

## Notice of General Meeting

Notice is hereby given that the annual general meeting of the company will be held at 09h00 at Massmart House, 16 Peltier Drive, Sunninghill Ext 6, Sandton on Wednesday, 28 November 2001, for purposes of:

### 1. Transacting the following business:

- 1.1 to receive and adopt the annual financial statements of the company and the group for the year ended 30 June 2001;
- 1.2 to elect directors in the place of those retiring in accordance with the company's articles of association; and
- 1.3 to transact such other business as may be transacted at an annual general meeting.

### 2. Considering and, if deemed fit, passing, with or without modification, the following ordinary and special resolutions:

#### Ordinary resolutions:

1. **"Resolved that** the annual financial statements of the company and the group for the year ended 30 June 2001, circulated together with this notice, be and are hereby adopted."
2. **"Resolved that** Mr D G Barrett, who resigns by rotation and has offered himself for re-election, be and is hereby re-elected to the board of directors of the company for a further period of three years."
3. **"Resolved that** Mr S Leggatt, who resigns by rotation and has offered himself for re-election, be and is hereby re-elected to the board of directors of the company for a further period of three years."
4. **"Resolved that** the election to the board of directors of the company of Mr G R C Hayward with effect from 15 May 2001 be and is hereby approved."
5. **"Resolved that** the appointment of Mr D Doijer as an alternate director to Mr F Schukken with effect from 20 August 2001 be and is hereby approved."
6. **"Resolved that** the election to the board of directors of the company of Mr N Matthews with effect from 1 November 2001 be and is hereby approved.

7. **"Resolved that** Messrs Deloitte & Touche be and are hereby re-elected as the company's auditors for the ensuing financial year."
8. **"Resolved that** the declaration of the final cash dividend of 21 cents per ordinary share in respect of the six months ended 30 June 2001, payable to holders of ordinary shares registered as such at the close of business on 14 September 2001 be and is hereby approved."
9. **"Resolved that** all the ordinary shares in the authorised but unissued share capital of the company be and are hereby placed under the control of the directors in terms of section 221(2) of the Companies Act, 1973 (Act 61 of 1973), as amended ("Act"), who shall be authorised to allot and issue such ordinary shares to such person or persons on such terms and conditions as they may deem fit."
10. **"Resolved that,** subject to the Listings Requirements of the JSE Securities Exchange South Africa ("JSE"), the directors be and are hereby authorised to issue the ordinary shares in the authorised but unissued share capital of the company for cash to such person or persons on such terms and conditions as they may deem fit, subject to the following:
  - 10.1 the shares shall be of a class already in issue;
  - 10.2 the shares shall be issued to public shareholders (as defined in the Listings Requirements of the JSE);
  - 10.3 the issues in the aggregate in any one financial year shall not exceed 15% (fifteen percent) of the number of shares already in issue;
  - 10.4 the maximum discount at which the shares may be issued shall be 10% (ten percent) of the weighted average traded price of the shares over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed by the directors;
  - 10.5 the authority hereby granted will be valid until the company's next annual general meeting, provided that it will not extend to beyond 15 (fifteen) months."The approval of a 75% (seventy five percent) majority of the votes cast by shareholders present or represented by proxy at the annual general meeting is required for this resolution to become effective.

## Special resolutions:

1. **“Resolved that** the company and its subsidiaries be and are hereby authorised in terms of sections 85(2) and 85(3) of the Act, and the Listings Requirements of the JSE, from time to time to acquire ordinary shares in the issued share capital of the company from such shareholder/s, at such price, in such manner and subject to such terms and conditions as the directors may deem fit, but subject to the articles of association of the company, the Act and the Listings Requirements of the JSE, and provided that:

1.1 the authority hereby granted will be valid until the company's next annual general meeting, provided that it will not extend to beyond 15 (fifteen) months from the date of registration of this special resolution;

1.2 acquisitions may not be made at a price greater than 10% (ten percent) above the weighted average of the market value for the shares determined over the 5 (five) business days prior to the date that the price for the acquisition is agreed;

1.3 acquisitions in the aggregate in any one financial year shall not exceed 15% (fifteen percent) of the company's issued ordinary share capital.”

Although the Listings Requirements of the JSE provide that acquisitions by a company of its own shares in the aggregate in any one financial year pursuant to a general authority may not exceed 20% (twenty percent) of the company's issued ordinary share capital, the directors are only seeking an authority to acquire up to 15% (fifteen percent) of the company's issued ordinary share capital.

