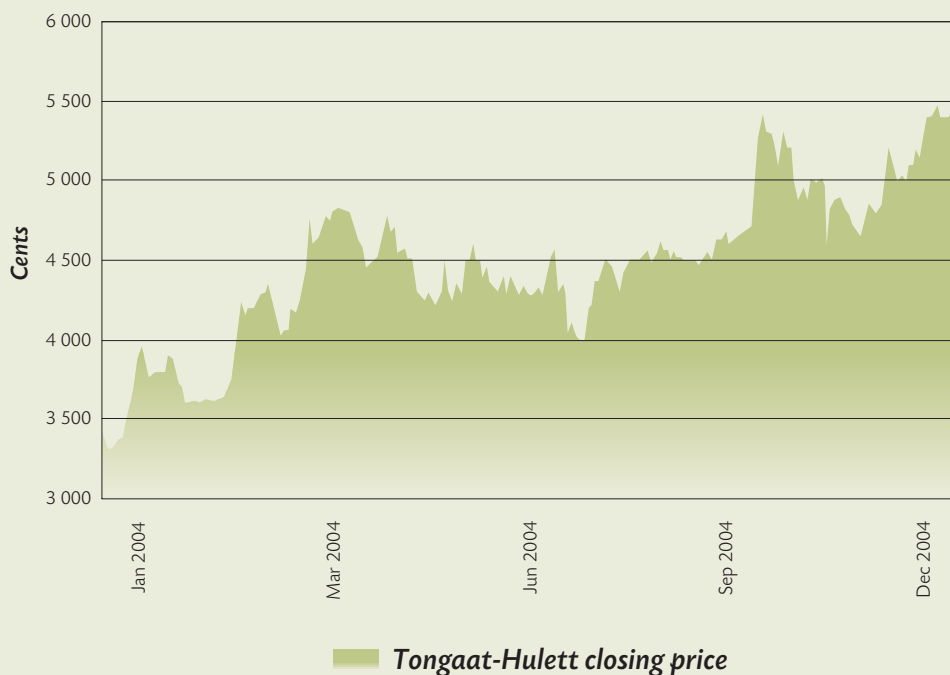


# SHARE OWNERSHIP ANALYSIS

at 31 December 2004

| Number of shareholders                            | Spread                                   | Shares held | % Held |
|---|--|-------------|--------|
| 4 530   | 1 - 1 000 shares                         | 1 517 108   | 1,48   |
| 1 523   | 1 001 - 10 000 shares                    | 4 596 288   | 4,50   |
| 254   | 10 001 - 100 000 shares                  | 8 845 853   | 8,65   |
| 71  | 100 001 - 1 000 000 shares               | 18 820 479  | 18,41  |
| 7   | more than 1 000 000 shares               | 68 468 213  | 66,96  |
| 6 385   | Total                                    | 102 247 941 | 100,00 |
| <b>Category</b>                                   |  |             |        |
| 82  | Banks                                    | 7 339 935   | 7,18   |
| 72  | Close Corporations                       | 65 890      | 0,06   |
| 67  | Endowment Fund                           | 523 733     | 0,51   |
| 1   | Holding company                          | 53 657 600  | 52,48  |
| 4 631   | Individuals                              | 6 662 162   | 6,52   |
| 29  | Insurance Companies                      | 1 317 520   | 1,29   |
| 20  | Investment Companies                     | 7 592 039   | 7,43   |
| 85  | Mutual funds                             | 9 163 531   | 8,96   |
| 1 009   | Nominees and Trusts                      | 3 381 999   | 3,31   |
| 73  | Other Corporations                       | 254 135     | 0,25   |
| 118   | Pension Funds                            | 11 297 999  | 11,04  |
| 181   | Private Companies                        | 768 564     | 0,75   |
| 17  | Public companies                         | 222 834     | 0,22   |
| 6 385   | Total                                    | 102 247 941 | 100,00 |
| <b>Type of shareholder</b>                        |  |             |        |
| Non-public  |  |             |        |
| 24  | Directors and associates of the company  | 1 442 214   | 1,41   |
| 1   | Strategic holdings                       | 53 657 600  | 52,48  |
| 3   | Own holdings                             | 16 791      | 0,02   |
| 3   | Issuer pension funds                     | 1 581 261   | 1,54   |
| 31  | Total Non-public                         | 56 697 866  | 55,45  |
| 6 354   | Public                                   | 45 550 075  | 44,55  |
| 6 385   | Total                                    | 102 247 941 | 100,00 |
| <b>Beneficial shareholdings over four percent</b> |  |             |        |
|   | Anglo South Africa Capital (Pty) Limited | 53 657 600  | 52,48  |
|   | Liberty Group                            | 5 774 072   | 5,65   |
|   | Public Investment Commissioner           | 4 539 699   | 4,44   |

