

# Notice of annual general meeting of shareholders

## PINNACLE HOLDINGS LIMITED

(Previously Pinnacle Technology Holdings Limited)

("Pinnacle") or ("the Company") or ("the Group")

Registration number: 1986/000334/06

Share Code: PNC

ISIN: ZAE 000184149

This document is important and requires your immediate attention. If you are in any doubt as to what action you should take in respect of the resolutions contained in this notice, please consult your Central Securities Depository Participant ("CSDP" or "Participant"), broker, banker, attorney, accountant or other professional adviser immediately.

If you have sold or otherwise transferred all your ordinary shares in the Company, please send this document together with the accompanying form of proxy at once to the relevant transferee or to the stockbroker, bank or other person through whom the sale or transfer was effected, for transmission to the relevant transferee.

For consistency of reference in this notice of annual general meeting (hereinafter the "AGM"), the term "MOI" is used throughout to refer to the Company's Memorandum of Incorporation (previously the Company's Memorandum and Articles of Association) which was adopted by the shareholders at the annual general meeting of shareholders held on Friday, 26 October 2012.

### Section 63(1) of the Act – Identification of meeting participants

Kindly note that meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in a shareholders' meeting. Forms of identification include valid identity documents, driver's licenses and passports.

## NOTICE OF AGM

Notice is hereby given that the AGM of the shareholders of Pinnacle Holdings Limited will be held on Tuesday, 28 October 2014 at 10:00 (or at any adjournment or postponement thereof) in the boardroom of the registered offices of Pinnacle Holdings Limited, at "The Summit", 269 16th Road, Randjespark, Midrand, to transact the following business and resolutions with or without amendments approved at the meeting:

The minutes of the AGM held on 25 October 2013 will be available for inspection at the registered office of the Company until 16:00 on Monday, 27 October 2014 and up to 30 minutes immediately preceding the 2014 AGM.

Included in this document are the following:

- The notice of AGM setting out the resolutions to be proposed at the meeting, together with explanatory notes.
- A proxy form for completion, signature and submission to the transfer secretaries by shareholders holding Pinnacle ordinary shares in certificated form or recorded in the sub-register in electronic form in "own name".

## PRESENTATION OF ANNUAL FINANCIAL STATEMENTS AND REPORTS

The consolidated audited annual financial statements for the Company and the Group, including the external Independent Auditor's Report, the Audit Committee Report and the Directors' Report for the year ended 30 June 2014, have been distributed as required and will be presented to shareholders at the annual general meeting.

The consolidated audited annual financial statements, together with the abovementioned reports are set out on pages 27 to 89 of the Annual Report.

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## REPORT FROM THE SOCIAL AND ETHICS COMMITTEE

In accordance with Companies Regulation 43(5)(c), issued in terms of the Companies Act of South Africa, the Chairman of the Social and Ethics Committee, or in the absence of the Chairman any member of the Committee, will present the Committee's report to shareholders at the annual general meeting. The Report of the Social and Ethics Committee is set out on pages 20 to 21 of the Annual Report.

## SPECIAL RESOLUTION NUMBER 1

### To issue a general authority to the Company to repurchase its own shares.

"RESOLVED THAT the Company, or a subsidiary, be and hereby is authorised, by way of general authority in terms of article 16 of the MOI, to acquire shares issued by it subject to the requirements of section 46 and 48 of the Companies Act of South Africa and the Listings Requirements of the JSE Limited ("JSE") and the MOI of the Company."