### Statement by the board of directors

In accordance with the Listings Requirements of the JSE, the directors state that:

a) the intention of the directors is to utilise the authority at a future date, provided that the cash resources of the company are in excess of its requirements. In this regard, the directors will take into account, inter alia, an appropriate capitalisation structure for the company and the long-term cash needs of the company, and will ensure that any such utilisation is in the interests of the shareholders;

b) having considered the effect of the maximum number of ordinary shares that may be acquired pursuant to the authority and the date upon

which such acquisition/s will take place:

- the company and its subsidiaries will be able in the ordinary course of business to pay their debts for a period of twelve months after the date of this notice of annual general meeting;
- the assets of the company and its subsidiaries will be in excess of the liabilities of the company and its subsidiaries for a period of twelve months after the date of this notice of annual general meeting, such assets and liabilities being fairly valued in accordance with South African Statements of Generally Accepted Accounting Practice and in accordance with the accounting policies used in the company and the group annual financial statements for the year ended 30 June 2001;
- the issued share capital and reserves of the company and its subsidiaries will be adequate for purposes of the business of the company and its subsidiaries for a period of twelve months after the date of this notice of annual general meeting;
- the working capital available to the company and its subsidiaries will be adequate for purposes of the business of the company and its subsidiaries for a period of twelve months after the date of this notice of annual general meeting.

2. **“Resolved that** the company's share capital be and is hereby reduced in terms of section 90 of the Act, with effect from the date of registration of this special resolution, by reducing the company's share premium account from R903 241 889.95 by an amount of R429 199 000.45, such reduction to be applied to write off goodwill and other intangible asset components of the company's interests in subsidiaries.”

3. **“Resolved that** the company's articles of association be and are hereby amended by the inclusion of the following new article 40 after the existing article 39: “ELECTRONIC TRANSMISSION OF NOTICES, PROXIES AND OTHER DOCUMENTS

40. For purposes of paragraphs 1 to 15 of this article 40:

40.1.1 “data message” means information generated, displayed, sent, received or stored by electronic media, optical or similar means;

40.1.2 “electronic media” means media

## Notice of General Meeting (continued)

such as facsimiles, CD-ROM, electronic mail, bulletin boards, Internet websites and computer networks;

**40.1.3** "electronic proxies" means a proxy received by the Company via the proxy system;

**40.1.4** "information system" means a system for generating, displaying, sending, receiving, storing or otherwise processing data messages, and includes the Internet and the World Wide Web;

**40.1.5** "proxy system" means an information technology based system, approved by the board, providing for members to electronically deliver an electronic proxy to the Company via an information system;

**40.1.6** "writing" or "written" means, in respect of data messages, information contained therein that is accessible so far as to be usable for subsequent reference.

**40.2** Notwithstanding anything to the contrary contained in these articles, and whenever in these articles reference is made to service of notice by the Company on or to documents having to be delivered by the Company to members, it shall be sufficient for the Company to effect service of notice on or delivery of documents via an information system without the requirement to effect notice or delivery of documents by any other means, but subject to the Listings Requirements of the JSE and the Act.

**40.3** The provisions of article 40.2 shall only apply to such members who have consented thereto and have supplied the Company with their data message addresses. Notwithstanding the aforesaid, a member having supplied the Company with its data message address may, on notification to the Company by registered mail -

**40.3.1** decline data message notification or delivery ("withdrawal") and require paper-based notification or delivery in accordance with the remainder of the provisions of these articles, provided that such withdrawal shall become effective on the 7th (seventh) day after receipt thereof by the Company and provided further that no data message notification or delivery sent by the Company prior to such date shall be affected by the withdrawal; or

**40.3.2** request paper-based notification or delivery over and above data message notification or delivery provided that in such instance data message notification or delivery shall nevertheless be the only notification or delivery to be considered for purposes of compliance with these articles.

**40.4** Data message notification or delivery shall be deemed to constitute a valid notice or delivery or irrespective of whether the information forming the subject matter of the notice or delivery is -

**40.4.1** contained as texts in the body of the data message; or

**40.4.2** provided as an attachment to the data message as a separate document in any file format generally used; or

**40.4.3** made available for direct or indirect access or download, as the case may be, by hyperlink in the data message; or

**40.4.4** made available on a website for direct or indirect access or download, as the case may be, the address of which is provided in the data message; or

**40.4.5** a combination of the above.

**40.5** A data message notice shall be deemed to have been served on or documents delivered to the member on the day of having been sent by or on behalf of the Company and in proving such service or delivery it shall be sufficient to prove that the data message had been sent to the appropriate address as evidenced by the relevant records of the Company or its agent, provided that a member shall not be entitled to dispute service or delivery under any circumstances after expiry of 6 (six) months from the official issue date of the notice or 14 (fourteen) days after a meeting for which such notice had been issued, whichever occurs first.

**40.6** In as far as these articles or applicable laws require data message notices to be signed, such requirement shall be met in all respects in accordance with the provisions of articles 40.10 and 40.11.

**40.7** In as far as these articles or applicable laws require data message notices to be submitted to or otherwise filed with the Company, such requirements shall be met if, in the sole opinion of the board, the information

system is capable of satisfying the requirements of articles 40.12 to 40.14.

**40.8** A data message sent by a member to the Company shall not be deemed to have been received unless actually received.

**40.9** Members acknowledge and accept that data message notification may lead to certain costs on their part, including telephone dial-up costs and cost of printing.

