THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION
The definitions commencing on page 11 of this Circular apply *mutatis mutandis* throughout this document including this cover page.

Shareholders are referred to page 8 of this Circular, which sets out a summary of the action required of Shareholders, full details of which are set out in this Circular. If you are in any doubt as to the action that you should take, please consult your Broker, banker, legal adviser, accountant or other professional adviser immediately.

If you have disposed of all of your Shares, this Circular should be forwarded to the purchaser to whom, or the Broker, banker or agent, through whom you disposed of such Shares.

VINGUARD LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1998/026858/06)
("the Company" or "Vinguard")

CIRCULAR TO VINGUARD SHAREHOLDERS
relating to:

- **a Section 112 Disposal of the Vinguard Assets to Grapetek;**
- **approval of various resolutions in order to ensure compliance with certain provisions of the Companies Act 71 of 2008 ("the Act"),**

and incorporating:
- **an independent expert opinion on whether the Disposal of certain Vinguard Assets to Grapetek is fair;**
- **a notice convening a General Meeting of Shareholders; and**
- **a form of proxy (white) for use only by Certificated Shareholders**

The Directors whose names appear on page 6 of this Circular, collectively and individually accept full responsibility for the accuracy of the information given in this Circular and certify that, to the best of their knowledge and belief, there are no facts the omission of which would make any statement in this Circular false or misleading and that they have made all reasonable inquiries to ascertain such facts and that this Circular contains all information required by law.

Independent Expert

Date of issue: 27 December 2013

This Circular is available in English only. Additional copies of this Circular in its printed format, may be obtained from the registered office of the Company and the Transfer Secretaries during normal business hours on Business Days at the addresses set out in the "Corporate Information and Advisers" section of this Circular from 27 December 2013 until 24 January 2014, both days inclusive. A copy of this Circular, and other requisite documents referred to in section 99 (4) (b) and regulation 50 of the Act, were lodged and approved by the TRP. The Circular has complied with Regulation 106 of the Act where applicable which relevant and required disclosures have been included in the Circular.

CERTAIN FORWARD-LOOKING STATEMENTS

This Circular includes certain "forward-looking information". All statements other than statements of historical fact are, or are deemed to be, forward-looking statements, including, without limitation those concerning: Vinguard's strategy; the economic outlook for the industry; growth prospects and outlook of Vinguard's operations, individually or in the aggregate; Vinguard's liquidity and capital resources and expenditure; and the outcome and consequences of any potential or pending litigation proceedings.

These forward-looking statements are not based on historical facts, but rather reflect Vinguard's current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "forecast", "likely", "should", "planned", "may", "estimated", "potential" or similar words and phrases. Similarly, statements that describe Vinguard's objectives, plans or goals are or may be forward-looking statements.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Vinguard's actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied by these forward-looking statements. Although Vinguard believes that the expectations reflected in these forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

Shareholders should review carefully all information, including the *pro forma* financial statements and the notes to the *pro forma* financial statements, included in this Circular. The forward-looking statements included in this Circular are made only as of the Last Practicable Date. Vinguard undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Circular or to reflect the occurrence of unanticipated events. All subsequent written and oral forward-looking statements attributable to Vinguard or any person acting on its behalf are qualified by the cautionary statement in this section of the Circular.

SALIENT FEATURES OF THE DISPOSAL

The Business was one of the early stage investments made by JDH through its Venture Capital Investments portfolio. JDH was instrumental in helping to establish the Business through the provision of resources and capital and for nurturing it through the critical start-up phase to the point of being an established trading entity with a clearly defined market and business strategy that has resulted in the The Vinguard™ two stage SO2 gas generating sheet being approved for use by all major UK supermarkets and accredited by numerous international buyers and exporters including Richard Hochfeld, Prima Fruit, Gomez and International Produce. Vinguard has invested in other manufacturing and debt assets over the past year and, in line with the JDH Group strategy, the board of Vinguard has decided to realise its investment in the SO^2 gas sheet manufacturing assets

The Board designed the corporate action summarised below with the objective of creating value for the Vinguard shareholders.

The process initiated by the directors is to sell the Vinguard Assets

Key elements of the Corporate Action	**Impact on Vinguard shareholders**
<u>General Meeting of Vinguard shareholders</u> Vinguard shareholders to vote in a General Meeting on amongst others the following resolutions: • Approve the disposal of the Vinguard assets to Grapetek	The approvals requested from Vinguard shareholders at the General Meeting facilitate the corporate actions. Should the required approvals not be obtained the corporate actions will be suspended. The board will have to consider the future of the Vinguard company and its solvency.

Summary

The Board urges Vinguard shareholders to act timeously in terms of the circular timetable and call to action and recommends that Vinguard shareholders obtain professional advice from their trusted advisors.

Refer the detailed sections of this circular to shareholders for more information, such as the independent expert opinion regarding the transaction and the detail timetable, as well as the actions required by Vinguard shareholders to take part in the corporate actions.

CORPORATE INFORMATION AND ADVISERS

Directors of Vinguard

Executive
JN Pepler (Chief Executive Officer)*
DP van der Merwe (Financial Director)*
WJ Opperman (Executive Director)*

Non-executive
TP Gregory*

*Comprising the Independent Board

Company secretary and registered office
Timbavati Business Consultants
1st Floor
Acacia House
Green Hill Village Office Park, Cnr Botterklapper and Nentabos Street
Pretoria East
0043
(PO Box 39660, Garsfontein East, 0060)

Auditors
AM Smith and Company Inc.
(Practise nr: 957399)
774 Waterval Road
Little Falls
1724
(Private Bag X2, Strubensvalley, 1735)

Transfer Secretaries in South Africa
Vinguard Limited
1st Floor
Acacia House
Green Hill Village Office Park, Cnr Botterklapper and Nentabos Street
Pretoria East
0043
(PO Box 39660, Garsfontein East, 0060)

Independent Expert
Huntrex 299 (Pty) Ltd trading as Effortless Corporate Finance
(Practise number: 903 646)
23 Nicholi Avenue
Kommetjie, 7975

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ACTION REQUIRED BY SHAREHOLDERS

If you are in any doubt as to what action you should take, you should consult your Broker, banker, legal adviser, accountant or other professional adviser immediately.

If you have disposed of all of your Shares, this Circular should be forwarded to the purchaser to whom, or the Broker, banker or agent, through whom you disposed of such Shares.

1. GENERAL MEETING

Shareholders are invited to attend the General Meeting to be held at the registered office of the Company, 1st Floor, Acacia House, Green Hill Village Office Park, On Lynwood Road, Cnr Botterklapper and Nentabos Street, The Willows, Pretoria East, 0043 at 09h30 on Friday, 24 January 2014. At the General Meeting, Shareholders will be requested to pass the Disposal Resolution .

Action required by holders of Certificated Shares in relation to the General Meeting

- You are entitled to attend, or represented by proxy, at the General Meeting.
- If you are unable to attend the General Meeting, but wish to be represented thereat, you must complete and return the attached form of proxy, in accordance with the instruction contained therein, to be received by the transfer secretaries, Vinguard, 1st Floor, Acacia House, Green Hill Village Office Park, On Lynwood Road, Cnr Botterklapper and Nentabos Street, The Willows, Pretoria East, 0043 (PO Box 39660, Garsfontein East, 0060) by no later than 09h30 on Tuesday, 21 January 2014.

