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## EXTRACTS FROM THE ARTICLES OF ASSOCIATION OF BLUE LABEL GROUP SUBSIDIARIES

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The following is an unaltered extract from the articles of association of Blue Label Group subsidiaries:

### 8. ALTERATION OF CAPITAL AND MEMORANDUM

- 8.1** The company may from time to time by special resolution:
- 8.1.1** increase its share capital by new shares of such amount, or increase the number of its shares having no par value, as it thinks expedient;
  - 8.1.2** increase its stated capital constituted by shares of no par value by transferring reserves or profits to the stated capital, with or without a distribution of shares;
  - 8.1.3** consolidate and divide all or any part of its share capital into shares of larger amount than its existing shares or consolidate and reduce the number of the issued no par value shares;
  - 8.1.4** increase the number of its issued no par value shares without an increase of its stated capital;
  - 8.1.5** subdivide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum;
  - 8.1.6** convert all of its ordinary or preference share capital consisting of shares having a par value into stated capital constituted by shares of no par value;
  - 8.1.7** convert its stated capital constituted either by ordinary or preference shares of no par value into share capital consisting of shares having a par value;
  - 8.1.8** cancel shares which at the time of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its authorised share capital by the amount of the shares so cancelled or may cancel shares of no par value which have not so been taken or agreed to be taken;
  - 8.1.9** alter the provisions of its Memorandum with respect to the objects and powers of the company;
  - 8.1.10** convert any shares in the capital of the company to shares of a different class and in particular (but without derogating from the generality of the foregoing) convert ordinary shares or preference shares to redeemable preference shares.
- 8.2** Subject to any directions to the contrary that may be given by the resolution increasing the share capital or that may be contained in any authority conferred by the company in general meeting, any original shares for the time being unissued and any new shares from time to time created shall before issue be offered to the holders of shares of the class to be issued in proportion, as nearly as the circumstances admit, to the amount of the existing shares of that class held by them, unless issued for the acquisition of assets or otherwise empowered by a general meeting of members. The *pro rata* offer to members shall be made by notice specifying the number of shares offered, and specifying a time (which shall not be less than 14 (fourteen) days) when the offer, if not accepted, will be deemed to be declined. The provisions of these Articles or any written agreement in force between the members with regard to the sale or other disposal, transfer and transmission of shares shall apply *mutatis mutandis* to any such offer. After the expiration of the time within which an offer may be accepted, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the directors may, subject to the foregoing provisions, dispose of such shares in such manner as they think most beneficial to the company. The directors may in like manner dispose of any such new or original shares as aforesaid which by reason of the ratio which such shares bear to shares held by persons entitled to such offer as aforesaid or by reason of any other difficulty in apportioning such shares cannot, in the opinion of the directors, be conveniently offered in the manner hereinbefore provided.

### 12. DIRECTORS

- 12.1** Until otherwise determined by a meeting of members, the number of directors shall be not less than 12.
- 12.2** The company may from time to time at any meeting of members increase or reduce the number of directors.

- 12.3** Unless otherwise decided by a meeting of members any vacancy occurring in the board of directors may be filled by the directors but any appointment so made shall be subject to confirmation at the next annual general meeting of the company.
- 12.4** Any nomination for the appointment of a director must reach the company within 28 (twenty eight) days before the date of an annual general meeting.
- 12.5** The company at a meeting of members or the directors shall have power at any time, and from time to time, to appoint any person as a director but so that the total number of directors shall not at any time exceed the maximum number which may be fixed by or in terms of these Articles. Any appointment so made shall, however, be subject to confirmation at the next annual general meeting of the company.

### **13. REGISTER AND SUB-REGISTER**

- 13.1** The directors shall cause a register of members of the company to be maintained. The register of members shall be kept up to date by recording therein any change of particulars of any member forthwith after receipt of written notice from the member of such change.
- 13.2** The company shall cause to be entered into its register of members in respect of each of the holders of securities held in certificated form:
  - 13.2.1** such holder's full names and address;
  - 13.2.2** a record of securities held with reference to the class of securities, amounts paid and the numbers of the certificates in respect thereof;
  - 13.2.3** the date(s) upon which the name of a person has been entered in the register as member; and
  - 13.2.4** the date upon which a person has ceased to be a member.
- 13.3** The company shall cause to be entered in its register of members in respect of every class of securities, the total number of securities held in uncertificated form.
- 13.4** Subject to the provisions of the Act, the company may request the participant concerned to furnish it with such details of uncertificated securities in the company as are reflected in the sub-register maintained by that participant.
- 13.5** A member who wishes to inspect a sub-register may do so only through the company in terms of section 113 of the Companies Act. On inspection, the company shall be required to cause the sub-register to be produced, which reflects at least the details referred to in sections 105 and 133 of the Companies Act.
- 13.6** Subject to such restrictions as may be prescribed by the directors from time to time, the register of members shall be available for inspection by the members during office hours.