## SHARE PRICE PERFORMANCE



## SHAREHOLDERS' DIARY

|   |          |             |
|---|----------|-------------|
| Financial year end                                    |          | 31 December |
| Annual general meeting                                |          | April       |
| Reports and profit statements:                        |          |             |
| Interim report  |          | July        |
| Profit announcement<br>and final dividend declaration |          | February    |
| Annual financial statements                           |          | March       |
| Dividends:  |          |             |
| Interim   | Declared | July        |
|   | Paid     | September   |
| Final   | Declared | February    |
|   | Paid     | March       |

## CORPORATE INFORMATION

**Registration Number:** 1892/000610/06

**Share Code:** TNT

**Issuer Code:** THGL

**ISIN Number:** ZAE 000007449

### Group Secretary

S Davidson (34)

Appointed group secretary 2004

### Business and Postal Address

Amanzimnyama Hill Road

Tongaat

KwaZulu-Natal

P O Box 3

Tongaat 4400

Telephone: +27 32 439 4019

Facsimile: +27 32 945 3333

Website: [www.tongaat.co.za](http://www.tongaat.co.za)

E-mail: [info@tongaat.co.za](mailto:info@tongaat.co.za)

### Bankers

First National Bank  
of Southern Africa Limited  
Nedcor Bank Limited  
The Standard Bank  
of South Africa Limited  
ABSA Bank Limited

### Attorneys

Cox Yeats  
Garlicke & Bousfield  
Shepstone & Wylie  
Taback & Associates

### Auditors

Deloitte & Touche

### Securities Exchange Listings

South Africa (Primary):  
JSE Securities Exchange South Africa  
United Kingdom (Secondary):  
London Stock Exchange

### Transfer Secretaries

South Africa:  
Computershare Investor Services  
2004 (Pty) Limited  
P O Box 61051  
Marshalltown 2107

United Kingdom:  
Capita Registrars  
The Registry  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU

### Sponsor

Investec Bank Limited  
100 Grayston Drive  
Sandown  
Sandton 2196



### **Order of business**

1. To receive and consider the annual financial statements of the company and of the Group for the year ended 31 December 2004.
2. To elect directors in place of Messrs L Boyd, B E Davison, G R Hibbert, M W King, J B Magwaza and M Serfontein who retire in accordance with the articles of association and who, being eligible, offer themselves for re-election. Details of each of these retiring directors are set out on pages 34 and 35 of the 2004 Annual Report.
3. To consider and, if deemed fit, to pass, with or without modification, the following resolutions, subject to the approval of the JSE Securities Exchange South Africa ("JSE"):

### **Special Resolution Number 1**

"Resolved as a special resolution that:

- (a) the acquisition by the company of shares or debentures ("securities") issued by it on such terms and conditions as the directors of the company may deem fit; and
- (b) the acquisition by any subsidiary of the company of securities issued by the company on such terms and conditions as the directors of any such subsidiary may deem fit;

be and it is hereby approved as a general approval in terms of sections 85 and 89 of the Companies Act, 61 of 1973, as amended ("the Companies Act") and in terms of the JSE Listings Requirements; provided that:

- (1) the number of ordinary shares acquired in any one financial year shall not exceed five percent of the ordinary shares in issue at the date on which this resolution is passed;
- (2) such general approval shall be valid only until the next annual general meeting of the company or the expiry of a period of 15 months from the date of this resolution, whichever occurs first, or until varied or revoked prior thereto by special resolution at any general meeting of the company;