It is recorded that the Listings Requirements of the JSE require, *inter alia*, that the Company or a subsidiary may make a general acquisition of shares issued by the Company only if:

- the repurchase of the ordinary shares is effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
- at any point in time the Company may only appoint one agent to effect any repurchases on its behalf;
- this general authority shall only be valid until the next AGM of the Company, provided that it shall not extend beyond 15 months from the date of passing of this special resolution;
- the maximum price at which the shares may be acquired will be 10% above the weighted average market value at which such ordinary shares are traded on the JSE, for such ordinary shares for the five business days immediately preceding the date on which the transaction is effected;
- any such acquisition shall not, in any one financial year, exceed 20% of the Company's issued ordinary shares as at the passing of the general authority;
- the Company or its subsidiaries may not repurchase ordinary shares during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements;
- the repurchase may only be effected, if the shareholder spread requirements as set out in paragraph 3.37 of the JSE Listings Requirements are still met after such repurchase;
- should derivatives be used, such authority is limited to paragraphs 5.68, 5.72(a), (c) and (d), and 5.84(a) of the JSE Listings Requirements;
- when the Company has cumulatively repurchased 3% of the number of the ordinary shares in issue at the time that this general authority is granted, and for each 3% in aggregate acquired thereafter, a press announcement prepared in accordance with paragraph 11.27 of the JSE Listings Requirements, will be made. As part of such press announcement, a statement will be issued by the directors that after considering the effect of such repurchase, for a period of at least 12 months after the date of the notice of the AGM, that:
  - the Group will be able to repay its debts in the ordinary course of business;
  - the consolidated assets of the Group fairly valued according to International Financial Reporting Standards and on a basis consistent with the last financial year of the Company ended 30 June 2014, exceed its consolidated liabilities;

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- the share capital and reserves of the Company will be adequate for ordinary business purposes for a period of twelve months after the date of the notice of AGM; and
- the Group has sufficient working capital for its requirements.
- the Company may not enter the market to proceed with the repurchase until Pinnacle's sponsor, Deloitte & Touche Sponsor Services (Pty) Ltd, has confirmed the adequacy of Pinnacle's working capital for the purposes of undertaking a repurchase of shares, in writing to the JSE; and
- the directors have passed a resolution authorising the repurchase, resolving that the Company or the subsidiary, as the case may be, has satisfied the solvency and liquidity test as defined in Section 4 of the Companies Act of South Africa and resolving that since the solvency and liquidity test had been applied, there have been no material changes to the financial position of the Group.

The directors of the Company do not have any specific intentions for utilising this general authority as at the date of this AGM.

## ***Reason for and effect of Special Resolution 1***

The reason for and effect of special resolution number 1 is to authorise the Company and/or its subsidiaries by way of a general authority to acquire Pinnacle issued shares on such terms, conditions and in such amounts as determined from time to time by the directors of the Company subject to the limitations set out above and in compliance with section 48 of the Companies Act of South Africa. It is the intention of the directors of the Company to use such authority should prevailing circumstances, such as market conditions, in their opinion warrant it.

## **Percentage voting rights**

The minimum percentage of voting rights that is required for this resolution to be adopted is 75% of the voting rights to be cast on the resolution.

## **Additional disclosure requirements required in terms of paragraph 11.26 of the JSE Listings Requirements**

### **Material changes**

No material changes have occurred since the announcement of the notice via SENS and the distribution of this notice as incorporated with the Annual Report.

### **Directors' responsibility statement**

The directors of the Company, as set out on pages 6 and 7 of the Integrated Annual Report,

- have considered all the statements of fact and opinion in the Annual Report to which this notice is attached;
- accept, individually and collectively, full responsibility for such statements; and
- declare that, to the best of their knowledge and belief, such statements are correct and no material facts have been omitted, the omission of which would make any such statements false or misleading and that they have made all reasonable enquiries to ascertain such facts.

### **Litigation statement**

In terms of section 11.26 of the JSE Listings Requirements, the directors, whose names are given on pages 6 and 7 of the Annual Report of which this notice forms part state that they are not aware of any legal or arbitration proceedings (including such proceedings which are pending or threatened) that the Group is party to which may have or have had in the previous 12 months a material effect on the Group's financial position.