### **14. QUALIFICATION OF DIRECTORS**

The shareholding qualification for directors and alternate directors may be fixed, and from time to time varied, by the company at any meeting of members and unless and until so fixed no qualification shall be required.

### **15. REMUNERATION OF DIRECTORS**

- 15.1** The remuneration of the directors shall from time to time be determined by the company in general meeting. Such remuneration shall be deemed to accrue from day to day. The directors may also be paid all travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as directors including those of attending and travelling to and from meetings of the directors or any committee of the directors or at any meeting of members of the company.
- 15.2** The directors may pay any director who serves on any committee or who devotes special attention to the business of the company, or otherwise performs services which in the opinion of the directors are outside the scope of the ordinary duties of a director, such extra remuneration by way of salary, commission, percentage of profits or by any or all of these modes or otherwise as they may determine: provided that such remuneration is determined by a disinterested quorum (except in the case of a wholly owned subsidiary company) of directors.

## **16. ALTERNATE AND ASSOCIATE DIRECTORS**

- 16.1** Any director shall have the power to nominate another person to act as alternate director in his place during his absence or inability to act as such director; and on such appointment being made, the alternate director shall, in all respects, be subject to the terms and conditions existing with reference to the other directors of the company. A person may be appointed as alternate to more than 1 (one) director. Where a person is alternate to more than 1 (one) director or where an alternate director is a director, he shall have a separate vote, on behalf of each director he is representing in addition to his own vote, if any.
- 16.2** The alternate directors, whilst acting in the place of the directors who appointed them, shall exercise and discharge all the duties and functions of the directors they represent. The appointment of an alternate director shall cease on the happening of any event which, if he were a director, would cause him to cease to hold office in terms of these Articles or if the director who appointed him ceases to be a director, or gives notice to the secretary of the company that the alternate director representing him shall have ceased to do so. An alternate director shall look to the director who appointed him for his remuneration.
- 16.3** The directors may from time to time appoint any person to be an associate director and may from time to time cancel any such appointment. The directors may fix, determine and vary the powers, duties and remuneration of any person so appointed but a person so appointed shall not be required to hold any shares to qualify him for appointment or have any right to attend or vote at any meeting of directors except by the invitation and with the consent of all the directors.

## **17. BORROWING POWERS OF DIRECTORS**

- 17.1** The directors may in their discretion, from time to time, raise or borrow from the members or other persons any sums of money for the purposes of the company subject to such limitations as may be imposed from time to time by its holding company.
- 17.2** The directors may secure the payment or repayment of any sums of money borrowed or raised in terms of Article 17.1 or the payment of any debt, liability or obligation whatsoever of the company or of a third party, in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the execution of bonds or the issue of debentures or debenture stock of the company charged upon all or any part of the property and rights of the company, both present and future, including its uncalled capital.

## **18. GENERAL POWERS AND DUTIES OF DIRECTORS**

- 18.1** The business of the company shall be managed by the directors who may pay all expenses incurred in setting up and registering the company, and may exercise all such powers of the company as are not by the Statutes or by these Articles required to be exercised by the company at any meeting of members (including without derogating from the generality of the foregoing or from the rights of the members, the power to resolve that the company be wound up), subject nevertheless to the provisions of these Articles and of the Statutes and to such regulations being not inconsistent with these Articles or the Statutes, as may be prescribed by the company at any such meeting; but no regulation made by the company at such meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.
- 18.2** The directors may from time to time appoint one or more of their body (provided always that the number of directors so appointed as managing director or joint managing directors and/or the holders of any other executive office including a chairperson who holds an executive office but not a chairperson who is a non-executive director shall at all times be less than one-half (?) of the number of directors in office) to the office of managing director or manager for such period and at such remuneration (whether by way of salary or commission, or participation in profits or partly in one way and partly in another) and generally on such terms as they may think fit: Provided that notwithstanding anything to the contrary in these Articles, the remuneration of any such managing director may be determined only at a meeting at which there is a disinterested quorum (except in the case of a wholly owned subsidiary company) and provided further that the maximum period for which a managing director may be appointed by contract shall be 5 (five) years at any one time. It may be made a term of his appointment that he be paid a pension, gratuity or other benefit on his retirement from office. The appointment of a managing director or manager shall terminate *ipso facto* if he shall cease for any reason to be a director, or if the company at any meeting of members shall resolve that his tenure of the office of managing director or manager be terminated.