- (3) such acquisitions may not be made at a price greater than ten percent above the weighted average of the market value for the securities on the JSE for the five business days immediately preceding the date on which the transaction for the acquisition is effected. The JSE should be consulted for a ruling if the company's securities have not traded in such five business day period;
- (4) the acquisitions being effected through the order book operated by the JSE trading system;
- (5) the company appoints, at any point in time, only one agent to effect any acquisition/s on the company's behalf;
- (6) the company complies with the shareholders' spread requirements in terms of the JSE Listings Requirements;
- (7) acquisitions will not be undertaken by the company or its subsidiaries during a prohibited period, as defined by the JSE Listings Requirements;
- (8) when the company and/or its subsidiaries have cumulatively repurchased three percent of the initial number (the number of that class of shares in issue at the time that general authority from shareholders is granted) of the relevant class of securities, and for each three percent in aggregate of the initial number of that class acquired thereafter, a press announcement must be made giving the details required in terms of the JSE Listings Requirements, in respect of such acquisitions;
- (9) the company will ensure that its sponsor will provide the necessary letter on the adequacy of the working capital in terms of the JSE Listings Requirements, prior to the commencement of any purchase of the company's shares on the open market;
- (10) before entering the market to effect the general repurchase, the directors, having considered the effects of the repurchase of the maximum number of ordinary shares in terms of the foregoing general authority, will ensure that for a period of 12 months after

the date of the notice of annual general meeting:

- the company and the Group will be able, in the ordinary course of business, to pay its debts;
- the assets of the company and the Group, fairly valued in accordance with generally accepted accounting practice, will exceed the liabilities of the company and the Group;
- the company and the Group's ordinary share capital, reserves and working capital will be adequate for ordinary business purposes;

(11) this authority will be used if the directors consider that it is in the best interests of the company and shareholders to effect any such acquisitions having regard to prevailing circumstances and the cash resources of the company at the relevant time."

The general information regarding the company, referred to in paragraph 11.26(b) of the JSE Listings Requirements, is contained in the 2004 Annual Report as follows:

- (a) directors of the company (see pages 34 and 35);
- (b) major shareholders (see page 74);
- (c) directors' interests in the company's securities (see page 65);
- (d) share capital (see page 56).

There have been no material changes since 31 December 2004.

The company is not a party to any material litigation nor is it aware of any pending material litigation to which it may become a party.

The directors (whose names appear on pages 34 and 35 of the 2004 Annual Report) collectively and individually accept full responsibility for the accuracy of the information given and certify, that to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the

circular (this notice of the annual general meeting) contains all information required by law and the JSE Listings Requirements.

The effect of special resolution number 1 is to provide a general authority for the company and its subsidiaries to acquire shares issued by it in accordance with the provisions of sections 85 and 89 of the Companies Act and the JSE Listings Requirements.

#### **Ordinary Resolution Number 1**

"Resolved as an ordinary resolution that the directors be and they are hereby authorised and empowered to do all such things and sign all such documents and procure the doing of all such things and the signature of all such documents as may be necessary or incidental to give effect to the approval granted in terms of special resolution number 1."

#### **Ordinary Resolution Number 2**

"Resolved as an ordinary resolution that the unissued shares in the capital of the company (other than the shares reserved for the purposes of The Tongaat-Hulett Employees Share Incentive Scheme and The Tongaat-Hulett Group Limited 2001 Share Option Scheme) be and they are hereby placed under the control of the directors of the company who are hereby authorised to allot and issue such shares at their discretion upon such terms and conditions as they may determine, subject to the proviso that the aggregate number of shares to be allotted and issued in terms of this resolution shall be limited to ten percent of the number of shares in issue at 26 April 2005 and subject to the provisions of the Companies Act and the JSE Listings Requirements".

#### **Ordinary Resolution Number 3**

"Resolved as an ordinary resolution that subject to the passing of ordinary resolution number 2 and the approval of a 75 percent majority of the votes cast by shareholders present in person or represented by proxy at the annual general meeting at which this resolution is proposed, and the JSE Listings Requirements, the directors of the company be and are hereby authorised and empowered to allot and issue for cash, without

restriction, all or any of the unissued shares in the capital of the company placed under their control in terms of ordinary resolution number 2 as they in their discretion may deem fit; provided that:

- (a) this authority shall not extend beyond 15 months from the date of this annual general meeting;
- (b) a paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue representing, on a cumulative basis within one financial year, five percent or more of the number of ordinary shares of the company's issued ordinary share capital in issue prior to such issues provided further that such issues shall not in any one financial year period exceed ten percent of the company's issued ordinary share capital; and
- (c) in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted shall be ten percent of the weighted average traded price of the shares in question over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors. The JSE should be consulted for a ruling if the company's securities have not traded in such 30 business day period."