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## Other disclosure in terms of paragraph 11.26 of the JSE Listings Requirements

The JSE Listings Requirements require the following disclosures which are contained in the Annual Report as tabled below: –

Requirements	Reference
Directors	Pages 6 and 7
Major shareholders	Page 90
Directors' interests in securities	Pages 82, Note 29.1
Share capital of the Company	Page 64, Note 11

## SPECIAL RESOLUTION NUMBER 2

**To issue a general authority to the Company for a period of two years for the Company to provide financial assistance to any of its subsidiaries.**

“RESOLVED THAT, the Board of the Company be given general authority for a period of two years or until the AGM following the next meeting, whichever occurs first, in terms of section 45(3)(a)(ii) of the Companies Act of South Africa to authorise the Company from time to time to provide any direct or indirect financial assistance, as defined in section 45(1) of the Act, to any subsidiary as contemplated in section 45(2) of the Companies Act of South Africa for such amounts and on such terms and conditions as the Board of the Company may determine.”

### *Reason for and effect of Special Resolution 2*

The reason for special resolution number 2 is to obtain authority to transfer funds against loan accounts between Group companies in order to continue conducting centralised treasury operations of the Group; and for the Group to continue issuing covering guarantees in favour of financial institutions and certain major suppliers for credit and advances by those organisations to the Company's operating subsidiaries, both of which practices now require shareholder approval by way of special resolution in terms of section 45 of the Companies Act of South Africa.

The effect of the resolution will be to allow the Group to continue critical Group functions including treasury operations and to satisfy major lenders and suppliers security requirements so that they can continue to lend to and supply the Group. Such financial assistance will be provided as part of the day-to-day operations of the Company in the normal course of its business and in accordance with its MOI and the provisions of the Companies Act of South Africa.

## Compliance with section 45(3) (b) of the Companies Act of South Africa

The directors of the Company will, in accordance with section 45(3)(b) of the Companies Act, ensure that financial assistance is only provided if the requirements of that section are satisfied, inter alia, that immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test set out in section 4(1) of the Companies Act of South Africa.

## Percentage voting rights

The minimum percentage of voting rights that is required for this resolution to be adopted is 75% of the voting rights to be cast on the resolution.

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## SPECIAL RESOLUTION NUMBER 3

To approve the fee structure to be paid to directors for their services as non-executive directors of the Company.

“RESOLVED THAT in terms of section 66(9) of the Companies Act of South Africa the Company be and is hereby authorised to remunerate its directors for their services as directors and/or pay any fees related thereto on the following basis and on any other basis as may be recommended by the Remuneration Committee and approved by the Board of Directors, provided that the aforementioned authority shall be valid with effect from 1 November 2014 until the next AGM of the Company to be held in the last quarter of 2015 as follows:

	2013/2014	2014/2015
	R	R
<b>Chairmanships</b>		
Board Chair	310 560	296 000
Board Deputy Chair	159 000	197 000
Audit and Risk Committee	42 360	44 000
Remuneration Committee	21 240	22 000
<b>Memberships</b>		
Board	145 200	152 000
Audit and Risk Committee	21 240	22 000
Remuneration Committee	10 620	11 000
Social and Ethics Committee	5 340	6 000

Each fee is paid to each director who is a member of the Board or Committees referred to above. Chair fees are paid in addition to membership fees. Executive directors do not receive directors' fees.

### Reason for and effect of Special Resolution 3

The reason for and effect of special resolution number 3 is for the Company to obtain the approval of shareholders by way of special resolution to remunerate its non-executive directors in accordance with the requirements of the Companies Act of South Africa without requiring further shareholder approval until the next AGM.

### Percentage voting rights

The minimum percentage of voting rights that is required for this resolution to be adopted is 75% of the voting rights to be cast on the resolution.

## ORDINARY RESOLUTIONS

The minimum percentage of voting rights that is required for the following eight ordinary resolutions to be adopted is 50% of the voting rights plus one vote to be cast on the resolutions. The eighth ordinary resolution will require a majority of 75% as detailed below.

### 1. Appointment of New Directors

#### 1.1 “RESOLVED THAT the appointment by the Board of Mr HMP Ferreira, effective 1 June 2014, as an executive director be and is hereby ratified and confirmed.”