SALIENT DATES AND TIMES

GENERAL MEETING TIMETABLE

Last date to lodge forms of proxy by 09h30	Tuesday, 21 January 2014
General Meeting of shareholders to be held at 09h30 on	Friday, 24 January 2014

Note:

1. All dates and times are indicative only and Vinguard reserves the right to change all or any such dates and times in its sole discretion. Shareholders will be notified should the above dates and times change.
2. Unless otherwise indicated, all dates and times are South African dates and times.

DEFINITIONS AND INTERPRETATIONS

Throughout this Circular, unless the context indicates otherwise, the words in the column on the left below shall have the meaning stated opposite them in the column on the right below, reference to the singular shall include the plural and vice versa, words denoting one gender include the other and words and expressions denoting natural persons include juristic persons and associations of persons:

"Act" or "Companies Act"	the South African Companies Act, No 71 of 2008, as amended from time to time;
"Affected transaction"	in terms of Section 112 of the Companies Act, No 71 of 2008, as amended, the Vinguard Disposal is an "affected transaction" and will require Vinguard shareholder approval by way of special resolution and TRP approval ("Section 112 Vinguard Disposal");
"Board" or "Directors"	The board of directors of Vinguard as at the date of this Circular;
"Broker"	any person registered as a "broking member (equities)" in terms of the Rules of the JSE, issued and published in accordance with the provisions of the Securities Services Act;
"Business Day"	any day of the week, excluding Saturdays, Sundays and all official South African public holidays;
"Certificated Shareholders"	Shareholders who hold Certificated Shares;
"Certificated Shares"	Shares title to which is represented by physical Documents of Title;
"CIPC"	Companies and Intellectual Property Commission;
"Circular"	this bound document (together with all annexures), dated 27 December 2013 and incorporating a Notice of General Meeting and a form of proxy, where applicable;
"Common Monetary Area"	collectively, South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
"Companies Regulations"	the regulations published by the Minister of Trade and Industry in terms of section 120 and 223 of the Act, and which regulations relate to the functioning of the TRP;
"the Vinguard Disposal"	the disposal in terms of an agreement, dated 30 October 2013, and subsequent the amendment agreement dated 20 December 2013, in terms of which Vinguard will sell, as a going concern, the business that manufactures and distributes the Vinguard Dual Release SO2 gas generating sheet for fresh produce and flowers to Grapetek for a disposal consideration of R6 million plus the value of stock, which disposal does require shareholder approval;
"Documents of Title"	share certificates, certified transfer deeds, balance receipts, or any other documents of title to Shares;
"Earnings Per Share" or "EPS"	earnings attributable to each Share, calculated by dividing the Company's profit attributable to Shareholders by the weighted average number of issued Shares;
"Escalator"	Escalator Capital Limited (Registration Number 2009/015563/06), a public company duly registered and incorporated in South Africa, having its registered address at 1st Floor, Acacia House, Green Hill Village Office Park, On Lynwood Road, Cnr Botterklapper and Nentabos Street, The Willows, Pretoria East, 0043;

"Exchange Control Regulations"	The South African Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the South African Currency and Exchanges Act, 1933 (Act 9 of 1933), as amended or replaced from time to time;
"Headline Earnings Per Share" or "HEPS"	Earnings Per Share excluding profits or losses associated with the sale or termination of discontinued operations, fixed assets or related businesses, or from any permanent devaluation or write off of their values, calculated by dividing the Company's adjusted profit by the weighted average number of issued Shares;
"Independent Board"	in terms of Regulation 108 of the Act, the Vinguard board consists of the full board of directors, namely, Jackie Pepler, Willie Opperman, Dirk van der Merwe and Terence Gregory who are considered independent from Grapetek, the Purchaser. ;
"Independent expert"	Huntrex 299 (Pty) Ltd trading as Effortless Corporate Finance, (Practise number: 903 646), a private company duly registered and incorporated under the laws of South Africa, having its registered address at 476 King's Highway, Lynnwood, Pretoria, 0081 and acting as the independent expert on the Disposal;
"the JSE"	JSE Limited (Registration Number 2005/022939/06), a public company duly registered and incorporated under the laws of South Africa and licensed as a securities exchange under the SSA;
"Last Practicable Date"	20 December 2013, being the last practicable date prior to the finalisation of this Circular;
"Listings Requirements"	the Listings Requirements of the JSE, as amended from time to time;
"Vinguard" or "the Company"	Vinguard Limited (Registration Number 2002/026858/06), a public company duly registered and incorporated under the laws of South Africa , having its registered address at 1st Floor, Acacia House, Green Hill Village Office Park, On Lynwood Road, Cnr Botterklapper and Nentabos Street, The Willows, Pretoria East, 0043;
"Vinguard Assets"	as a going concern, the business that manufactures and distributes the Vinguard Dual Release SO2 gas generating sheet for fresh produce and flowers;
"Vinguard Disposal"	the disposal of the Vinguard Assets to Grapetek for a purchase consideration of R6 million plus the value of stock, which disposal is subject to Vinguard shareholder approval in General Meeting;
"JDH"	John Daniel Holdings Limited (Registration Number 1998/013215/06), a public company duly registered and incorporated under the laws of South Africa and listed on the VCM on the JSE having its registered address at 1st Floor, Acacia House, Green Hill Village Office Park, On Lynwood Road, Cnr Botterklapper and Nentabos Street, The Willows, Pretoria East, 0043;
"JDH Group"	JDH and its subsidiaries and associates from time to time;
"Grapetek" or "the Purchaser"	Grapetek (Proprietary) Limited (Registration Number 2012/035730/07), a limited liability company duly registered and incorporated under the laws of South Africa;
"the King III Report"	the King III report, being the King Report on Corporate Governance in South Africa 2009;
"Net Asset Value Per Share" or "NAV Per Share"	Shareholders' equity, as determined by deducting liabilities from assets, divided by the weighted average number of Shares in issue;
"Proposals"	the proposals in terms of this Circular, comprising, *inter alia*, the approval by Shareholders of the Disposal;

“Rand” or “R”	South African Rand, the official currency of South Africa;
“Restructure”	the Section 112 Vinguard Disposal, collectively referred to as the Restructure;
“Securities Services Act” or “SSA”	the South African Securities Services Act, 2004 (Act 36 of 2004), as amended or replaced from time to time;
“Shares”	ordinary shares with no par value each in the issued share capital of Vinguard;
“Shareholders”	the registered holders of Shares;
“South Africa”	the Republic of South Africa;
“South African Register”	means the register of Certificated Shareholders maintained by the Company;
“the TRP”	the Takeover Regulation Panel, as established by section 196 of the Act;
“Tangible Net Asset Value Per Share” or “TNAV per share”	Net Asset Value Per Share excluding goodwill and intangible assets;
“Transfer Secretaries”	in South Africa, the Company;
“VAT”	Value-Added Tax;

VINGUARD) LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1998/026858/06)
("the Company" or "Vinguard")

CIRCULAR TO VINGUARD SHAREHOLDERS

1. INTRODUCTION

Shareholders are referred to the announcement released on SENS on 7 November 2013 in which JDH advised that the Board resolved to dispose of the Vinguard assets to at a purchase price of R5 million plus the value of stock as determined through a stock take, which procedures are detailed in clause 13 of the Agreement. It is expected that the stock value should be approximately R 800 000. An independent expert will opine on the fairness and reasonableness of the Disposal.

