

NOTICE OF ANNUAL GENERAL MEETING

INSIMBI REFRACTORY AND ALLOY SUPPLIES LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2002/029821/06)

Share code: ISB

ISIN: ZAE000116828

("Insimbi" or "the company")

Notice is hereby given that the eleventh annual general meeting of Insimbi Refractory and Alloy Supplies Limited will be held at Insimbi's offices at Stand 359 Crocker Road, Wadeville, Extension 4, Germiston on Tuesday, 3 July 2018 at 10:00.

All terms defined in the 2018 Integrated Annual Report, to which this notice of annual general meeting is attached, shall bear the same meanings when used in this notice of annual general meeting ("AGM").

For purposes of the holding of AGMs, the Companies Act 71 of 2008 ("the Act") requires that a record date be determined by the directors to establish those shareholders of the company that are entitled to receive this notice. The record date for purposes of determining which shareholders of the company are entitled to receive this notice of AGM is Friday, 18 May 2018.

The Act also requires that a record date be determined by the directors to establish those shareholders who are entitled to attend and vote at the AGM. The record date for purposes of determining which shareholders of the company are entitled to attend and vote at the AGM is Friday, 22 June 2018 with the last day to trade in the shares of the company on the JSE Limited being close of business on Tuesday, 19 June 2018.

Electronic participation at the AGM (section 61(10) of the Companies Act)

1. Shareholders wishing to participate electronically at the meeting are required to deliver written notice to the company secretary, with a copy to the transfer secretary, by no later than 48 hours before the meeting (i.e. by 10:00 on Friday, 29 June 2018), stating that they wish to participate via electronic communication at the meeting ("the electronic notice").
2. Note that shareholders will merely be able to participate, but not vote, via electronic communication.
3. In order for the electronic notice to be valid it must contain:
 - 3.1. If the shareholder is an individual, a certified copy of his/her identity document and/or passport;
 - 3.2. If the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution. The relevant resolution must set out which individual from the relevant entity is authorised to represent the relevant entity at the AGM via electronic communication; and
 - 3.3. A valid email address and/or facsimile number ("the contact address/number").
5. The company shall use its reasonable endeavours to communicate with each shareholder who/which has delivered a valid electronic notice by notifying such shareholder at its contact address/number of the relevant details through which the shareholder may participate via electronic communication.
5. The company reserves the right not to provide for electronic participation at the meeting in the event that it proves impractical to do so. The costs of accessing any means of electronic

participation provided by the company will be borne by the shareholder accessing the electronic participation.

This document is important; please read the notes at the end of this notice, which contain important information regarding shareholders' participation at the AGM.

The purpose of the AGM and the business to be transacted thereat is detailed below.

ORDINARY RESOLUTIONS

Unless otherwise indicated, in order for each of the ordinary resolutions to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders, present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution, is required.

The purpose of the AGM is to consider and, if deemed fit, pass the following resolutions with or without modification as ordinary resolutions:

Adoption of the annual financial statements

The audited annual financial statements for the year-ended 28 February 2018, as set out in the annual report and which can be found on the company's website at www.insimbi-iras.co.za will be presented to the shareholders.

Ordinary resolution number one

"Resolved that the audited group and company annual financial statements for the year-ended 28 February 2018, including the reports of the directors, the auditors and the Audit and Risk Committee, be and are hereby received."

Confirmation and re-election of directors

The company's Memorandum of Incorporation ("MoI") stipulates that:

- the appointment of any director to fill a vacancy or as an addition to the board must be confirmed at the next AGM;
- at each AGM at least one third of the non-executive directors shall retire from office, the directors so retiring being those who have been longest in office since their last election; and
- the retiring directors shall be eligible for re-election.

The board has considered the performance of the director standing for re-election and found her suitable for re-appointment.

Ordinary resolutions two to six are accordingly proposed in respect of:

- the re-appointment of the only other non-executive director who retires by rotation in accordance with the MoI, being Ms IP Mogotlane, but who has made herself available for re-election; and
- The confirmation of the appointment of Mr A de Wet. "

Brief résumés of Ms IP Mogotlane and Mr A de Wet appear on pages 17 of the report to which this AGM notice is attached.

ORDINARY RESOLUTIONS CONTINUED

Ordinary resolution number two

"Resolved that Ms IP Mogotlane, who retires by rotation in terms of the company's MoI, and, being eligible, offers herself for re-election, be and is hereby re-elected as non-executive director of the company"

Ordinary resolution number three

“Resolved that the appointment of Mr A de Wet, who was appointed as a director of the company with effect from 16 October 2017, be and is hereby confirmed”

Appointment of Audit and Risk Committee

Section 94 of the Act requires that at each AGM shareholders of the company elect an Audit and Risk Committee comprising at least three members, all of whom must be non-executive directors. The board has considered the performance of the following Audit and Risk Committee members standing for re-election and has found them suitable for appointment:

- Mr RI Dickerson
- Mrs IP Mogotlane
- Mrs CS Ntshingila

Mr RI Dickerson is also Chairman of the board and, notwithstanding the principles of the King Report on Corporate Governance in South Africa (“King IV”), is appointed a member of the Audit and Risk Committee, as permitted by the JSE Limited Listings Requirements (“the Listings Requirements”). His financial and business experience over a number of years and across a number of industries is invaluable to the Committee.