#### Ordinary Resolution Number 4

"Resolved as an ordinary resolution that the proposed fees, set out below, payable to directors for their services as directors on the board and on board committees for the period commencing 1 January 2005, as recommended by the Remuneration Committee and the board, subject to ratification by the shareholders at the annual general meeting, be and are hereby approved."

#### Proposed Directors' Fees with effect from 1 January 2005

| Type of fee                     | Existing fees<br>R | Proposed fees from<br>1 January 2005<br>R |
|---------------------------------|--------------------|---|
| Group Board:                    |                    |   |
| Chairman                        | 220 000 pa         | 230 000 pa                                |
| Directors                       | 100 000 pa         | 115 000 pa                                |
| Non-Executive Directors:        |                    |   |
| Operating Company Boards        | 50 000 pa          | 60 000 pa                                 |
| Audit and Compliance Committee: |                    |   |
| Chairman                        | 100 000 pa         | 120 000 pa                                |
| Members                         | 50 000 pa          | 60 000 pa                                 |
| Remuneration Committee:         |                    |   |
| Chairman                        | 70 000 pa          | 90 000 pa                                 |
| Members                         | 35 000 pa          | 45 000 pa                                 |
| Employment Equity Committee     | 30 000 pa          | 45 000 pa                                 |

#### Ordinary Resolution Number 5

"Resolved as an ordinary resolution that:

- (1) the company adopts and approves The Tongaat-Hulett Group Ltd Share Appreciation Right Scheme 2005, as contained in the scheme rules prepared by PricewaterhouseCoopers, a copy of which was laid before the meeting;
- (2) the company adopts and approves The Tongaat-Hulett Group Ltd Long Term Incentive Plan 2005, as contained in the scheme rules and prepared by PricewaterhouseCoopers, a copy of which was laid before the meeting;
- (3) the company adopts and approves The Tongaat-Hulett Group Ltd Deferred Bonus Plan 2005, as contained in the scheme rules prepared by PricewaterhouseCoopers, a copy of which was laid before the meeting; and
- (4) the board of directors of the company is authorised to do all things necessary for and

incidental to the implementation of items 1, 2 and 3 of this resolution, including the signature of the relevant scheme rules and all related or ancillary documents.”

The reasons for the adoption of the schemes in terms of the above resolution and the salient features thereof are set out below.

### **Salient Features of The Tongaat-Hulett Group Ltd Share Appreciation Right Scheme 2005, Long Term Incentive Plan 2005 and Deferred Bonus Plan 2005**

Recent developments in tax legislation, accounting standards and best practice in local and global share schemes have required a review of the company’s existing share option scheme. The company’s remuneration committee with the assistance of independent advisors has determined that the current scheme is no longer tax effective and the quantum of the expected benefit of the awards is below market norms. In particular the costs of the existing scheme are not deductible in the company’s hands, but the benefits are fully taxable in the employees’ hands.

In line with global best practice, and emerging South African practice, the remuneration committee and the board of the company recommend the adoption of the following share schemes, based on equity settled share appreciation rights, conditional shares and a deferred annual bonus plan. The recommended schemes are in line with practice in FTSE 100 and FTSE 500 companies in the United Kingdom and with several recently adopted schemes for large JSE listed or dual listed companies.

The Share Appreciation Right Scheme 2005 ("SARS"), Long Term Incentive Plan 2005 ("LTIP") and Deferred Bonus Plan 2005 ("DBP") will be established by the company under which executive directors and employees of the company and its subsidiaries and associates will be awarded rights to receive shares in the company based on the value of these awards (after the deduction of employees’ tax) when performance conditions have been met, the awards have vested, and, in the case of the SARS, the share appreciation right ("SAR") has been exercised.

The schemes are structured to optimise the company’s tax position, and the reflection of the new accounting charges that are required under the new standard (IFRS 2/AC 139: Share Based Payment), while providing a benefit that will assist in the attraction, retention and reward of executives and senior management.

The primary intent of the schemes will be to purchase shares in the market to settle the scheme benefits, so the schemes will not be as dilutive as the current share option scheme. The company will retain the right to issue new shares, which will be of a class already in issue, at its election to mitigate the risk of a spike in the share price which could expose the company to liquidity risk. In any case, the company will be limited to issuing ten percent of the company’s ordinary shares in settlement of benefits of all company share schemes over any ten year period. Scheme shares shall rank *pari passu* in all respects with the existing issued shares of the company.