**40.10** Whenever these articles or applicable law requires a signature of a member or other person, that requirement shall be met in relation to a data message if -

**40.10.1** a method is used to identify that person and to indicate that person's approval of the information contained in the data message; and

**40.10.2** that method is, in the sole and absolute discretion of the board, as reliable as was appropriate for the purpose for which the data message was generated or communicated, in light of all the circumstances.

**40.11** Article 40.10 applies where the requirement therein is in the form of an obligation or where applicable law simply provides consequences in the absence of a signature.

**40.12** Where these articles or applicable law requires that certain documents, records or information be retained, that requirement shall be met in respect of a data message by retaining the relevant data message, provided that the following conditions are satisfied -

**40.12.1** the information contained therein is accessible so as to be useable for subsequent reference; and

**40.12.2** the data message is retained in the format in which it was generated, sent or received, or in a format which can be demonstrated to represent accurately the information generated, sent or received; and

**40.12.3** such information, if any, is retained as enables the identification of the origin and destination of a data message and the date and time when it was sent or received.

**40.13** An obligation to retain documents, records or information in accordance with article 40.12 does not extend to any information the sole purpose of which is to

enable the message to be sent or received.

**40.14** A person may satisfy the requirements referred to in article 40.12 by using the services of any other person, provided that the conditions set forth in articles 40.12.1, 40.12.2, and 40.12.3 are met.

**40.15** No electronic proxies from members shall be allowed without the approval of the Board, and otherwise than through a proxy system approved by the Board, which approval (in both cases) the Board may withdraw at any time in its sole and absolute discretion. The Board may from time to time specify further criteria or conditions that must be complied with by members to become eligible to use electronic proxies.

#### Reasons and effects

The reason for special resolution number 1 is to give a renewable mandate to the directors to repurchase ordinary shares in the company. The effect of special resolution number 1 will be that the company and its subsidiaries will be authorised to acquire ordinary shares in the company.

The reason for special resolution number 2 is that the company wishes to ratify the write-off of goodwill and other intangible asset components of the company's interests in subsidiaries. The effect of special resolution number 2 is to reduce the company's share premium account.

The reason for special resolution number 3 is that the company wishes to send notices and other documents to shareholders by electronic means. The effect of special resolution number 3 will be that the company's articles of association will be amended so as to provide for the sending of notices and other documents to shareholders by electronic means.

#### Voting and proxies

All holders of ordinary shares in the company will be entitled to attend and vote at the annual general meeting. Subject to any rights or restrictions for the time being attached to any ordinary shares, on a show of hands, every shareholder who is present in person, or in the case of a company, the representative appointed in terms of section 188 of the Act, shall have one vote. On a poll, each shareholder shall have so many votes for each share as is determined in accordance with section 195 of the Act, read with the company's articles of association.

## Notice of General Meeting (continued)

A shareholder entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies (none of whom need be shareholders) to attend, speak and, on a poll, to vote in his/her stead. The form of proxy for the annual general meeting, which sets out the relevant instructions for its completion, accompanies this notice of annual general meeting.

By order of the Board



**R A McKee**

Secretary

Johannesburg  
22 October 2001

### Registered office

Massmart House  
16 Peltier Drive  
Sunninghill Ext 6  
Sandton  
2196

Private Bag X4  
Sunninghill  
2157

### Transfer secretaries

Mercantile Registrars Limited  
11 Diagonal Street  
Johannesburg  
2000

P. O. Box 1053  
Johannesburg  
2000

# Massmart Holdings Limited

registration number 1940/014066/06

## Form of proxy

I/We .....  
of .....  
being a member/members of the above mentioned company, hereby  
appoint: ..... or failing him/her,  
..... or failing him/her, the chairman  
of the annual general meeting 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 28 November 2001 and at every adjournment of that meeting.

Signed at .....  
this ..... day of ..... 2001

Signature .....

Please indicate with an "X" in the appropriate space below how you wish your vote to be cast. If you return this form duly signed, without any specific directions, the proxy shall be entitled to vote as he/she thinks fit.

	IN FAVOUR OF RESOLUTION	AGAINST RESOLUTION	ABSTAIN FROM VOTING
<b>Ordinary resolutions:</b>			
1. Adoption of the annual financial statements			
2. Re-election of Mr D G Barrett to the Board of Directors			
3. Re-election of Mr S Leggatt to the Board of Directors			
4. Election of Mr G R C Hayward to the Board of Directors			
5. Appointment of Mr D Doijer as an alternate director			
6. Election of Mr N Matthews to the Board of Directors			
7. Re-election of Messrs Deloitte & Touche as the company's auditors			
8. Approval of the final dividend of 21 cents per share			
9. Placement of the unissued share capital under the control of the directors			
10. Authority for the directors to issue shares for cash			
<b>Special resolutions:</b>			
1. Authority for the company to buy back its own shares			
2. Write-off of goodwill against the share premium account			
3. Amendment to the company's articles to provide for electronic communication			

A member entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend, speak and to vote in his/her stead. A proxy need not be a member of the company. Proxies must be lodged at the registered office of the company not less than 48 (forty-eight) hours before the time for holding the meeting