



ASTRAL FOODS LIMITED

("Astral" or "the Company")

Registration number 1978/003194/06
(Incorporated in the Republic of South Africa)

Share code: ARL

ISIN: ZAE000029757

Directors:

Dr T Eloff (*Independent Non-executive Chairman*)
Mr DJ Fouché (*Lead Independent Non-executive Director*)
Mrs TP Maumela (*Independent Non-executive Director*)
Mrs TM Shabangu (*Independent Non-executive Director*)
Dr MT Lategan (*Independent Non-executive Director*)
Mr CE Schutte (*Chief Executive Officer*)
Mr DD Ferreira (*Chief Financial Officer*)
Mr GD Arnold (*Managing Director: Agriculture*)
Mr AB Crocker (*Managing Director: Commercial*)

NOTICE TO SHAREHOLDERS

Notice is hereby given that a General Meeting of the Company will be held in the Company's boardroom, 92 Koranna Avenue, Doringkloof, Centurion on Thursday, 14 June 2018 at 11:00

BUSINESS OF THE GENERAL MEETING

Shareholders will be requested to consider, and if deemed fit, pass, with or without modification, the following Special Resolution in the manner required by the Companies Act 71 of 2008 ("the Act") and subject to the Listings Requirements of the JSE Limited ("JSE"):

Fee payable to the Independent Non-executive Chairman

Special Resolution Number 1

Resolved to approve that in terms of article 41.1 of the Company's Memorandum of Incorporation, the fee of the Independent Non-executive Chairman, who holds office from time-to-time, in addition to the board and sub-committee fees, which have already been approved by shareholders, an amount of ZAR450 000, excluding Value-Added Tax ("VAT"), for the period from 8 February 2018 until a further special resolution authorising the Independent Non-executive Chairman's fees in terms of Section 66 of the Act is approved, pro-rated to the aforesaid period.

In response to shareholders voting against an all-inclusive fee for the Independent Non-executive Chairman at the Annual General Meeting held on 8 February 2018 and General Meeting held on 19 April 2018, the board has agreed to propose the adoption of a composite fee to more clearly reflect the fee payable to the Independent Non-executive Chairman for his/her duties as Chairman.

Special Resolution Number 1 is proposed in order to comply with the requirements of the Act and the Company's Memorandum of Incorporation.

An additional amount equal to the VAT amount, if applicable, will be payable to the Independent Non-executive Chairman. The proposed fee is considered to be fair and reasonable and in the best interest of the Company.

The above fee for the Independent Non-executive Chairman is to reflect his/her duties and responsibilities as Chairman of the board. In aggregate, the Independent Non-executive Chairman of the board will receive a total fee of ZAR951 000 on an annual basis, excluding VAT, as from 8 February 2018 and as detailed below.

For clarity, **the fee proposed for the Independent Non-executive Chairman**, in addition to the board and sub-committee fees that have already been approved by shareholders at the Annual General Meeting, is disclosed below:

	Amount excluding VAT ZAR 000's
Annual fee for non-executive membership of the board	315
Annual fee for non-executive membership of the Human Resources, Remuneration and Nominations Committee	96
Annual fee for non-executive membership of the Social and Ethics Committee	90
Additional fees for duties as Independent Non-executive Chairman	450
<i>Attendance of the Audit and Risk Management Committee</i>	133
<i>Duties and responsibilities as Chairman of the board</i>	317
Total annual fee for the Independent Non-executive Chairman	951

It is of importance, from a governance perspective that the Company is able to remunerate and retain an Independent Non-executive Chairman of requisite calibre, and the directors have substantially reduced the total fee of ZAR1 100 000 previously proposed to ZAR951 000, which is approximately the value as approved at the 2016 Annual General Meeting.

Two external reputable advisors independently confirmed that the proposed Independent Non-executive Chairman's fee falls well within the 25th percentile of a group of companies of similar market capitalisation and within the 75th percentile of companies in the food producers sector of the JSE.

Percentage of voting rights required for Special Resolution Number 1 to be adopted: at least 75 percent of the voting rights exercised on the resolution.