A brief biography of Mr HPM Ferreira (61) is as follows:

Qualifications: Electrical Engineering (Telecommunications)/ Diplomas in Advanced Digital Techniques, Microprocessor Technology, Business Management and Financial Management. Leadership Program Babson College, Boston USA, Leadership Development Program, Wharton Business School, Philadelphia USA.

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Mr HMP Ferreira held the role of CEO of Axiz (Pty) Ltd, trading as AxizWorkgroup (“AxizWorkgroup”) a major subsidiary in Pinnacle, for the last two years. Mr Ferreira has been appointed to the position of Executive Director: Head of Distribution for Pinnacle.

Mr Ferreira is an industry veteran, bringing over 30 years’ experience in the ICT industry to the table. He is well known in the South African market for his roles as Country General Manager for Hewlett Packard South Africa (Pty) Ltd and Managing Director of Compaq Africa (Pty) Ltd.

Prior to joining AxizWorkgroup as the CEO in February 2012, Mr Ferreira held the position of Country General Manager for Lenovo Africa (Pty)Ltd, where he was responsible for managing and growing the Lenovo business whilst maintaining and growing relationships with key enterprise customers and business partners.

He has also held Executive positions with Microsoft Southern Africa, Nokia Networks, Unisys Africa and Hewlett Packard UK and Ireland.

Mr Ferreira will significantly add to the capacity of the Board and assist in managing the future growth of Pinnacle.

## 1.2 “RESOLVED THAT the appointment by the Board of Ms N Medupe, effective 29 August 2014, as an independent non-executive director be and is hereby ratified and confirmed.”

A brief biography of Ms N Medupe (43) is as follows:

Qualifications: B Acc (KZN University); Post Graduate Diploma in Accountancy (KZN University); CA (SA)

Other Directorships: City Lodge Hotels Ltd, Italtile Ltd, Foskor (Pty) Ltd, Future Footware Ltd, Foskor (Pty) Ltd and Indyebo Consulting (Pty) Ltd.

Ms N Medupe is a founder and director of Indyebo Consulting (Pty) Ltd. Her areas of expertise include Governance, Risk, Compliance, Audit and Financial Management. She is currently a member of the South African Institute of Chartered Accountants, the Institute of Directors and the Institute of Internal Auditors. She was appointed to the Board on 29 August 2014 and appointed as Member and Chairperson of the Audit and Risk Committee.

Due to her extensive experience in practice and through her roles on various boards, Ms Medupe will significantly add to the overall management of governance, risk, compliance and audit in her new role

## 2. Re-appointment of a retiring Director

“RESOLVED THAT Ms D Mashile-Nkosi, who retires in compliance with the MOI requirement that one third or more of the non-executive directors must retire at each AGM, being eligible offers herself for re-election, be and is hereby re-elected and confirmed as a director.”

A brief biography of Ms D Mashile-Nkosi (56)

Ms D Mashile-Nkosi heads up a consortium that mines manganese in the Northern Cape in partnership with ArcelorMittal. She serves as chairperson of Bakhazi-Banalima (Pty) Ltd, Kalahari Resources (Pty) Ltd and Kalagadi Manganese. She serves as deputy chairperson and trustee of the Women’s Development Bank Trust (where she was a founding member) and a development officer for WDB Micro Finance. In addition, she is an independent non-executive director of Heritage Collection Holdings Limited, Metmar Limited, various Eyesizwe group companies and the Women’s Development Bank Investment Holdings (Pty) Ltd. Ms Mashile-Nkosi is also a founding member, shareholder and director of Temoso Holdings and a Trustee of the FirstRand Empowerment Trust. She is a member of the Remuneration Committee.