- 18.3** The directors may from time to time entrust to and confer upon a managing director or manager for the time being such of the powers vested in them as they may think fit, and may confer such powers for such time and to be exercised for such objects and upon such terms and with such restrictions as they may think expedient; and they may confer such powers either collaterally or to the exclusion of, and in substitution for, all or any of the powers of the directors, and may from time to time revoke or vary all or any of such powers. A managing director appointed pursuant to the provisions hereof shall not be regarded as an agent or delegate of the directors and after powers have been conferred upon him by the directors in terms hereof he shall be deemed to derive such powers directly from this Article.
- 18.4** The directors shall have the power from time to time to delegate or allocate to any one of their members or to any other person, whether in the Republic or not, such of the powers as are vested in the directors pursuant to the Statutes or under these Articles, as they may deem fit.
- 18.5** The directors may delegate or allocate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the directors. Save as aforesaid, the meetings and proceedings of a committee consisting of more than 1 (one) member shall be governed by the provisions of these Articles regulating the meetings and proceedings of directors.
- 18.6** The directors may -
- 18.6.1** establish and maintain any non-contributory or contributory pension, superannuation, provident and benefit funds for the benefit of; and
- 18.6.1** give pensions, gratuities and allowances to and make payments for or towards the insurance of any persons who are employees or ex-employees (including directors or ex-directors) of the company, or of any company which is or was a subsidiary of the company or is or was in any way allied to or associated with it or any such subsidiary, and the wives, widows, families and dependants of such persons.

## **19. DISQUALIFICATION AND PRIVILEGES OF DIRECTORS**

- 19.1** A director shall cease to hold office as such if:
- 19.1.1** he ceases to be a director by virtue of any of the provisions of the Statutes or becomes prohibited from being a director by reason of any order made under the Statutes; or
- 19.1.2** his estate is sequestrated or he files a petition for the surrender of his estate or an application for an administration order; or if he commits an act of insolvency as defined in the insolvency law for the time being in force or if he makes any arrangement or composition with his creditors generally; or
- 19.1.3** he is found lunatic or becomes of unsound mind; or
- 19.1.4** he is removed by a resolution of the company as provided in the Statutes; or
- 19.1.5** he resigns his office by notice in writing to the company; or
- 19.1.6** a notice removing him from office is signed by members having a right to attend and vote at a meeting of members who hold not less than 51% (fifty one per cent) of the total voting rights of all the members who are at that time entitled so to attend and vote and is delivered to the company or lodged at its registered office; or
- 19.1.7** he is otherwise removed in accordance with any provisions of these Articles.
- 19.2** A director of the company may be or become a director of any subsidiary or other company promoted by the company or in which it may be interested as vendor, member or otherwise, or may represent the company in the management of any business or operations or concern in which the company may be interested as partner or otherwise or may be employed by the company in any capacity or may accept a retainer from the company in consideration for which he agrees to give his services to the company in any special capacity when called upon by the company to do so, and no such director shall be accountable to the company for any remuneration or other benefits received by him as a director or member of such company or representative of the company in such management or in any employment or retention of his services by the company. The directors may exercise the voting power conferred by the shares in any such other company held or owned by the company, or exercisable by them as directors of such other company, in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors or other officers of such company) and any director may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be, or be about to be, appointed a director or other officer of such company and as such is or may become interested in the exercise of such voting rights in manner aforesaid.

**19.3** No director or intending director shall be disqualified by his office from contracting with the company in any manner whatsoever and in particular as:

**19.3.1** an underwriter of any shares or securities; or

**19.3.2** a guarantor of any liability

of the company, or of any company in which the company may be interested, for a commission or profit, nor shall any such contract or arrangement entered into by or on behalf of the company in which any director shall be in any way interested, nor any contract or agreement entered into with any company or partnership of or in which any director shall be a member, director or partner or otherwise interested, be invalidated or voided by any such reason or by reason of the board of directors of the company not constituting an independent quorum, nor shall any director so contracting or being so interested or acquiring any benefit under any contract or arrangement made or entered into by or on behalf of any person, company or partnership in relation to the affairs of the company be liable to account to the company for any profits or benefits realised by or under such contract or arrangement by reason of such director holding that office or by reason of the fiduciary relationship thereby established. Any director so interested or acquiring any benefit shall disclose the fact of his possessing any interest and full particulars thereof, be it as director or member or otherwise, whether or not it appears on the face of the contract or arrangement, in accordance with the provisions of the Statutes.