Ordinary resolutions three to five are accordingly proposed in respect of the appointment of Mr RI Dickerson, Ms IP Mogotlane Ms CS Ntshingila as members of the Audit and Risk Committee for the ensuing year. Brief résumés on Ms CS Ntshingila, Ms IP Mogotlane and Mr RI Dickerson appear on pages 17 and 18 of the report to which this notice of AGM is attached.

Ordinary resolution number four

“Resolved that, Mr RI Dickerson be and is hereby elected as a member of the Audit and Risk Committee in terms of the Act, to remain in office until the conclusion of the next AGM.”

Ordinary resolution number five

“Resolved that, Ms IP Mogotlane be and is hereby elected as a member of the Audit and Risk Committee in terms of the Act, to remain in office until the conclusion of the next AGM.”

Ordinary resolution number six

“Resolved that, Ms CS Ntshingila be and is hereby elected as a member and Chairperson of the Audit and Risk Committee in terms of the Act, to remain in office until the conclusion of the next AGM.”

Appointment of auditors

The Audit and Risk Committee has considered the performance, independence and suitability of PricewaterhouseCoopers Inc (“PwC”) and has recommended them for reappointment as independent external auditors of the group, Mr JP van Staden has served as the designated auditor from the current year.

ORDINARY RESOLUTIONS CONTINUED

Ordinary resolution number seven

“Resolved that, on recommendation of the Audit and Risk Committee, PwC be and are hereby appointed as external auditors of the company for the financial year-ending 28 February 2019, to remain in office until the conclusion of the next AGM, with Mr JP van Staden as the designated auditor.”

Indemnification of directors

Section 78 of the Act allows for the company to indemnify directors, subject to the provisions of the company’s Mol, except as may be prohibited by law.

Ordinary resolution number eight

“Resolved that the company hereby indemnifies each of the directors and officers of the group from time to time from any cost, damage, fine or loss of whatsoever nature which they may incur whilst acting *bona fide* in the course and scope of their duties, save to the extent that such indemnification is prohibited by the Act or any other law.”

General authority to issue shares/convertible shares or options for cash.

Ordinary resolution number nine

“Resolved that the directors of the company be and are hereby authorised by way of a general authority to issue all or any of the authorised but unissued shares in the capital of the company, including options shares, as and when they in their discretion deem fit, subject to the Act, the MoI and the Listings Requirements provided that such issues for cash may not, in the aggregate, in any 1 (one) financial year, exceed 10% (ten percent) of the number of shares of the relevant class of shares issued prior to such issue.”

Additional requirements imposed by the JSE Listings Requirements

The company may only make an issue of shares (as defined in the Listings Requirements) for cash under the above general authority if the following Listings Requirements are met:

- a) The shares, which are the subject of the issue for cash, must be of a class already in issue, or where this is not the case, must be limited to such equity shares or rights that are convertible into a class already in issue;
- b) The general authority shall only be valid until the company’s next annual general meeting or for 15 (fifteen) months from the date of passing of this ordinary resolution, whichever period is shorter;
- c) That issues in the aggregate in any 1 (one) financial year may not exceed 10% (ten percent) of the number of the shares of the company in issue of that class of shares before such issue, taking into account the dilution effect of convertible equity shares and options in accordance with the Listings Requirements;
- d) In determining the price at which an issue of shares may be made in terms of this general authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price on the JSE of those shares measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed to between the company and the party/ies subscribing for the shares; and
- e) Any issue will only be made to “public shareholders” as defined by the JSE Listings Requirements and not to related parties.

Notwithstanding that this is an ordinary resolution, the minimum percentage of voting rights that is required for this resolution to be adopted is 75% (seventy-five percent) of the voting rights to be cast on the resolution.

Non-binding advisory votes

The King IV Report on Corporate Governance recommends that the company’s remuneration policy and implementation report be tabled for separate non-binding advisory votes by shareholders at every AGM, thus providing the shareholders with an opportunity to express their views on the company’s remuneration policies and the implementation of these. The report of the remuneration committee is set out on pages 27 and 28 of the report to which this notice of AGM is attached.

Non-binding advisory vote 1 – Remuneration policy

“Resolved that the company’s remuneration policy, as set out in the annual integrated report, be and is hereby endorsed by way of a non-binding advisory vote.”