The schemes also support the principle of alignment of management and shareholder interests. Performance conditions governing the vesting of the scheme instruments are related to growth in earnings, share price, total shareholder return and return on capital employed, relative to targets that are intended to be stretching but achievable. Targets are linked where applicable to the company’s medium term business plan, over rolling three year performance periods.

The term "face value of the grant/award" when used in the context of setting limits (overall and individual) in the salient features and the scheme rules refers to the face value of the shares associated with the SARS, LTIP or DBP award. This should not be confused with the "expected value of the grant/award" which is used when establishing the accounting cost of the award for reflection in the company’s financial statements, and the value of the benefit of awards for scheme members used by the remuneration committee to establish appropriate variable remuneration levels relative to benchmarks.

The limits on the face value of the awards are maximum caps designed to protect shareholders and should not raise expectations of an

entitlement by scheme members, nor intent to award grants at these levels. The individual limits for the SARS and the LTIP are set so that each plan could be used individually, in the case that regulatory developments preclude the use of either plan. Actual grants will be set each year considering the job level of the member, their individual performance, and appropriate benchmarks of expected combined value of awards.

It should be noted that in terms of the company's corporate governance framework, material remuneration committee decisions, including the exercise of its discretion in terms of the scheme rules, are presented to the board for final approval.

A summary of the main terms of the schemes and the performance conditions that will be applied to the initial grant is set out below. Performance conditions for subsequent awards may utilise different performance measures and targets, but will be no less challenging in the context of the prevailing business environment.

### 1. Glossary of Terms

"base pay" the basic cash salary (the cash element excluding all employer medical aid and pension fund contributions) plus the guaranteed annual bonus, where applicable;

"business day" a day on which the JSE is open for the transaction of business;

"committee" the Remuneration Committee of the board of directors of the company or any duly authorised committee;

"company" The Tongaat-Hulett Group Limited ("THGL");

"date of grant" the date with effect from which an award is granted to an employee as is specified in the letter of grant;

"employee" any person holding full-time salaried employment or office (including any executive director) of the participating company;

"exercise price" the market value of a share on the business day immediately

preceding the SAR exercise date;

"face value of grant/award" the market value of the shares related to grant/award determined as at the date of grant;

"letter of grant" a document prepared by the company which details the name of the participant to whom the SARs or conditional awards are granted, the number of shares in respect of which the SARs or conditional awards are granted, the grant price for the SARs and any applicable performance conditions;

"market value" the volume weighted average market price of a share for the applicable day as quoted on the JSE;

"matching award" an award of shares made to a participant under the DBP equal to the market value of the pledged shares on the vesting date, after the deduction of employees' tax;

"offer to participate" a document prepared by the company inviting a participant to participate in the DBP which details the name of the participant, the number of pledged shares and matching shares relating to each pledged share, the release date and any applicable conditions pertaining thereto;

"participating company" the company, its subsidiaries (as contemplated in the Companies Act) and its associated organisations (as designated from time to time by the board, in its discretion);

"performance condition" the condition specified in the letter of grant, to which a grant is subject;

|                            |  |
|----------------------------|--|
| "performance period"       | the period in respect of which a performance condition is to be satisfied;   |
| "pledged shares"           | a number of shares acquired by a participant with a portion of the after tax component of the participant's annual bonus in terms of the DBP;  |
| "release date"             | the date on which the settlement for the vested matching award is made and the pledged shares are released from the pledge, in terms of the DBP;   |
| "shares"                   | ordinary shares of R1,00 (one Rand) each in the capital of the company and includes any shares or securities acquired as a result of a reconstruction or takeover and which are attributable to such ordinary shares following a reconstruction or takeover;   |
| "share appreciation right" | a right to receive shares granted in terms of the scheme on the value of the difference between the exercise price and the grant price less income tax payable on such difference;   |
| "total shareholder return" | means the return to shareholders from the change in the share price and the payment of dividends and other distributions;  |
| "vesting date"             | the date on which a SAR becomes exercisable on fulfilment of the performance conditions or the date on which a participant becomes entitled to receive settlement due to the fulfilment of performance conditions under the LTIP and the date on which the participant becomes entitled to the matching award in terms of the DBP. |

## 2. Eligibility

Any executive directors or employees of any participating company may be selected by the committee to be participants in the plan.