A general notice in writing given to the directors by a director to the effect that he is a member of a specified company or firm and is to be regarded as interested in any contract which may, after the date of the notice, be made with that company or firm, shall be deemed to be a sufficient disclosure in relation to any contract or proposed contract so made or to be made.

**19.4** Without detracting from the generality of Article 19.3:

**19.4.1** a director may hold any other office or place of profit in the company, other than that of auditor, in conjunction with his directorship, and may be appointed thereto upon such terms as to remuneration, tenure of office and otherwise as may be arranged by a disinterested quorum (except in the case of a wholly owned subsidiary company) of directors. A director may, notwithstanding his interest, be counted in the quorum present at any meeting at which he or any other director is so employed or appointed to hold any such office of profit or at which the terms of such appointment are arranged and he may vote on such employment or appointment or arrangement other than his own appointment or employment or the arrangement of the terms thereof;

**19.4.2** a director may himself act or any firm of which he is a member may act in a professional capacity for the company, and he or his firm shall be entitled to remuneration for those professional services as if he were not a director;

provided that nothing herein contained shall authorise a director or his firm to act as auditor of the company.

## **20. PROCEEDINGS OF DIRECTORS**

**20.1** A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the directors.

**20.2** The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.

**20.3** Unless otherwise resolved by the directors, all their meetings shall be held in the city or town where the company's registered office is for the time being situated.

**20.4** Questions arising at any meeting of directors shall be decided by a majority of votes.

**20.5** In the case of an equality of votes the chairperson shall have a second or casting vote, provided that if at any time the quorum is 2 (two) and only 2 (two) directors are present at a meeting the chairperson shall not have a casting vote.

**20.6** The directors may determine what period of notice shall be given of meetings of directors and may determine the means of giving such notice which may include telephone, telegram, telex, e-mail or telefax. It shall not be necessary to give notice of a meeting of directors to any director for the time being absent from the Republic, but notice of any such meeting shall be given to his alternate, if he has appointed one, provided that such alternate is in the Republic.

- 20.7** A quorum at meetings of directors shall consist of, if the number of directors is one, that director and in all other cases, 2 (two) directors, 1 (one) of whom shall be appointed by the holding company. For the purpose hereof a director who has authorised another director to vote for him at a meeting in terms of Article 20.11 shall, if the director so authorised is present at the meeting, be deemed to be present himself and each director whose alternate is present at a meeting (even if the latter is alternate to more than 1 (one) director) shall be deemed to be so present.
- 20.8** The continuing directors (or sole continuing director) may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as a quorum, the continuing directors or director may act only for the purpose of summoning a general meeting of the company. If there are no directors or director able and willing to act, and no specific provision is made in these Articles for the appointment of directors, then any 2 (two) members may summon a general meeting for the purpose of appointing directors.
- 20.9** A resolution in writing, including through the medium of telefax, signed by a majority of the directors present in the Republic when the resolution in question is signed by the first of such directors and being not less than are sufficient to form a quorum and also completing a majority of the directors then in office, shall be as valid and effectual as if it had been passed at a meeting of the directors duly called and constituted: Provided that where a director is not present in the Republic, but has an alternate who is, the resolution must be signed by that alternate.
- 20.10** In the case of matters requiring urgent resolution or, if for any reason it is impracticable to meet as contemplated in Article 20.3 or pass a resolution as contemplated in Article 20.9, proceedings may be conducted by utilising video conference or telephone conference facilities, provided that the required quorum is met. A resolution agreed to by a majority of the directors participating during the course of such proceedings shall be as valid and effectual as if it had been passed at a meeting of the directors duly called and constituted. The secretary of the company shall as soon as is reasonably possible after such meeting by video conference or telephone has been held, be notified thereof by the relevant parties to the meeting, and the secretary shall prepare a written minute thereof.
- 20.11** A director unable to attend a directors' meeting may authorise any other director to vote for him at that meeting, and in that event the director so authorised shall have a vote for each director by whom he is so authorised in addition to his own vote. If both the director so authorised and an alternate of the director who granted the authority are present at the meeting, the alternate shall not be entitled to vote on behalf of the absent director. Authority in terms of this Article must be in writing (which may take the form of a telegram, cable or telex) and must be handed to the person presiding at the meeting at which it is to be used.
- 20.12** The directors may elect a chairperson of their meetings and determine the period for which he is to hold office; but if no such chairperson is elected, or if at any meeting the chairperson is not present within fifteen minutes after the time appointed for holding it, the directors present may choose one of their number to be chairperson of the meeting.