Non-binding advisory vote 2 – Implementation Report

“Resolved that the company’s implementation report, as set out in the annual integrated report, be and is hereby endorsed by way of a non-binding advisory vote.”

There is currently no minimum percentage of voting rights that is required in respect of this advisory votes and the votes are not binding on the group.

SPECIAL RESOLUTIONS

Unless otherwise indicated, in order for each of the special resolutions to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders, present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution, is required.

The purpose of the AGM is to consider and, if deemed fit, pass the following resolutions with or without modification as special resolutions:

Non-executive directors' fees for the year-ending 28 February 2019

The Act requires that prior shareholder approval be obtained in respect of fees payable to directors. The annual fees payable to non-executive directors for the forthcoming year have been substantially reviewed in 2017 to bring them in line with the changes in the size and complexity of the business. **The board had proposed that these fees remain unaltered for the ensuing year.**

Special resolution number one

“Resolved as a special resolution that the payment of the following fees to the non-executive directors for their services to the company for the year 1 March 2018 to 28 February 2019 be and is hereby approved:

	Retainer fee (pa) R	Per meeting attended R
Board or Committee		
Board member	150 000	15 000
Audcom member	40 000	7 000
Remcom/Nomcom member	25 000	7 000
SECcom member	20 000	7 000
Investcom member	40 000	7 000
Additional amount payable to Chairperson of the board/committee		
Chairperson of board	100 000	12 000
Audcom Chairperson	25 000	5 000
Remcom/Nomcom Chairperson	25 000	5 000
SECcom Chairperson	25 000	5 000
Investcom Audcom member	25 000	5 000
Consultancy		3 000 per hour

Special resolution number two

Resolved that, subject to compliance with the Listings Requirements, the Act and the section 4.2 subsection 4.2.1 of Mol, the change to the name of the Company to *Insimbi Industrial Holdings Limited* be and is hereby authorised.

Special resolution number three

“Resolved that, subject to compliance with the Listings Requirements, Section 17 of the Companies Act, 71 of 2008, and the Mol, the amendments to the Memorandum of Incorporation be and is hereby authorised.

Insertion of Clause 14.1.2.1 reading as follows *“The shareholders authorise the board to conclude transactions on basis of share for share issue not more than 5% (five percent), in aggregate, of the number of issued shares of any class of shares without necessitating the approval of the shareholder by way of special resolution”.*

Clause 36- Authority of the Board of Directors – be amended with clause 36.2.7 from the Reserved Matters to read as follows *“the creation, allotment or issue of any share or debenture or any other security, including a security which is convertible into a SHARE and any option or other right to subscribe for or acquire any share **except** the transaction contemplated under clause 14.1.2.1”*

Insertion of Clause 37.4 Removal of Directors reading as follows:

37.4.1 a director may be removed by an ordinary resolution adopted at the meeting of the shareholders by shareholders entitled to exercise voting rights in the election of that director, provided that before the shareholders may consider such resolution –

37.4.1.1 the director concerned must be given notice of meeting and the resolution at least to that which the shareholder is entitled to receive, irrespective of whether or not the director is a shareholder, and

37.4.1.2 the director must be afforded a reasonable opportunity to make a presentation, in person or through a representative, to the meeting, before the resolution is put to vote;

37.4.2 the board removes the director by resolution in terms of section 71(3) after determining the director to be:

a, ineligible or disqualified in terms of section 69;

b, incapacitated to the extent that the director is unable to perform the functions of a director and is unlikely to regain that capacity within a reasonable time; or

c, neglect or derelict in the performance of the functions of a director, and determines that by a resolution in terms of section 72 (3), or

d, the director resigns his office by notice in writing to the company.

General approval to repurchase company shares

Special resolution number four is proposed to authorise the acquisition by the company or any of its subsidiaries of shares issued by the company. The board’s intention is for the shareholders to pass a special resolution granting the company or its subsidiaries general authority to acquire ordinary shares issued by the company, subject to the requirements of the Act, the Listings Requirements and the company’s Mol, should the board consider that it would be in the interest of the company or its subsidiaries to acquire such shares while the general authority subsists.

Special resolution number four

“Resolved that, subject to compliance with the Listings Requirements, the Act and the Mol, the directors be authorised at their discretion to instruct the company or its subsidiaries to acquire or repurchase ordinary shares issued by the company, provided that:

- the number of ordinary shares acquired in any one financial year shall not exceed 3% of the ordinary shares in issue at the date on which this resolution is passed;
- such acquisitions may only be effected through the order book operated by the JSE trading system and done without any understanding or arrangement between the company and

- the counterparty;
- this authority will lapse on the earlier of the date of the next AGM or 15 months after the date on which this resolution is passed; and
- the price paid per ordinary share may not be 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 purchase is made.”