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## 3. Appointment of the Members of the Audit and Risk Committee

“RESOLVED THAT the following non-executive directors, all of whom qualify in terms of section 94(4) of the Companies Act of South Africa, be appointed as the Chairperson and members (re-appointed) of the Audit and Risk Committee, subject to Ms Medupe’s ratification as a director pursuant to ordinary resolution number 1.2 :

**3.1** Ms Ndumi Medupe (Chairperson)

**3.2** Ms SH Chaba

**3.3** Mr E van der Merwe \*

### **Ms N Medupe (43)**

A brief biography of Ms N Medupe is given in 1.2 above.

Brief biographies of Ms Chaba and Mr van der Merwe are below:

### **Ms SH Chaba (56)**

*BA (Economics and Industrial Psychology); Diploma in Human Resources Management*

Ms SH Chaba holds a BA (Economics and Industrial Psychology) and a Postgraduate Diploma in Human Resources Management from the University of the Witwatersrand. She also completed the Senior Executive Programme at Wits and Harvard Business Schools.

Previously she was the HR Executive: Human Capital Development at Sasol following a period as the Chief Executive Officer for Creditworx (Pty) Ltd, a member of the Thebe Investment Corporation group of companies. Before that she was employed by the Gauteng Provincial Government as the Executive Manager (DDG) for Public Works and Management Services and Chief Director (HR) in the Premier’s Office.

She is currently CEO and owner of Seadimo Chaba Consulting CC, a management consultancy. In 2002 she was awarded the Boss of the Year title, the first woman in thirteen years to win the award.

Ms Chaba has extensive business experience both in general management and in Human Resources Management both in the private and public sectors in a number of industries. She has extensive board experience and she currently sits as a non-executive director a number of boards.

She is a member of the Audit and Risk Committee and chairs the Social and Ethics Committee.

### **Mr Erhard van der Merwe (52)**

Mr E van der Merwe qualified during 1989 as a Chartered Accountant with PricewaterhouseCoopers Inc. He worked as a senior audit manager and later as a partner on large national and international clients until 1997. During that period he was seconded to the London office for two years. He spent a further 9 years in the corporate finance industry completing a number of local and international due diligence, corporate advisory, mergers and acquisitions, JSE and SRP transactions and assignments.

He joined the Rolfes Group in January 2007, responsible for, inter alia, positioning the Group for a listing and completing strategic acquisitions. Since then he was instrumental in building a successful and diversified chemicals group, listing the company on the JSE, and expanding its operations internationally. He brings a wealth of business and corporate finance experience in the listed environment. He serves on the Audit and Risk Committee as well as the Remuneration Committee.

## 4. Re-appointment of the Auditors

“RESOLVED THAT upon the recommendation given by the Audit and Risk Committee of the Company, BDO South Africa Incorporated be re-appointed as auditors of the Company and Mr H Bhaga Muljee be re-appointed as the designated partner who will undertake the audit of the Group, both until the date of the next AGM.”

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## 5. Endorsement of the Company's Remuneration Policy and its Implementation

"RESOLVED THAT shareholders endorse the Company's Remuneration Policy as detailed in the Remuneration Committee Report in the Annual Report, through a non-binding advisory vote as recommended in principle 2.27 of the King Code of Governance for South Africa 2009."

## 6. Authorisation of the Directors to implement the Special and Ordinary Resolutions

"RESOLVED THAT any one director of the Company or the Company Secretary be and is hereby authorised to do all such things as are necessary and to sign all such documents issued by the Company so as to give effect to such ordinary resolutions and special resolutions with or without amendment and where applicable, registered."

## 7. Placement of Unissued Shares under the Control of the Directors

"RESOLVED THAT all of the authorised but unissued ordinary shares in the capital of the Company be and are hereby placed under the control of the directors of the Company as a general authority to allot or issue the same at their discretion in terms of and subject to the provisions of section 38 of the Companies Act of South Africa, the JSE Listings Requirements and the Company's MOI."

## 8. Authority to Issue Shares for Cash

"RESOLVED THAT the directors of the Company be and are hereby authorised by way of a general authority to allot or issue all or any of the authorised but unissued shares in the capital of the Company for cash, at the discretion of the directors, as and when suitable opportunities arise, subject to the Listings Requirements of the JSE Limited."