The purpose of this Circular is to furnish Shareholders with relevant information relating to the Disposal, the action required by Shareholders and the implications thereof, in accordance with the Act. In addition, this Circular aims to furnish Shareholders with the relevant information to enable Shareholders to make a decision as to whether or not they should vote in favour of the Disposal .

2. PARTICULARS OF THE DISPOSAL

JDH announced on 7 November 2013 on SENS that Vinguard has entered into an agreement, dated 30 October 2013, in terms of which it will sell, as a going concern, the business that manufactures and distributes the Vinguard Dual Release SO2 gas generating sheet for fresh produce and flowers to Grapetek. The Disposal will be effective from the third business day after the day on which the conditions precedent, as set out in the agreement, are fulfilled or waived or the 31st day after the publication of the notices required in terms of Section 34 of the Insolvency Act, No. 24 of 1936 ("the Insolvency Act"), whichever is the latter. On 20 December 2013 an amended agreement was signed relating to mainly the composition of the sale price.

The Business was one of the early stage investments made by JDH through its Venture Capital Investments portfolio. JDH was instrumental in helping to establish the Business through the provision of resources and capital and for nurturing it through the critical start-up phase to the point of being an established trading entity with a clearly defined market and business strategy that has resulted in the The Vinguard^{TM} two stage SO2 gas generating sheet being approved for use by all major UK supermarkets and accredited by numerous international buyers and exporters including Richard Hochfeld, Prima Fruit, Gomez and International Produce. Vinguard has invested in other manufacturing and debt assets over the past year and, in line with the JDH Group strategy, the board of Vinguard has decided to realise its investment in the SO^2 gas sheet manufacturing assets.

The Vinguard Disposal consideration of R5 million plus the value of stock would be payable in cash. In terms of Section 112 of the Act, the Disposal is considered a disposal of all or greater part of the assets of Vinguard and will require Vinguard shareholder and TRP approval.

In terms of Section 112 (4) of the Act, any part of the undertaking of a company to be disposed of must be fairly valued. Accordingly, a fair and reasonable opinion has been included in Annexure 3 of the Circular.

A special resolution to approve the Disposal has been included in the Notice of General Meeting attached to this Circular. Shareholders are advised of their rights in terms of section 115 and section 164 in relation to the Disposal to be done in terms of Section 112 further that the full extracts of both Section 115 and Section 164 are attached to the Circular as an annexure to the Notice of General Meeting.

No agreement exists, which is considered to be material to a decision regarding the Disposal to be taken by the Vinguard shareholders, between the Graptek, or any person acting in concert with the Grapetek, and-

i) Vinguard;
ii) any of the directors of Vinguard, or persons who were directors within the preceding 12 months of Vinguard; or
iii) holders of Vinguard shares, or persons who were holders thereof within the preceding 12 months, if the agreement;

and material terms of any such agreement;

3. NOTICE OF GENERAL MEETING

This Circular contains a notice convening the General Meeting of Shareholders to be held at the registered office of Vinguard, 1st Floor, Acacia House, Green Hill Village Office Park, On Lynwood Road, Cnr Botterklapper and Nentabos Street, The Willows, Pretoria East, 0043 at 09h30 on Friday, 24 January 2014in order to consider and if deemed fit, pass with or without modification, resolutions tabled.

The notice of General Meeting and a form of proxy are attached to, and form part of, this Circular, the proxy being for use by Certificated Shareholders who are unable to attend and vote at the General Meeting. Duly completed forms of proxy must be lodged with the Transfer Secretaries by no later than 09h30 on Tuesday, 21 January 2014.

4. VIEWS OF THE BOARD

a. Board

The Board is of the unanimous opinion that the disposal of the Vinguard Asset is in the best interest of the Company.

b. Independent Board

In addition, in terms of Regulation 108 of the Act, the Independent Board is of the unanimous opinion that Shareholders should vote in favour of the resolutions contained in the attached Notice of General Meeting. The Independent Board is of the view that the passing of the resolutions will be in the interest, and to the benefit, of Vinguard and all Shareholders.

The independent board is not aware of the existence of any agreement, which is considered to be material to the decision regarding the Disposal to be taken by the Vinguard Shareholders, between Vinguard and-

i) the Grapetek or any of its concert parties;
ii) any of the directors of the Grapetek, or persons who were directors within the preceding 12 months; or
iii) holders of Grapetek securities or a beneficial interest in Grapetek, or persons who were holders thereof or interested therein within the preceding 12 months.

5. PRO FORMA FINANCIAL INFORMATION

The unaudited pro forma financial effects have been prepared to illustrate the impact of the Disposal on the reported financial information of Vinguard for the year ended 31 December 2012, had the Disposal occurred on 1 January 2012 for income statement purposes and on 31 December 2012 for balance sheet purposes. The pro forma financial effects have been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the audited results of Vinguard for the year ended 31 December 2012.

The unaudited pro forma financial effects set out below are the responsibility of Vinguard's directors and have been prepared for illustrative purposes only and because of their nature may not fairly present the financial position, changes in equity, results of operations or cash flows of Vinguard after the transaction.

Other than the Disposal, which has improved the balance sheet and financial position of the Company, there have been no material changes in the business since the publication of: (a) the Company's

annual report dated 31 December 2012; and (b) the Company's audited condensed consolidated results for year ended 31 December 2012.

Pro forma financial effects for the audited year ended 31 December 2012

Earnings per share information	Before	Disposal of certain Vinguard assets	% Change after disposal of certain Vinguard assets
Attributable earnings/(loss) per ordinary share (cents)	(2.114)	1.624	177%
Headline earnings per share (cents)	(2.103)	0.348	117%
Fully diluted attributable earnings/(loss) per ordinary share (cents)	(2.114)	1.624	177%
Fully diluted weighted headline earnings per share (cents)	(2.103)	0.348	117%
Fully diluted headline earnings per share (cents)	(2.103)	0.348	117%
Net asset value per share (cents)	(9.245)	(8.331)	10%
Net tangible asset value per share (cents)	(10.202)	(8.331)	18%
Fully diluted net asset value per share (cents)	(9.245)	(8.331)	10%
Fully diluted net tangible asset value per share (cents)	(10.202)	(8.331)	18%
Weighted average shares in issue (000's)	98 512	98 512	0%
Fully diluted weighted shares in issue (000's)	98 512	98 512	0%
Ordinary shares in issue at period end (000's)	98 512	98 512	0%
Fully diluted shares in issue (000's)	98 512	98 512	0%

Notes and assumptions:

1. The "Before" column is extracted from the Company`s audited results for the 15 months ended 31 December 2012.
2. For Statement of Financial Position purposes, it has been assumed that the transactions occurred on 31 December 2012.
3. For Statement of Comprehensive Income purposes, it has been assumed that the transactions occurred on 1 January 2012.
4. R5 million acquisition price for the Vinguard assets.
5. Inventory disposal at carrying value.
6. Proceeds from the sale of the assets to be applied to settle trade creditors, balance of the proceeds applied as repayment of other liabilities
7. Applying proceeds to reduce loan funding results in a saving of funding costs calculated at the funding rate of 18% per annum.
8. Disposal of assets result in a reduction in turnover and the corresponding cost of sale and operational costs associated with the operational assets disposed.
9. Capital gains included in taxable income at the inclusion rate of 66.6%.