The directors of the company undertake that they will not implement the repurchase as contemplated in this special resolution while this general authority is valid, unless:

- after any such repurchase the company passes the solvency and liquidity test as contained in section 4 of the Act and that from the time the solvency and liquidity test is done, there will be no material changes to the financial position of the group;
- the consolidated assets of the company and the group, fairly valued in accordance with International Financial Reporting Standards and in accordance with the accounting policies used in the company and group annual financial statements for the year-ending 28 February 2018, will exceed the consolidated liabilities of the company and group immediately following such purchase or 12 months after the date of the AGM, whichever is the later;
- the company and the group will be able to pay their debts as they become due in the ordinary course of business for a period of 12 months after the date of the notice of the AGM, or a period of 12 months after the date on which the board considers that the purchase will satisfy the immediately preceding requirement and this requirement, whichever is the later;
- the issued share capital and reserves of the company and the group will be adequate for the purposes of the business of the company and the group for a period of 12 months after the date of the notice of the AGM;
- the company and the group will have adequate working capital for ordinary business purposes for a period of 12 months after the date of the notice of the AGM;
- a resolution is passed by the board that it has authorised the repurchase, that the company and its subsidiaries have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the group;
- the requirements contained in the Listings Requirements are complied with;
- the company or its subsidiaries will not repurchase securities during a prohibited period as defined in paragraph 3.67 of the Listings Requirements, unless the company has a repurchase programme in place where the dates and quantities of securities to be traded during the relevant prohibited period are fixed (not subject to any variation) and full details of the programme have been disclosed in an announcement on SENS prior to commencement of the prohibited period; and
- the company undertakes that it will not enter the market to repurchase its own shares until the company’s sponsor has provided written confirmation to the JSE in accordance with the Listings Requirements.

Further explanatory notes to special resolution number four:

Information required in terms of the Listings Requirements with regard to the general authority for the company or any of its subsidiaries to repurchase the company’s securities (special resolution number four) appears in the annual financial statements, available on [www.insimbi- iras.co.za](http://www.insimbi-iras.co.za) as indicated below:

- Directors and management: pages 25 to 29 of the integrated report;
- Major shareholders: page 103 of the annual financial statements;
- Directors’ and prescribed officers’ interests in securities: page 48 of the annual financial statements; and
- Share capital of the company: page 81 of the annual financial statements.

The directors, whose names are given on pages 25 to 29 of the integrated report, collectively and individually accept full responsibility for the accuracy of the information given in this notice 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 integrated report and this notice contains all information required by law and the Listings Requirements. No material change in the financial or trading position of the company and its subsidiaries has occurred since 28 February 2018.

Loans or financial assistance to subsidiaries and related or inter-related companies

The Act requires that a company obtain approval from its shareholders by way of a special resolution passed in the last two years if the company is to provide financial assistance to any

subsidiary, associate or holding company.

Special resolution number five

“Resolved as a special resolution, in accordance with sections 45 (2) and 45(3) of the Act, that the directors of the company be and they are hereby authorised to provide direct or indirect financial assistance to a related or inter-related company or corporation, or to a member of a related or inter-related corporation, subject to subsections (3) and (4) of the Act and the Listings Requirements; subject to the Act and the Listings Requirements.”

ACTION REQUIRED

Certificated shareholders and “own name” dematerialised shareholders

If you are unable to attend the annual general meeting of the company to be held at Insimbi’s offices at 359 Crocker Road, Wadeville, Extension 4, Germiston on 03 July 2018 at 10:00, and wish to be represented thereat, you must complete and return the attached form of proxy in accordance with the instructions contained there-in and lodge it with, or post it to, the transfer secretaries, namely Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank (PO Box 61051, Marshalltown, 2107), so as to be received by them by no later than 10:00 on Friday, 29 June 2018.

Dematerialised shareholders

If you hold dematerialised shares in the company through a Central Securities Depository Participants (“CSDP”) or broker and do not have an “own name” registration, you must timeously advise your CSDP or broker of your intention to attend and vote at the general meeting or be represented by proxy there at in order for your CSDP or broker to provide you with the necessary authorisation to do so, or should you not wish to attend the annual general meeting in person but wish to be represented there at, you must timeously provide your CSDP or broker with your voting instructions in order for the CSDP or broker to vote in accordance with your instruction at the annual general meeting.

The shareholders are entitled to vote on all the resolutions set out above. All voting will be by way of a poll and every shareholder who is present in person or by proxy at the AGM will have one vote for every ordinary share held or represented. In terms of section 63(1) of the 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.

A form of proxy, which sets out the relevant instructions for use, is attached for those members who wish to be represented at the annual general meeting of members. Duly completed forms of proxy must be lodged with the transfer secretaries of the company, namely Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank (PO Box 61051, Marshalltown, 2017), to be received by not later than 10:00 on Friday, 29 June 2018.

By order of the board

TN Kgari
Company Secretary
05 June 2018