The allotment and issue of shares for cash shall be subjected to the following limitations:

- that the securities 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 securities or rights that are convertible into a class already in use;
- that this authority shall not be extended beyond the next AGM or 15 months from the date of this AGM, whichever date is earlier;
- issues in terms of this authority in any one financial year shall not exceed 23 388 371 ordinary shares, which is not greater than 15% in aggregate of the number of shares (excluding treasury shares) in the Company's issued share capital in issue at the date of this notice of the AGM. The 15% shall also take into account (and shall include, if applicable) any securities to be issued pursuant to a rights issue which has been announced which is irrevocable and fully underwritten, or securities issued in terms of an acquisition which has had the final terms announced;
- after the Company has issued equity securities in terms of the approved general issue for cash representing, on a cumulative basis within the financial year, 5% or more of the number of equity securities in issue prior to that issue, the Company shall publish an announcement giving full details of the issue, including:
  - the number of securities issued;
  - the average discount to the weighted average trading price of the securities over the 30 days prior to the date that the issue was determined and agreed by the directors of the Company; and
  - the impact on Net Asset Value, Net Tangible Asset Value and on Earnings and Headline Earnings per Share, shall be published at the time of any issue representing, on a cumulative basis within a financial year, 5% or more of the number of shares in issue, prior to such issue.
- In determining the price at which shares will be issued in terms of this authority, the maximum discount permitted shall be 10% of the weighted average traded price of such shares, as determined over the 30-day business period prior to the date that the price of the issue is determined or agreed by the directors of the Company. If no shares have been traded in the said 30-day business period, a ruling will be obtained from the JSE Limited.
- Any such issue will be made to public shareholders as defined in paragraph 4.25 to 4.27 of the JSE Listings Requirements and not to related parties.

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A majority of 75% of the votes cast by the shareholders present or represented by proxy at this AGM is required for this ordinary resolution to be passed.

## 9. Transaction of such other matters as may be transacted at an AGM

### SALIENT DATES AND TIMES

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Record date to receive notice of AGM	Friday, 19 September 2014
Notice of AGM to be posted to shareholders on	Tuesday, 30 September 2014
Last day to trade to be recorded in the register on the record date for participation in the AGM	Friday, 10 October 2014
Record date to participate in and vote at the AGM	Friday, 17 October 2014
Last day for lodging forms of proxy at 10:00 on	Friday, 24 October 2014
AGM at 10:00 on	Tuesday, 28 October 2014
Results of AGM released on SENS on	Tuesday, 28 October 2014

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### VOTING AND PROXIES

Certificated shareholders and dematerialised shareholders who hold shares in “own name” registration who are unable to attend the AGM and who wish to be represented thereat, must complete the form of proxy as attached to this Notice of AGM, in accordance with the instructions contained therein and return it to the transfer secretaries to be received by no later than 10:00 on the last day for lodging forms of proxy specified in the Salient Dates and Times section above.

Completion of the relevant form of proxy will not preclude such shareholder from attending and voting (in preference to those shareholders’ proxies) at the AGM.

Every person present and entitled to vote at the general meeting shall, on a show of hands, have one vote only, and on a poll, shall have one vote for every ordinary share held or represented.

Shareholders’ rights regarding proxies in terms of section 58 of the Companies Act of South Africa are as follows:

1. At any time, a shareholder of a Company may appoint any individual, including an individual who is not a shareholder of that Company, as a proxy to –
  - (a) participate in, and speak and vote at, a shareholders meeting on behalf of the shareholder; or
  - (b) give or withhold written consent on behalf of the shareholder to a decision contemplated in section 60.
2. A proxy appointment –
  - (a) must be in writing, dated and signed by the shareholder; and
  - (b) remains valid for
    - (i) a period as set out in 23.7 of the MOI.
    - (ii) any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in section 58(4)(c) of the Companies Act of South Africa, or expires earlier as contemplated in section 58(8)(d) of the Companies Act of South Africa.
3. Other –
  - (a) a shareholder of the Company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder;
  - (b) a proxy may delegate the proxy’s authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
  - (c) a copy of the instrument appointing a proxy must be delivered to the company, or to another person on behalf of the Company, before the proxy exercises any rights of the shareholder at a shareholders meeting.