10. Normal taxation calculated at the corporate rate of 28%.

11. No impact on the issues share capital of the company.

6. SHAREHOLDER SPREAD

The Shareholder spread, as at 31 December 2012, is illustrated in the table below:

	Shares held
Public Shareholders	
JDH	725 000
Non-public Shareholders	
Other	263 000
Total ('000)	**988 000**

7. ESTIMATED EXPENSES IN RELATION TO THE DISPOSAL

It is estimated that expenses relating to the Disposal will amount to approximately R 125 000. These expenses will be paid from the proceeds of the Disposal. The expenses (excluding VAT) are detailed below.

Nature of expense	Paid/payable to	R
Printing, publication and distribution	Various providers	35 000
Independent Expert Opinion	Effortless Finance	100 000
Regulatory review	TRP	50 000
Total		**185 000**

8. INFORMATION ON VINGUARD

Background information on the Company

Vinguard Limited (Registration no.1998/026858/06) Vinguard, founded in 2004, is a public company with over 300 shareholders. The initial product of Vinguard is an insert used when packaging table grapes, which eliminates fungal infections and prolongs the shelf life of the grapes. The Vinguard two stage SO generating sheet was developed over a period of 7 years at Stellenbosch University and has been in commercial use globally for seven years. The research was conducted in conjunction with the South African Deciduous Fruit Producers Trust and local table grape farmers. The technology that flowed from this research was both new and innovative, utilising current and up to date knowledge in the fields of polymer science and membrane transfer theory, with a key focus on minimising SO2 residue levels. Thus the Vinguard manufacturing facility was purpose designed to produce in excess of 40 000 000 sheets per annum. The plant was designed and built by Vinguard's in-house team of engineers and polymer scientists in conjunction with leading experts in the fields of mechanical, electronic and electrical engineering, production flow logistics, heat transfer technology and flow dynamics. The manufacturing process contains both automated and manual quality control tests designed to ensure that the Vinguard two stage SO generating sheet is produced according to specification.

The Vinguard two stage SO gas generating sheet has been approved for use by all major UK supermarkets including Tesco, Asda, Marks and Spencer and Sainsbury. In addition to this the Vinguard SO generating sheet has also been accredited by numerous international buyers and exporters including Richard Hochfeld, Prima Fruit, Gomez and International Produce.

More recently the Company has diversified its agricultural manufacturing interests to include the manufacture of coffee for the retail and wholesale market. In addition the company acquired a distressed debt book, the collection of which is intended to provide a more consistent cash flow for the Company.

9. DIRECTORS AND SENIOR MANAGEMENT

a. Directors

The name, age, qualification, nationality, business address and function of each of the Directors of the Company as at the Last Practicable Date are set out below.

Name, age and qualification	Business address	Function
JN Pepler MB. Ch.B, MBA (56)	1st Floor Acacia House Green Hill Village Office Park, Cnr Botterklapper and Nentabos Street Pretoria East, 0043	Chief Executive Officer
WJ Opperman PhD Food Science (44)	1st Floor Acacia House Green Hill Village Office Park, Cnr Botterklapper and Nentabos Street Pretoria East, 0043	Operational Director
TP Gregory (54)	1st Floor Acacia House Green Hill Village Office Park, Cnr Botterklapper and Nentabos Street Pretoria East, 0043	Non-Executive Director
DP van der Merwe CA (SA) (40)	1st Floor Acacia House Green Hill Village Office Park, Cnr Botterklapper and Nentabos Street Pretoria East, 0043	Financial Director

** All the above mentioned directors are South African.*

b. Senior management

The name, age, qualification, nationality, business address and function of the members of senior management of the Company as at the Last Practicable Date are set out below:

Name, age and qualification	Business address	Function
JN Pepler MB. Ch.B, MBA (56)	1st Floor Acacia House Green Hill Village Office Park, Cnr Botterklapper and Nentabos Street Pretoria East, 0043	Chief Executive Officer
WJ Opperman PhD Food Science (44)	1st Floor Acacia House Green Hill Village Office Park, Cnr Botterklapper and Nentabos Street Pretoria East, 0043	Operational Director

Name, age and qualification	Business address	Function

** All the above mentioned senior employees are South African.*

c. Qualification, appointment, remuneration and borrowing powers of Directors

- Borrowing powers
  The Memorandum of Incorporation does not impose any limitation on the borrowing powers of Directors. Vinguard has not exceeded its borrowing powers during the preceding three years.

- Payments to Directors
  Previously, the directors of JDH also acted as the directors of Vinguard and accordingly, for the 2011 and 2012 financial years the directors of Vinguard were not remunerated by Vinguard but by JDH. JDH held a management agreement whereby it would manage Vinguard for a fee of 5% of the Vinguard turnover and recovery of specific expenses.

  No share based payments were made to any directors during the period ended 31 December 2012.

  There was no remuneration for the non-executive directors for the year ended 31 December 2012.

  Monies paid to executive directors amounted to R 110 200 for the year ended 31 December 2012.

  No sums have been paid or agreed to be paid to any new Director, or any company in which the Directors are beneficially interested or to any partnership, syndicate or other association of which the Directors are a member in the three years preceding the Last Practicable Date to induce him or her to become or qualify him or her as a Director of Vinguard.

d. Directors' interests in securities

The direct and indirect beneficial interests of Directors and their associates in the share capital of the Company at the Last Practicable Date, is set out in the table below:

Shares held	Beneficially Held		Total Shares	Percentage
Name (including associates)	Direct	Indirect		
JN Pepler	-	-	-	-
WJ Opperman	-	-	-	-
DP van der Merwe	-	1 720 618	1 720 618	1.75%
TP Gregory	-	2 756 741	2 756 741	2.80%
Total	**-**	**4 477 359**	**4 477 359**	**4.54%**

In terms of Regulation 108, all directors are considered to representative of an independent board of Vinguard in terms of the transaction.

The JDH management team previously managed Vinguard and its day to day activities. Vinguard does however now have its own constituted board and management team and the Company intends bolstering this board further to adequately support future business ventures.

The management team and board will evaluate the Vinguard business and further opportunities available to the business after the conclusion of the Disposal..

No Directors hold an interest in Vinguard through any derivative position.

Save for WJ Opperman disposing of 2 588 942 shares to JHD during the period, there were no changes to the Directors' interests in the share capital of the Company between 31 December 2012, being the Company's year-end and the date of posting of this Circular.

There is no share incentive scheme or share option scheme in place.

e. Directors' interests in transactions and properties

The Directors have not had any material beneficial interests, whether direct or indirect, in transactions including any acquisitions or disposals that were effected during the current or immediately preceding financial year. Further to this, they have had no material beneficial interests in a transaction during an earlier financial year that remain in any respect outstanding or unperformed.

f. Directors' service contracts and restraints of trade

None of the Directors has a fixed-term service contract with the Company. Each executive director has entered into an employment contract with Vinguard or JDH which incorporates the normal terms of an employment contract for executive director, including a notice period applicable to termination of employment ranging from one to three months. In respect of severance as contemplated by labour legislation, longer notice periods are applicable to certain of the executive directors, varying between 12 and 36 months. None of the executive directors are subject to restraints of trade.

The total remuneration, benefits and fees received by Directors for the year ended 31 December 2012 are disclosed above.

There are no contractual secretarial or technical fees payable.

10. SHARE CAPITAL OF THE COMPANY

The table below sets out the share capital of Vinguard at the Last Practicable

	Per CIPC
	R
Authorised	
ordinary shares of no par value each	100 000 000
Issued	
ordinary shares of no par value each	98 512 287

In terms of a resolution approved at the Annual General Meeting of Shareholders held on 1 November 2013, the authorised but unissued Shares were placed under the control of the Directors until the next annual General Meeting, subject to the provisions of sections 221 and 222 of the old Companies Act (61 of 1973).