## **21. VALIDITY OF ACTS OF DIRECTORS AND COMMITTEES**

As regards all persons dealing in good faith with the company, all acts done by any meeting of the directors or of a committee of directors, or by any person acting as a director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment or continuance in office of any such directors or persons acting as aforesaid, or that they or any of them were disqualified or had ceased to hold office or were not entitled to vote, be as valid as if every such person had been duly appointed or was qualified or had continued to be a director or was entitled to vote, as the case may be.

## **22. DIVIDENDS AND OTHER PAYMENTS TO MEMBERS**

- 22.1** The company may make payments to its members from time to time.
- 22.2** The company in general meeting (subject to obtaining the declaration of the directors referred to in Article 22.3) or the directors may from time to time determine a dividend (provided that the company in general meeting may not declare a dividend larger than that declared by the directors) or other payment to be made to the members in such manner as the company in general meeting or the directors, as the case may be, may determine and direct at the time of declaration, including, without limiting the foregoing, that a payment shall be made by distribution of specific assets or in a specific currency (and if the latter the date of conversion of the currency in which the dividend or other payment is approved, into such other currencies). If any difficulty arises in regard to any payment the directors may settle same as they consider appropriate. A period of 15 (fifteen) days at least shall be allowed between the date of declaration or confirmation of any dividend, whichever is the later, and the record date in respect of such dividend.

- 22.3** The declaration of the directors as to whether:
- 22.3.1** the company is, or would be after the payment able to pay its debts as they become due in the ordinary course of business;
  - 22.3.2** the consolidated assets of the company, fairly valued would, after the dividend or other payment, not be less than the consolidated liabilities of the company,
- shall be conclusive as regards the company in general meeting declaring a dividend or making any other payment to members.
- 22.4** Dividends may be paid by crossed, not negotiable cheque or otherwise as the directors may from time to time determine, and shall either be sent by post to the last registered address of the member or person entitled thereto or given to him personally and reasonable proof of payment in terms hereof, will be sufficient proof of compliance by the company. The company shall not be responsible for the loss in transmission of any cheque or other document mailed to the registered address of any member, whether or not it was so sent at his request.
- 22.5** No notice of change of address or instructions as to payment given after the last day of trade for of a dividend or other payment by the company in general meeting or the directors, shall become effective until after the dividend or other payment has been made, unless the company in general meeting or the directors so determine at the time the dividend or other payment is approved.
- 22.6** All unclaimed dividends or other payments to members as contemplated in this Article may be invested or otherwise be made use of by the directors for the benefit of the company until claimed, provided that any dividend or bonus or other payment to members remaining unclaimed for a period of not less than 3 (three) years from the date on which it became payable may be forfeited by resolution of the directors for the benefit of the company.
- 22.7** The company shall be entitled at any time to delegate its obligations to any member in respect of unclaimed dividends or other unclaimed payments to any one of the company's bankers from time to time.
- 22.8** Unless the Statutes, these presents and/or the requirements of the JSE Securities Exchange South Africa require a resolution to be passed by the company in general meeting to authorise the reduction by the company of its share capital, stated capital and any capital redemption reserve fund or any share premium account, the directors shall have the power, to the extent necessary, to resolve that the company reduce its share capital, stated capital and any capital redemption reserve fund or any share premium account, whether accompanied by a payment to members as contemplated in this Article 22 or without any payment to members.

## **25. CAPITALISATION**

- 25.1** At a meeting of members the company may, upon the recommendation of the directors, resolve to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution and not required for the payment or provision of the fixed dividend on any shares entitled to fixed preferential dividends and accordingly that such sums be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions, on condition that such sums be not paid in cash but be applied in paying up in full unissued shares or debentures of the company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid and the directors shall give effect to such resolution: Provided that a share premium account and a capital redemption reserve fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the company as fully paid capitalisation shares.
- 25.2** When a resolution as provided in Article 25.1 shall have been passed the directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the directors to make such provision by payment in cash or otherwise (but not by the issue of fractional certificates) as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter, on behalf of the members entitled thereto, into an agreement with the company, providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled on such capitalisation. Any agreement made under such authority shall be effective and binding on all members.