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4. Irrespective of the form of instrument used to appoint a proxy –
  - (a) the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
  - (b) the appointment is revocable unless the proxy appointment expressly states otherwise; and
  - (c) if the appointment is revocable, a shareholder may revoke the proxy appointment by:
    - (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and
    - (ii) delivering a copy of the revocation instrument to the proxy, and to the Company.
5. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of –
  - (a) the date stated in the revocation instrument, if any; or
  - (b) the date on which the revocation instrument was delivered as required in section 58(4) (c) (ii) of the Companies Act of South Africa.
6. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the instrument appointing the proxy otherwise provides..

## ELECTRONIC PARTICIPATION

Should any shareholder wish to participate in the general meeting by way of electronic participation, that shareholder should make application in writing (including details as to how the shareholder or its representative can be contacted) to so participate to the transfer secretaries at the address below, to be received by the transfer secretaries at least five business days prior to the AGM in order for the transfer secretaries to arrange for the shareholder (and its representative) to provide reasonably satisfactory identification to the transfer secretaries for the purposes of section 63(1) of the Companies Act of South Africa and for the transfer secretaries to provide the shareholder (or its representative) with details as to how to access any electronic participation to be provided. The Company reserves the right to elect not to provide for electronic participation at the AGM in the event that it determines that it is not practical to do so. The costs of accessing any means of electronic participation provided by the Company will be borne by the shareholder so accessing the electronic participation. Shareholders are advised that participation in the AGM by way of electronic participation will not entitle a shareholder to vote. Should a shareholder wish to vote at the AGM, he/she may do so by attending and voting at the AGM either in person or by proxy.

By order of the Board



**JV Parkin**

*Company Secretary*

30 September 2014

### Registered address

Pinnacle Holdings Limited  
The Summit, 269, 16th Road, Randjespark, 1685, Midrand

### Transfer secretaries

Computershare Investor Services Proprietary Limited  
(PO Box 61051, Marshalltown, 2107)

# Form of proxy

## PINNACLE HOLDINGS

*Technology Delivered™*

Pinnacle Holdings Limited  
(Previously Pinnacle Technology Holdings Limited)  
(Registration number 1986/000334/06)  
Share code: PNC • ISIN: ZAE000184149  
("Pinnacle" or "the Company")

**Only to be completed by certificated and dematerialised shareholders with "own name" registration.**

If you are a dematerialised shareholder, other than with "own name" registration, do not use this form. Dematerialised shareholders other than those with "own name" registration who wish to attend the annual general meeting, must inform their CSDP or broker of their intention to attend and request their CSDP or broker to issue them with the relevant Letter of Representation to attend the annual general meeting in person and vote, or, if they do not wish to attend the meeting in person, but wish to be represented thereat, provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and their CSDP or broker in the manner and cut-off time stipulated therein.

An ordinary shareholder entitled to attend and vote at the annual general meeting to be held in the Pinnacle Holdings Limited boardroom at The Summit, 269, 16th Street, Randjespark, Midrand, on Tuesday, 28 October 2014 at 10:00, is entitled to appoint a proxy to attend, speak or vote thereat in his/her stead. A proxy need not be a shareholder of the Company.

All forms of proxy must be lodged at the Company's transfer secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), by no later than 10:00 on Friday, 24 October 2014.