As at the last practicable date, no Shares were held in treasury as Vinguard does not have any subsidiaries.

11. LITIGATION STATEMENT

There is no other major litigation pending against the Company that is expected to have a material impact on the Company.

12. CORPORATE GOVERNANCE

The Board has adopted and applied the main principles of the King III Code and Report but has not implemented all principles due to the size of Vinguard's business. Principles not adopted by Vinguard are as follows:

- The board of directors consists of no independent non-executive director and not the recommended three as per the King III Code. This will be addressed as soon as practicable.

- Internal audit principles;
- In terms of King, JDH is responsible for the Group compliance. An audit committee is established at a group level and deals with the entire Group. Vinguard accordingly does not hold individual audit committee meetings.

13. DIRECTORS' RESPONSIBILITY STATEMENT

a. Board

The Board of Directors, whose names appear on page 6 of this Circular, collectively and individually accept full responsibility for the accuracy of the information given in this Circular and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement in this Circular false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law.

b. Independent Board

In addition, in terms of Regulation 108 of the Act, the Independent Board collectively and individually accept full responsibility for the accuracy of the information given in this Circular and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement in this Circular false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law.

14. CONSENTS

Each of the advisers whose names appear in the "Corporate Information and Advisers" section of this Circular have consented and have not, prior to the Last Practicable Date, withdrawn their written consent to the inclusion of their names and, where applicable, reports in the form and context in which they appear in this Circular.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered offices of the Company during normal business hours and on Business Days from the date of issue of this Circular up to and including Friday, 24 January 2014:

- the Memorandum Of Incorporation of Vinguard;
- the annual financial statements of Vinguard for the three financial years ended 30 September 2010 and 2011 and 31 December 2012;
- a copy of the executive Directors' service agreements;
- the signed Independent Expert's Fairness Opinion on the Disposal;
- written consents of the Independent Expert to the inclusion of its name in this Circular in the context and form in which it appear;
- the TRP letter of approval;
- any material agreements including the Disposal Agreement;
- signed power of attorney documents authorising the signing of this circular; and
- a signed copy of this Circular and the Letter of Allocation.

Signed in Pretoria by or on behalf of all the Directors on 27 December 2013, in terms of powers of attorney granted by the Directors.

Jackie Pepler
Executive Director

ANNEXURE 1

UNAUDITED *PRO FORMA* STATEMENT OF FINANCIAL POSITION AND STATEMENT OF COMPREHENSIVE INCOME

The unaudited pro forma financial effects have been prepared to illustrate the impact of the Disposal on the reported financial information of Vinguard for the year ended 31 December 2012, had the Disposal occurred on 1 January 2012 for statement of comprehensive income purposes and on 31 December 2012 for statement of financial position purposes. The pro forma financial effects have been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the audited results of Vinguard for the year 31 December 2012.

The unaudited pro forma financial effects set out below are the responsibility of Vinguard's directors and have been prepared for illustrative purposes only and because of their nature may not fairly present the financial position, changes in equity, results of operations or cash flows of Vinguard after the transaction**.**

Company Balance Sheets	**Audited 31 December 2012 R'000**	**Disposal R'000**	**Adjusted after Disposal R'000**
ASSETS	**10 780**	**(3 500)**	**7 280**
Non-current assets	2 035	(2 035)	-
Property, plant and equipment			
Intangible assets	943	(943)	
Deferred taxation	7 802	(522)	7 280
Investment in shares			
Current assets	**3 775**	**(451)**	**3 324**
Inventories	451	(451)	
Trade and other receivables	3 322		3 322
Cash and cash equivalents	2		2
Total assets	**14 555**	**(3 951)**	**10 604**
EQUITY AND LIABILITIES			
Capital and reserves	**(9 107)**	**900**	**(8 207)**
Share capital & premium	10 594		10 594
Retained earnings	(19 701)	900	(18 801)
Current liabilities	**23 662**	**(4 851)**	**18 811**
Loans from shareholders	21 455	(3 144)	18 311
Trade and other payables	2 207	(1 707)	500
Total equity and liabilities	**14 555**	**(3 951)**	**10 604**

Company Income Statements	**Audited 31 December 2012 R'000**	**Disposal R'000**	**Adjusted after Disposal R'000**
Revenue	7 803	(7 803)	-
Cost of sales	(6 059)	6 059	-
Gross profit	**1 744**	**(1 744)**	**-**
Other income	27	1 779	1 806
Operating expenses	(3 742)	3 742	-
Net profit/(loss) from operations before finance charges	**(1 971)**	**3 777**	**1 806**
Net Finance charges	(2 275)	1 383	(892)
Net profit/(loss) before taxation	**(4 246)**	**5 160**	**914**
Taxation	2 163	(1 477)	686

Net profit/(loss) for the period	**(2 083)**	**3 683**	**1 600**
Calculation of headline earnings			
Net profit/(loss) for the period	**(2 083)**	**3 683**	**1 600**
IFRS 3 – Business Combinations	-	(1 268)	(1 268)
IAS 16 – Loss on Disposal of Assets	11	-	11
Headline earnings for the period	**(2 072)**	**2 415**	**343**

Assumptions:

1. The "Before" column is extracted from the Company`s audited results for the 15 months ended 31 December 2012.
2. For Statement of Financial Position purposes, it has been assumed that the transactions occurred on 31 December 2012.
3. For Statement of Comprehensive Income purposes, it has been assumed that the transactions occurred on 1 January 2012.
4. R5 million acquisition price for the Vinguard assets.
5. Inventory disposal at carrying value.
6. Proceeds from the sale of the assets to be applied to settle trade creditors, balance of the proceeds applied as repayment of other liabilities
7. Applying proceeds to reduce loan funding results in a saving of funding costs calculated at the funding rate of 18% per annum.
8. Disposal of assets result in a reduction in turnover and the corresponding cost of sale and operational costs associated with the operational assets disposed.
9. Capital gains included in taxable income at the inclusion rate of 66.6%.
10. Normal taxation calculated at the corporate rate of 28%.
11. No impact on the issues share capital of the company.

ANNEXURE 2

HISTORICAL FINANCIAL INFORMATION OF VINGUARD FOR THE YEARS ENDED 30 JUNE 2009 AND 2010 AND 31 DECEMBER 2012

Shareholders are referred to the Vinguard website, www.vinguard.co.za for full details of the financial results

ANNEXURE 3

INDEPENDENT EXPERT OPINION

20 December 2013

The Independent Board
Vinguard Limited
1st Floor, Acacia House
Green Hill Village Office Park
On Lynwood Road
Cnr Botterklapper and Nentabos Street
The Williows
Pretoria East
0043

Dear Sirs/Madams

Report to The Independent Board of Vinguard Limited ("Vinguard") concerning the proposed disposal of manufacturing assets ("the disposal") for R5 000 000

INTRODUCTION

We have been appointed by the Independent Board to advise the minority shareholders of Vinguard whether, in our opinion, the disposal is fair and reasonable to the minority shareholders of Vinguard.