## 3. Performance Conditions

### For the SARS

- 3.1 The vesting of SARS will be conditional upon the achievement of Group performance levels (established by the committee) over a performance period of three years (SARs performance period), as set out in the letter of grant.
- 3.2 The application of a condition of headline earnings per share ("HEPS") growth of CPI plus six percent over the three year period before the SARs vest will be applied for the initial award. If the condition is not met for a given tranche of SARs, retesting of the condition from the fixed base year in year four and year five against HEPS targets of CPI plus eight percent and CPI plus ten percent will be permitted.

### For the LTIP

- 3.3 The vesting of LTIP awards will be conditional upon the achievement of Group performance levels (established by the committee) over a performance period of three years (LTIP performance period), as set out in the letter of grant.
- 3.4 The performance conditions referred to above will be set as of the date of grant of the LTIP award. Two performance conditions will be imposed for the initial grant:
  - 3.4.1 the total shareholder return ("TSR") condition;
  - 3.4.2 the return on capital employed ("ROCE") condition.
- 3.5 For the initial award, 50 percent of the LTIP award will be subject to the TSR condition and 50 percent will be subject to the ROCE condition.

3.6 The grant of all LTIP awards will be conditional upon the participant remaining employed within the Group for a minimum employment period of three years as set out in the letter of grant.

#### **the TSR condition**

3.7 The TSR will be compared to the TSR of a peer group over the LTIP performance period. The TSR of THGL relative to the TSR of the INDI 25 will be used for the initial award.

3.8 The TSR for the purposes of this plan is defined to be the compound annual growth rate ("CAGR") on a portfolio of THGL ordinary shares purchased on 31 December 2004, holding the shares, and reinvesting the dividends received from the portfolio in THGL shares, until 31 December 2007, and then selling the portfolio on that day. The TSR calculation will be performed using the THGL daily ZAR TSR Index, as provided by Datastream (a United Kingdom based information provider), on the nearest trading day following 31 December 2004 and the nearest trading day following 31 December 2007, and computing the CAGR between these values.

3.9 This TSR will be smoothed by computing the TSR in the same manner for the three year period following each trading day for the six months preceding 31 December 2004.

3.10 Subject to the participant remaining in the employment of the Group for the LTIP minimum employment period, if the TSR over the LTIP performance period:

3.10.1 ranks within the upper quartile of the peer group, then the whole LTIP award, which is subject to the TSR condition will become unconditional and will vest;

3.10.2 ranks at the median TSR of the peer group, then 30 percent of the LTIP award, will become unconditional and will vest. The remainder of the LTIP award subject to the

TSR condition will lapse and will be of no further force or effect;

3.10.3 ranks less than the upper quartile rank of the peer group and ranks greater than the median of the peer group, then the percentage of the LTIP award, subject to the TSR condition, which becomes unconditional and will vest, will be linearly apportioned as the ranking of the TSR increases. The remainder of the LTIP award, subject to the TSR condition will lapse and will be of no further force or effect;

3.10.4 ranks less than the median TSR of the peer group, then the whole of the LTIP award subject to the TSR condition will lapse and will be of no force or effect whatsoever.

#### **the ROCE condition**

3.11 The ROCE measure is a return on capital employed measure with a number of adjustments. Targets are set by the committee based on existing ROCE performance in the base year of an LTIP and planned ROCE performance in the final year of the LTIP performance period.

3.12 Subject to the participant remaining in the employment of the Group for the LTIP minimum employment period, the number of LTIPs that vest in terms of the ROCE condition is determined as follows.

3.12.1 If the ROCE in the final year of the LTIP performance period of the company is equal to the minimum ROCE target then the minimum ROCE award (30 percent of the grant subject to the ROCE condition) vests. The remainder of the LTIP award subject to the ROCE condition will lapse and will be of no further force or effect.

3.12.2 If the ROCE in the final year of the LTIP performance period is equal to, or exceeds the maximum ROCE target then the maximum award (100 percent of the grant subject to the ROCE condition) vests.

3.12.3 The award vests linearly between 30 percent and 100 percent for performance between the minimum ROCE target and the maximum ROCE target. The remainder of the LTIP award subject to the ROCE condition will lapse and will be of no further force or effect.

3.12.4 If the ROCE in the final year of the LTIP performance period is less than the minimum ROCE target then the whole of the LTIP award, subject to the ROCE condition will lapse and will be of no force or effect whatsoever.