I/We (please print name in full) \_\_\_\_\_

of (address) \_\_\_\_\_ Telephone number: \_\_\_\_\_

being an ordinary shareholder(s) of the Company holding \_\_\_\_\_ ordinary shares in the Company do hereby appoint

1. \_\_\_\_\_ or failing him/her \_\_\_\_\_

2. \_\_\_\_\_ or failing him/her \_\_\_\_\_

3. the chairman of the annual general meeting

as my/our proxy to vote on my/our behalf at the abovementioned annual general meeting (and any adjournment thereof) to be held at 10:00 in the Pinnacle Holdings Limited boardroom at The Summit, 269, 16th Street, Randjespark, Midrand, on Tuesday, 28 October 2014, for the purpose of considering and, if deemed fit, passing with or without modifications, the following resolutions to be considered at such meeting:

	Number of votes (one per share)		
	In favour of	Against	Abstain
<b>Special resolutions</b>			
1. Issue of a general authority to repurchase shares			
2. Issue of a general authority to provide financial assistance to any of its subsidiaries			
3. Approval of the fee structure to be paid to non-executive directors			
<b>Ordinary resolutions</b>			
1. Appointment of new directors			
1.1. Appointment of Mr HMP Ferreira as an executive director			
1.2. Appointment of Ms N Medupe as an independent non-executive director			
2. Re-appointment of Ms D Mashile-Nkosi as an independent non-executive director			
3. Appointment of the Audit and Risk Committee members			
3.1 Ms N Medupe – Chairperson			
3.2 Ms SH Chaba – Member			
3.3 Mr E van der Merwe – Member			
4. Approval to appoint BDO South Africa Incorporated and Mr H Bhaga Muljee as auditors			
5. Endorsement of the Company's Remuneration Policy and its implementation			
6. Authorisation of the directors to implement the special and ordinary resolutions			
7. General authorisation to place unissued shares under the control of the directors			
8. General authorisation to issue shares for cash			

Insert an "X" in the appropriate block. If no indications are given, the proxy will vote as he/she deems fit. Each member entitled to attend and vote at the meeting may appoint one or more proxies (who need not be a member of the Company) to attend, speak and vote in his/her stead.

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2014

Signature \_\_\_\_\_

Assisted by (where applicable) \_\_\_\_\_

*Please read the notes on the following page.*

## Notes to the form of proxy

1. A shareholder may insert the names of a proxy or the names of two alternative proxies of the member's choice in the space provided, with or without deleting "the chairman of the meeting", but any such deletion must be initialed by the shareholder. The person whose name appears first on the proxy and which has not been deleted shall be entitled to act as proxy to the exclusion of those names following.
2. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each ordinary share held. A shareholder's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the shareholder in the appropriate box. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes.
3. A vote given in terms of an instrument of proxy shall be valid in relation to the annual general meeting notwithstanding the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the ordinary shares in respect of which the proxy is given, unless notice as to any of the aforementioned matters shall have been received by the transfer secretaries or by the chairman of the annual general meeting before the commencement of the annual general meeting.
4. If a shareholder does not indicate on this form that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the general meeting, be proposed, the proxy shall be entitled to vote as he/she thinks fit.
5. The authority of a person signing a proxy in a representative capacity must be attached to the proxy unless that authority has already been recorded with the Company's transfer secretary or waived by the chairman of the annual general meeting.
6. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian as applicable, unless the relevant documents establishing capacity are produced or have been registered with the transfer secretaries.
7. Where there are joint holders of ordinary shares: any one holder may sign the form of proxy; the vote(s) of the senior shareholders (for that purpose seniority will be determined by the order in which the names of ordinary shareholders appear in the Company's register) who tender a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
8. Proxies must be lodged at or posted to the Company's transfer secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), to be received not later than 10:00 on Friday, 24 October 2014.
9. Any alteration or correction made to this form of proxy other than the deletion of alternatives, must be initialed by the signatory/ies.
10. The completion and lodging of this proxy shall not preclude the relevant shareholder from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
11. The chairman of the meeting may reject or accept a proxy that is completed other than in accordance with these instructions, provided that he is satisfied as to the manner in which a shareholder wishes to vote.