On 6 November 2013 full details of the disposal was announced on SENS and a Disposal is proposed in terms of which the board has decided to dispose of certain manufacturing interests in the group and has entered into an agreement, dated 30 October 2013 ("the Disposal Agreement"), in terms of which it will sell certain of the manufacturing business and/or assets (the "Sale Assets"), as a going concern, ("the Disposal"). The Disposal Agreement has been entered into with Grapetek Proprietary Limited ("the Purchaser"). On 20 December 2013 an amended agreement was signed relating to mainly the composition of the sale price..

This fair and reasonable is required in terms of Section 114(3) of the Companies Act and the takeover regulations. We confirm that the fair and reasonable opinion is given to the Independent Board for the sole purpose of assisting them in forming and expressing an opinion for the benefit of holders of the Vinguard shareholders.

SOURCE DOCUMENTATION AND INFORMATION CONSIDERED

We have considered all the following information that is relevant to the value of the disposal in formulating our opinion:

- Information on Disposal, including the history, the nature of business, services; key customers and the industry.
- The audited financial statements of Disposal for the 2010 and 2011 financial years, as well as draft financial statements for the 2012 year.
- Management accounts and forecasts for the 2013 year;
- Discussions with management of Disposal, including discussions regarding the rationale for and the perceived benefits to be obtained from the sale of the SO2 business as a going concern;
- Agreements relating to the offer.

Where practical, we have corroborated the reasonability of the information provided to us for the purpose of our opinion including publically available information, whether in writing or obtained in discussions with the management and the Independent Board.

WORK DONE AND PROCEDURES

In arriving at our opinion, we have, inter alia:

- Reviewed the audited annual financial statements, and the forecast financial information;
- Reviewed the agreements;
- Reviewed the SENS announcements;
- Considered information made available by and from discussions held with the management of Vinguard;
- Considered the rationale for the disposal;
- We have used the discounted cash flow valuation method to value the disposal, and as a reality check we calculated the PE ratios;
- Considered the valuations of the disposal prepared by us;
- Reviewed the general economic, market and related conditions in which VInguard operates;
- Conducted appropriate sensitivity analysis given a reasonable range of key assumptions on the valuations mentioned above; and
- In respect of the disposal, it is our understanding that the price was negotiated at arm's length.

We believe that the above procedures commercially justify the conclusion outlined below.

VALUATION

We have performed a valuation of Disposal to determine whether the sale of the Disposal for R5 000 000(five million Rand) represents fair value to the Vinguard shareholders. We have reviewed the methodologies available for performing valuations of businesses operating in this industry. The discounted cash flow was used as the primary method and the capitalisation of earnings method was used as the secondary method.

The key value drivers and assumptions of the valuation include:

- Historical trading;
- Margins and operating costs, including payroll, rent and other direct costs related to events;
- Risks;
- Growth in revenue;
- Valuations of assets and liabilities;
- Current market trends relating to the world economy, the availability of credit, and employment levels;
- Cash taxes; and
- Working capital, cash and investment requirements.

Additionally, sensitivity analyses were performed considering key assumptions in arriving at the valuation range set out below. The valuation involved a stress test and sensitivity analysis on the key value drivers.

The outcome of the valuation of the Disposal shares resulted in a valuation range between zero and R10, 000 (ten thousand rand). The most likely value that represents the core value for purposes of the opinion is zero. The offer consideration of R5, 000,000 (five million Rand) is above the upper end of our range and is therefore fair to shareholders of Vinguard.

INDEPENDENCE, COMPETANCE AND LIMITING CONDITIONS

We have relied upon the accuracy of information provided to us or otherwise reviewed by us, for the purpose of this opinion, whether in writing or obtained in discussion with the executive directors of Vinguard. We express no opinion on this information.

We confirm that ECF has no independence issues relating to directorships, employment, owning shares, management and ECF has not earned any other fees in Vinguard. ECF will also be reasonably perceived to be independent.

We confirm that ECF and the directors responsible for this assignment have the necessary competencies relating to internal control systems, quality control, experience and qualifications.

We confirm that we have no financial interest and no relationship in Vinguard, the Disposal or related parties. Furthermore, we confirm that our professional fees are not contingent upon the success of the Disposal and amounts to R100 000.

We confirm that the scope of our procedures and work performed were not subject to any limiting conditions or restrictions of scope.

Our opinion is based upon the market, regulatory and trading conditions as they currently exist and can only be evaluated as at the date of this letter. It should be understood that subsequent developments may affect our opinion, which we are under no obligation to update, revise or re-affirm.

The effect of the Disposal on individual shareholders of Vinguard may vary depending on their particular circumstances. We suggest that shareholders should consult an independent advisor if they are in any doubt as to the effect of the Disposal, considering their personal circumstances.

OPINION AND SECTION 114(3) REPORT FINDINGS

We explain our valuation of the ordinary shares above and refer to our source documentation, information considered, work done and procedures relating to our valuation of the ordinary shares in VInguard.

Vinguard shares are all ordinary shares. The ordinary shares are affected by this Disposal.

The material effects of the Disposal are that Vinguard will receive R5 000 000 for a business that has been making losses.

We have evaluated the Disposal and have found no adverse effects. In the Disposal, the proceeds received by Vinguard fair and reasonable to the shareholders of Vinguard. The material terms of the Disposal are fair and reasonable. The disposal is a related party transaction as the shares are being disposed to the existing shareholders in the manufacturing business.

CONSENT

We hereby consent to the inclusion of this letter and references thereto, in the form and context in which they appear in the circular to Vinguard shareholders.

Yours faithfully

Paul Austin
Director
Huntrex 299 (Pty) Ltd trading as Effortless Corporate Finance
23 Nicholi Avenue
Kommetjie
7975

ANNEXURE 4

CAPITAL COMMITMENTS, LEASE PAYMENTS AND CONTINGENT LIABILITIES

Details of capital commitments, lease payments and contingent liabilities relating to Vinguard as at 31 December 2012 are set out below.

Capital commitments

None.

Lease payments

Vinguard lease of factory and offices per month – R21 824.00 excluding VAT

Contingent liabilities

None.

VINGUARD LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1998/026858/06)
("the Company" or "Vinguard")

Directors

Executive	***Non-executive***
JN Pepler (Chief Executive Officer)*	TP Gregory*
WJ Opperman (Executive Director)*	
DP van der Merwe (Financial Director)*	

*Comprising the Independent Board

NOTICE OF GENERAL MEETING

The definitions and interpretations commencing on page 11 of the Circular to which this notice of General Meeting is attached, shall have the same meaning in this notice of General Meeting unless otherwise stated or the context clearly indicates otherwise.

Notice is hereby given that the General Meeting of the Shareholders will be held at the registered office of Vinguard, 1st Floor, Acacia House, Green Hill Village Office Park, On Lynwood Road, Cnr Botterklapper and Nentabos Street, The Willows, Pretoria East, 0043 at 09h30 on Friday, 24 January 2014 to consider and if deemed fit, to pass the following ordinary resolution, with or without modification, in the manner required by the Companies Act.

Electronic Participation in the General Meeting

Please note that the Company intends to make provisions for shareholders of the Company, or their proxies, to participate in the General Meeting by way of electronic communication. Should you wish to participate in the General Meeting by way of electronic communication, you will need to contact the Company at +27 12 809 3599 by Wednesday, 22 January 2014, so that the Company can provide for a teleconference dial-in facility. Please ensure that if you are participating in the meeting via teleconference that the voting proxies be sent through to the transfer secretaries, namely Vinguard, 1st Floor, Acacia House, Green Hill Village Office Park, On Lynwood Road, Cnr Botterklapper and Nentabos Street, The Willows, Pretoria East, 0043 (PO Box 39660, Garsfontein East, 0060) by no later than 09h30 on Wednesday, 22 January 2014.