3.13 The principles underlying these targets are:

3.13.1 the minimum ROCE target for existing capital will take into account the actual ROCE in the base year, and the three year business plan;

3.13.2 the maximum ROCE target for existing capital is based on the current three year business plan;

3.13.3 the minimum and maximum targets for incremental capital are based on the nominal pre-tax weighted average cost of capital of THGL.

3.14 ROCE definition

ROCE equals operating profit divided by average adjusted capital employed.

Where, in respect of the financial year being measured, adjusted capital employed equals capital employed less capital projects in progress.

3.15 Average capital employed is taken as the average of the opening and closing balances (after adjustments) of capital employed in the year over which profit is measured.

3.16 Other adjustments may be applied from time to time by the committee to reflect changes in circumstances (for example disposals and cyclical variation in actual capital employed during a year if applicable).

## **For the DBP**

3.17 The DBP awards are not subject to any performance conditions.

## **4. Limits**

### **4.1 Shares available for the plan**

The aggregate number of shares which may be allocated under the SARS, the LTIP and DBP on any day, when added to the total number of unexercised SARs, conditional awards and matching awards which have been allocated under the SARS, LTIP and DBP and any other employee share scheme operated by the company, shall not exceed ten percent of the number of issued ordinary shares of the company from time to time.

### **4.2 Individual limit**

The face value of the grants made to an employee in any financial year under the SARS should not exceed two times the employee's base pay at the date of offer.

The face value of the grants made to an employee in any financial year under the LTIP should not exceed two times the employee's base pay at the date of offer.

The face value of the matching shares in any financial year made under an award under the DBP may not exceed 30 percent of the employee's base pay at the date of offer.

## **5. Termination of employment**

If a participant ceases to be a director or an employee of a participating company for any reason other than as set out below, all unvested SARs will lapse and a participant will have no further entitlement under the LTIP and DBP.

### **5.1 Retrenchment, ill health, disability or any other circumstances which the company may consider appropriate**

If a participant's employment with any company in the Group terminates before the release date due to redundancy, ill health or any other circumstances which the company

may consider appropriate, a pro-rata portion of the SARs granted to the participant may be exercised within three months (or such extended period as the committee regard as appropriate), a pro-rata portion of the LTIP and matching award will vest on the date of cessation of employment. The committee will take into consideration the extent to which the performance conditions have been satisfied and the proportion of the performance period that has expired to compute the portion of the award that vests.

### **5.2 Death**

If a participant's employment with any company in the Group terminates by reason of death the executor of the estate may exercise his SARs within one year of death irrespective of the extent to which the SARs have vested or the satisfaction of any performance condition. A proportion of the LTIP grant and matching award grant vests on the date of death reflecting the number of whole months of the performance period which have still to run at the date of death.

### **5.3 Retirement**

If a participant's employment with any company in the Group terminates by reason of retirement, the participant will continue to participate in the schemes under the same conditions had the participant still been employed by the company.

## **6. Settlement method**

The primary intent of the new schemes will be to purchase shares in the market via a third party to settle the scheme benefits, so the schemes will not be as dilutive as the current share option scheme. The company will retain the right to issue new shares at its election to mitigate the risk of a spike in the share price which could expose the company to liquidity risk.

Notwithstanding the foregoing the committee may determine in its discretion that any participant shall be paid an equivalent amount in cash in lieu of any shares under the SARS and LTIP.

## **7. Reconstruction or takeover**

In the event of a reconstruction or takeover of the company before the vesting date, the performance condition will be reviewed by the committee to determine the extent to which it has been satisfied up to the date of the reconstruction or takeover, to determine the number of SARs (under the SARS) and shares (under the LTIP) which will vest. In the case of the DBP the participant shall be entitled to receive the pledged shares and the matching award forthwith.

## **8. Variation in share capital**

In the event of a rights issue, capitalisation issue or other event affecting the share capital of the company, before the vesting date, the committee may make such adjustment to the number of SARs (under the SARS) and shares (under the LTIP) comprised in the relevant grants, or the grant price of such SAR grants as it deems appropriate. The following provisions are relevant in the case of the DBP:

### **8.1 Pledged shares**

The participant shall be entitled to give instructions to the trust as to the choice to be made in respect of pledged shares held by the trust on his behalf. The trust shall transfer to the participant any proceeds on the sale of rights, and any securities issued on the take up of rights, at the participant's request.