The board of directors of the Company has determined that the record date for the purpose of determining which shareholders of the Company are entitled to receive notice of this General Meeting is Friday, 27 December 2013 and the record date for purposes of determining which shareholders of the Company are entitled to participate in and vote at the General Meeting is Thursday, 16 January 2014. Accordingly, only shareholders who are registered in the register of members of the Company on Thursday, 16 January 2014 will be entitled to participate in and vote at the General Meeting.

1. SPECIAL RESOLUTION NUMBER 1 – Disposal of Vinguard Assets to Grapetek

"RESOLVED THAT the disposal by Vinguard of the Business of Vinguard to GrapeTek Limited as a going concern on the terms and conditions of the Vinguard Sale Agreement for a total consideration of R 5 million in cash plus the value of stock, as more fully described in the circular containing this notice of General Meeting of which this resolution forms a part, a copy of which signed agreement has been tabled at the General Meeting at which this resolution is considered, be approved in terms of the provisions of section 112 and 115 of the Act."

In terms of the Act and the Takeover Regulations the disposal must be approved by this special resolution being passed by 75% of Vinguard shareholders exercising their voting rights on the disposal, at this annual general meeting at which sufficient persons must be present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on the disposal.

Reason and Effect of Special Resolution Number 1
The reason for and effect of passing special resolution number 1 is to authorise the disposal of assets of the Company as contemplated in the circular and in terms of Section 112 of the Act. Shareholders are reminded of their rights in terms of Sections 115 and 164 of the Act which provisions are detailed at the end of this Notice of General Meeting.

2. ORDINARY RESOLUTION NUMBER 1 - Authority granted to directors

"RESOLVED THAT any director of Vinguard or the Company Secretary be and are hereby authorised to sign all such documents and do all such other things as may be necessary for or incidental to the implementation of the above special resolution."

The percentage of voting rights required for the above ordinary resolution to be adopted: at least 50% of the voting rights exercised on such ordinary resolution.

Each Shareholder is entitled to appoint one or more proxies (who need not be a member of Vinguard) to act, attend, speak and on a poll, to vote in his stead. The completion and lodging of a form of proxy will not preclude a Shareholder from attending the General Meeting and speaking and voting thereat to the exclusion of the proxy/ies so appointed.

By order of the Board

Timbavati Business Consultants
Company Secretary
27 December 2013

Provisions of Section 115 and 164 of the Act

In accordance with Section 112 (3) (b), the provisions of Section 115 and 164 of the Act have been included below:

115. Required approval for transactions contemplated in Part (1)

Despite section 65, and any provision of a company's Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless—

(1) (a) the disposal, amalgamation or merger, or scheme of arrangement—
(i) has been approved in terms of this section; or
(ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and
(b) to the extent that Parts B and C of this Chapter, and the Takeover Regulations, apply to a company that proposes to—
(i) dispose of all or the greater part of its assets or undertaking;
(ii) amalgamate or merge with another company; or
(iii) implement a scheme of arrangement, the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119 (4) (b), or exempted the transaction in terms of section 119 (6).

(2) A proposed transaction contemplated in subsection (1) must be approved —
(a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the company's Memorandum of Incorporation, as contemplated in section 64 (2); and
(b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company's holding company if any, if—
(i) the holding company is a company or an external company;
(ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and
(iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and
(c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).

(3) Despite a resolution having been adopted as contemplated in subsections (2) (a) and (b), a company may not proceed to implement that resolution without the approval of a court if—
(a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or
(b) the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).

(4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights—
(a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or
(b) required to be voted in support of a resolution, or actually voted in support of the resolution.
(4A) In subsection (4), "act in concert" has the meaning set out in section 117 (1) (b).

(5) If a resolution requires approval by a court as contemplated in terms of subsection (3) (a), the company must either—
(b) treat the resolution as a nullity.

(6) On an application contemplated in subsection (3) (b), the court may grant leave only if it is satisfied that the applicant—
(a) is acting in good faith;
(b) appears prepared and able to sustain the proceedings; and
(c) has alleged facts which, if proved, would support an order in terms of subsection (7).

(7) On reviewing a resolution that is the subject of an application in terms of subsection (5) (a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if—
(a) the resolution is manifestly unfair to any class of holders of the company's securities; or
(b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.

(8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person—
(a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and
(b) was present at the meeting and voted against that special resolution.

(9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect—
(a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;
(b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;
(c) the transfer of shares from one person to another;
(d) the dissolution, without winding-up, of a company, as contemplated in the transaction;

(e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or
(f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger.

164. Dissenting shareholders appraisal rights.

(1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.

(2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to—
(a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37 (8); or
(b) enter into a transaction contemplated in section 112, 113, or 114, that notice must include a statement informing shareholders of their rights under this section.

(3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.

(4) Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who—
(a) gave the company a written notice of objection in terms of subsection (3); and
(b) has neither—
(i) withdrawn that notice; or
(ii) voted in support of the resolution.

(5) A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if—
(a) the shareholder—
(i) sent the company a notice of objection, subject to subsection (6); and
(ii) in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;
(b) the company has adopted the resolution contemplated in subsection (2); and
(c) the shareholder—
(i) voted against that resolution; and
(ii) has complied with all of the procedural requirements of this section.

(6) The requirement of subsection (5) (a) (i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.

(7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within—
(a) 20 business days after receiving a notice under subsection (4); or
(b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.

(8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state—
(a) the shareholder's name and address;
(b) the number and class of shares in respect of which the shareholder seeks payment; and
(c) a demand for payment of the fair value of those shares.

(9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless—
(a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12) (b);
(b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or
(c) the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.

(10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.

(11) Within five business days after the later of—
(a) the day on which the action approved by the resolution is effective;
(b) the last day for the receipt of demands in terms of subsection (7) (a); or
(c) the day the company received a demand as contemplated in subsection (7) (b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.

(12) Every offer made under subsection (11)—
(a) in respect of shares of the same class or series must be on the same terms; and
(b) lapses if it has not been accepted within 30 business days after it was made.

(13) If a shareholder accepts an offer made under subsection (12)—
(a) the shareholder must either in the case of—
(i) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or
(ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and
(b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and— tendered the share certificates; or
(ii) directed the transfer to the company of uncertificated shares.

(14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has—
(a) failed to make an offer under subsection (11); or
(b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.

(15) On an application to the court under subsection (14)—
(a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;
(b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and
(c) the court—
(i) may determine whether any other person is a dissenting shareholder who should be joined as a party;
(ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);
(iii) in its discretion may—
(aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or
(bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;
(iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and
(v) must make an order requiring—
(aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13) (a); and
(bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13) (a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.

(15A) At any time before the court has made an order contemplated in subsection (15) (c) (v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case—
(a) that shareholder must comply with the requirements of subsection 13 (a); and
(b) the company must comply with the requirements of subsection 13 (b).

(16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.

(17) If there are reasonable grounds to believe that compliance by a company with subsection (13) (b), or with a court order in terms of subsection (15) (c) (v) (bb), would result in the company being unable to pays its debts as they fall due and payable for the ensuing 12 months—
(a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and
(b) the court may make an order that—
(i) is just and equitable, having regard to the financial circumstances of the company; and
(ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.

(18) If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.

(19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to—
(a) the provisions of that section; or
(b) the application by the company of the solvency and liquidity test set out in section 4.

(20) Except to the extent—
(a) expressly provided in this section; or
(b) that the Panel rules otherwise in a particular case, a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person.

VINGUARD LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1998/026858/06)
("the Company" or "Vinguard")

FORM OF PROXY

Any Vinguard members entitled to attend, speak and vote at the General Meeting may appoint a proxy to attend, speak and vote in his/her stead. A proxy need not be a member of Vinguard. This form of proxy is for the use by Vinguard members who hold certificated Vinguard Shares ("certificated Vinguard members") only.

For use only by certificated Vinguard members, at the General Meeting of Vinguard to be held at the registered office of the Company, 1st Floor, Acacia House, Green Hill Village Office Park, Cnr Botterklapper and Nentabos Street, Pretoria East, 0043 at 09h30 on Friday, 24 January 2014, or at any adjournment thereof.

I/we (Please print full names) _____

of (address) _____

being the holder(s) of _____ Vinguard Shares, do hereby appoint (see note 2):

1. _____ of _____ or failing him/her,

2._____ of _____ or failing him/her,

3. the Chairman of the General Meeting,

as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the General Meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary resolution to be proposed thereat and at any adjournment thereof; and to attend, speak and vote for and/or against such resolution and/or abstain from voting in respect of the Vinguard Shares registered in my/our name(s), in accordance with the following instructions (see note 3):

	Number of Vinguard Shares		
	For	**Against**	**Abstain**
Special Resolution Number 1 Disposal of Vinguard Assets to Grapetek			
Ordinary Resolution Number 1 Enabling resolution			

*__Note__: Please indicate with an "x" or the number of Vinguard Shares in the spaces above how you wish your votes to be cast. If no indication is given, the proxy will vote or abstain from voting in his/her discretion.

Signed at …….. on …….2014

Signature/s _____

Registered shareholder name in BLOCK LETTERS _____

Beneficial shareholder name in BLOCK LETTERS (full name if signing in a representative capacity)_____

Assisted by (where applicable) _____-

PLEASE READ THE NOTES BELOW

1. This form of proxy must only be used by certificated Vinguard members.

2. A Vinguard member entitled to attend, speak and vote may insert the name 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 General Meeting". A proxy need not be a member of Vinguard. The person whose name stands first on this form of proxy and who is present at the General Meeting will be entitled to attend, speak and vote as proxy to the exclusion of those whose names follow.

3. A Vinguard member is entitled to one vote on a show of hands and on a poll to one vote for each Vinguard Share held. Each member is entitled to appoint one or more proxies (who need not be a member of the Company) to act, attend, speak and on a show of hands or on a poll, to vote in his/her stead. A Vinguard member's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the Vinguard member 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 General Meeting as he/she deems fit in respect of all the Vinguard member's votes.

4. A member or his/her proxy is not obliged to use all of the votes exercisable by the member or his/her proxy. If the total votes entered exceed the number exercisable, the Chairman of General Meeting will reduce the number entered in each of the three columns pro rata in order to reduce the total number exercisable as reflected in the Company's share register as at the closing time for the acceptance of proxies.

5. A vote given in terms of an instrument of proxy shall be valid in relation to the General Meeting, notwithstanding the death or mental disorder of the member appointing the proxy or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Vinguard Shares in respect of which the vote is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by Vinguard before the commencement of the General Meeting at 09h30 on Friday, 24 January 2014, or at any adjournment thereof.

6. If a Vinguard member does not indicate on this form of proxy that his/her proxy is to vote in favour of or against the ordinary 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.

7. The Chairman of the General Meeting may reject or accept any form of proxy which is completed and/or received, other than in compliance with these notes.

8. The completion and lodging of this form of proxy will not preclude the relevant Vinguard member from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Vinguard member wish to do so.

9. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by Vinguard or unless this requirement is waived by the Chairman of the General Meeting.

10. 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 his/her capacity are produced or have been registered by Vinguard.

11. Where there are joint holders of Vinguard Shares:
    11.1. any one holder may sign this form of proxy; and
    11.2. the vote(s) of the senior member (for that purpose seniority will be determined by the order in which the names of Vinguard member appear in the Company's register of Vinguard members) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint Vinguard member(s).

12. Forms of proxy should be lodged with or mailed to the transfer secretaries in South Africa:

Hand deliveries to:	**Postal deliveries to:**
Vinguard, 1st Floor, Acacia House, Green Hill Village Office Park, On Lynwood Road, Cnr Botterklapper and Nentabos Street, The Willows, Pretoria East, 0043	Vinguard PO Box 39660, Garsfontein East, 0060

to be received by no later than 09h30 on Wednesday, 22 January 2014 or 24 hours before any adjournment of the General Meeting which date, if necessary, will be released on SENS. Any alteration or correction made to this form of proxy, other than the deletion of alternatives, must be initialled by the signator.

Summary of rights established by section 58 of the Companies Act, 71 of 2008 ("Companies Act"), as required in terms of subsection 58(8)(b)(i)

1. A shareholder may at any time appoint any individual, including a non-shareholder of the company, as a proxy to participate in, speak and vote at a shareholders' meeting on his or her behalf (section 58(1)(a)), or to give or withhold consent on behalf of the shareholder to a decision in terms of section 60 (shareholders acting other than at a meeting) (section 58(1)(b)).

2. A proxy appointment must be in writing, dated and signed by the shareholder, and remains valid for one year after the date on which it was signed or any longer or shorter period expressly set out in the appointment, unless it is revoked in terms of paragraph 6.3 or expires earlier in terms of paragraph 10.4 below (section 58(2)).

3. A shareholder 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 (section 58(3)(a)).

4. A proxy may delegate his or her authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy ("proxy instrument") (section 58(3)(b)).

5. A copy of the proxy instrument must be delivered to the company, or to any other person acting on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders' meeting (section 58(3)(c)) and in terms of the memorandum of incorporation ("MOI") of the company at least 48 hours before the meeting commences.

6. Irrespective of the form of instrument used to appoint a proxy:
   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 (section 58)4)(a));
   the appointment is revocable unless the proxy appointment expressly states otherwise (section 58(4)(b)); and
   if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or by making a later, inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company (section 58(4)(c)).

7. 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 the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 6.3 above (section 58(5)).

8. If the proxy instrument has been delivered to a company, as long as that appointment remains in effect, any notice required by the Companies Act or the company's MOI to be delivered by the company to the shareholder must be delivered by the company to the shareholder (section 58(6)(a)), or the proxy or proxies, if the shareholder has directed the company to do so in writing and paid any reasonable fee charged by the company for doing so (section 58(6)(b)).

9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the MOI or proxy instrument provides otherwise (section 58(7)).

10. If a company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of proxy instrument:
    the invitation must be sent to every shareholder entitled to notice of the meeting at which the proxy is intended to be exercised (section 58(8)(a));
    the invitation or form of proxy instrument supplied by the company must:
        10.1.1 bear a reasonably prominent summary of the rights established in section 58 of the Companies Act (section 58(8)(b)(i));
        10.1.2 contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name, and if desired, an alternative name of a proxy chosen by the shareholder (section 58(8)(b)(ii)); and
        10.1.3 provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the meeting, or is to abstain from voting (section 58(8)(b)(iii));
    the company must not require that the proxy appointment be made irrevocable (section 58(8)(c)); and
    the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to paragraph 7 above (section 58(8)(d)).