### **8.2 Matching awards**

The committee may vary the amount of shares comprised in the matching award to take account of any variation in the share capital of the company, or a special or extraordinary distribution including a distribution in specie or a payment in terms of section 90 of the Companies Act (other than a dividend paid in the ordinary course of business out of distributable reserves) or other transaction which might adversely affect the value of shares, to ensure that the participant is not disadvantaged.

4. To transact such other business as may be transacted at a general meeting.

### **Voting**

Any shareholder who holds certificated ordinary shares in the company or who holds dematerialised ordinary shares in the company through a Central Securities Depository Participant ("CSDP") and who has selected "own name" registration, may attend, speak and vote at the annual general meeting or may appoint any other person or persons (none of whom need be a shareholder) as a proxy or proxies, to attend, speak and vote at the annual general meeting in such shareholder's stead.

Should any shareholder who holds dematerialised ordinary shares in the company and has not selected "own name" registration, wish to attend, speak and vote at the annual general meeting, such shareholder should timeously inform his CSDP or broker for the purposes of obtaining the necessary letter of representation from such shareholder's CSDP or broker to attend the annual general meeting or timeously provide such shareholder's CSDP or broker with such

shareholder's voting instruction in order for the CSDP or broker to vote on such shareholder's behalf at the annual general meeting.

A proxy form is enclosed for use by shareholders holding certificated ordinary shares in the company or dematerialised ordinary shares in the company through a CSDP and who has selected "own name" registration. Such proxy form, duly completed should be forwarded to reach the transfer secretaries of the company, by no later than 09h00 on Friday, 22 April 2005. The completion of a proxy form will not preclude a member from attending the meeting.

By order of the board



**S Davidson**

Group Secretary

Amanzimnyama  
Tongaat, KwaZulu-Natal

18 February 2005





FORM OF PROXY FOR ANNUAL GENERAL MEETING

Note: All beneficial shareowners that have dematerialised their shares through a CSDP or broker, other than those which are in "own name", must NOT COMPLETE THIS FORM.

Instead, they must either provide the CSDP or broker with their voting instructions, or alternatively, should they wish to attend the meeting themselves, they may request the CSDP or broker to provide them with a letter of representation in terms of the custody agreement entered into between themselves and the CSDP or broker.

A member entitled to attend and vote at the meeting mentioned below is entitled to appoint a proxy to attend, speak and, on a poll, to vote in his stead. A proxy need not be a member of the company.

I / We (Name in block letters)

of (Address in block letters)

being the holder/holders of ordinary shares in The Tongaat-Hulett Group Limited do hereby appoint

or failing him, Mr C M L Savage or failing him, Mr P H Staudé as my/our proxy to vote for me/us on my/our behalf at the annual general meeting of the company to be held at 09h00 on Tuesday 26 April 2005 for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat, at each adjournment thereof and to vote on the resolutions in respect of the ordinary shares registered in my/our name/s in accordance with the following instructions.

Table with 4 columns: Proposed resolution, For, Against, Abstain. Rows include Adoption of financial statements, Re-election of directors (L Boyd, B E Davison, G R Hibbert, M W King, J B Magwaza, M Serfontein), and Special Resolution number 1, Ordinary Resolution number 1, 2, 3, 4, and 5.

Signed this day of 2005 Signature

Completed Forms of Proxy must be received at the office of the company's transfer secretaries by not later than 09h00 on Friday, 22 April 2005.

South Africa: Computershare Investor Services 2004 (Pty) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107).

United Kingdom: Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

**Notes:**

1. A member's instructions to the proxy must be indicated in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the annual general meeting as he/she deems fit. A member may instruct the proxy to vote less than the total number of shares held by inserting the relevant number of shares in the appropriate box provided. A member who fails to do so will be deemed to have authorised the proxy to vote or abstain from voting, as the case may be, in respect of all the member's votes exercisable at the annual general meeting.
2. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy unless previously recorded by the company's share registrar or waived by the chair of the annual general meeting.
3. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
4. A minor must be assisted by the minor's parent or guardian unless the relevant documents establishing the minor's legal capacity are produced or have been registered by the share registrars of the company.
5. The chairman of the annual general meeting may accept any form of proxy which is completed other than in accordance with these notes if the chairman of the annual general meeting is satisfied as to the manner in which the member wishes to vote.