Reason for and effect of Special Resolution Number 1

The reason for and effect of Special Resolution Number 1 is to grant the Company the authority to pay fees to its Independent Non-executive Chairman for his services as Chairman of the board as proposed in this Notice of the General Meeting. The passing of this resolution is critical to ensure that the position of Independent Non-executive Chairman is not vacated. Article 37.1 of the Company's Memorandum of Incorporation states that the board shall be entitled, from time-to-time, to appoint a Chairman of the board. Section 3.84 (b) of the JSE Listings Requirements states that a company must have an appointed Chief Executive Officer and a Chairman and that the duties are segregated.

SALIENT DATES AND TIMES

2018

Record date for determining which shareholders are entitled to receive the General Meeting notice	Thursday 26 April
Record date for attending and voting at the General Meeting ("Meeting record date")	Friday 8 June
General Meeting held at 11:00	Thursday 14 June
Results of the General Meeting announced on SENS	Thursday 14 June
Results of the General Meeting published in the press	Friday 15 June

Note:

All dates and times in this notice are local dates and times in South Africa and are subject to change. Any changes will be announced on SENS and published in the press.

VOTING AND PROXIES

The special resolution will require the support of at least 75% of the total voting rights exercised thereon at the General Meeting to be approved.

On a show of hands a shareholder of the Company present in person or by proxy shall have only 1 (one) vote irrespective of the number of shares he holds or represents, provided that a proxy shall irrespective of the number of shareholders he represents have only 1 (one) vote. On a poll a shareholder who is present in person or represented by proxy shall be entitled to that proportion of the total votes in the company which the aggregate amount of the nominal value of the shares held by him bears to the aggregate amount of the nominal value of all the shares issued by the Company.

A shareholder entitled to attend, speak and vote at the General Meeting is entitled to appoint a proxy or proxies to attend, speak and vote in place of that member. A proxy need not be a shareholder of the Company.

It is recommended that registered holders of certificated Astral shares and holders of dematerialized Astral shares in their own name and who are unable to attend the General Meeting and who wish to be represented at the General Meeting, complete and return the attached form of proxy in accordance with the instructions contained in the form of proxy, so as to be received by the transfer secretaries, Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (P O Box 61051, Marshalltown, 2107) or electronically at proxy@computershare.co.za by 11:00 on Thursday 14 June 2018. Forms of proxy may also be delivered to the Chairman of the General Meeting at any time prior to the vote.

Holders of Astral shares (whether certificated or dematerialised) through a nominee should timeously make the necessary arrangements with that nominee or, if applicable, Central Securities Depository Participant (CSDP) or broker to enable them to attend and vote at the General Meeting or to enable their votes in respect of their Astral shares to be cast at the General Meeting by that nominee or a proxy or a representative. The completion of the form of proxy will not preclude the shareholders from subsequently attending the General Meeting.

ELECTRONIC COMMUNICATION AND PARTICIPATION

Shareholders or their proxies may participate in the General Meeting by way of a teleconference call and, if they wish to do so:

- Must contact the Company Secretary: maryna.eloff@astralfoods.com or 012 667 5468 during business hours (08:00 to 16:30) on week days;
- Will be required to provide reasonably satisfactory identification; and
- Will be billed separately by their own telephone service providers for their telephone call to participate in the meeting.

By order of the board

Maryna Eloff
Company Secretary

Pretoria
7 May 2018



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FORM OF PROXY

Form of proxy for the use of shareholders, registered as such and who have not dematerialised their shares or hold own name dematerialised shares, at the General Meeting of the Company to be held at 92 Koranna Avenue, Doringkloof, Centurion on Thursday 14 June 2018 at 11:00

Shareholders who have dematerialised their shares must inform their CSDP or broker of their intention to attend the General Meeting and request their CSDP or broker to issue them with the necessary authorisation to attend or provide their CSDP or broker with their voting instructions should they not wish to attend the General Meeting in person. Such shareholders must not return this form of proxy to the transfer secretaries.

I/We

Of (address)

being the registered holder(s) of shares in the company and unable to attend the General Meeting of the Company to be held on 14 June 2018, do hereby appoint (see note below)

_____ or failing him/her

_____ or failing him/her

an Independent Non-executive Director who will act as Chairman of the meeting with the mandate to speak on my behalf, and to exercise my votes as instructed below, on the proposed resolution and any amendments thereto that are within the scope of the notice convening the General Meeting.

Signature

Signed this _____ day of _____ 20____

(*indicate instructions to proxy by way of a cross in the space provided below)

Unless otherwise instructed, my/our proxy may vote as he/she thinks fit or abstain from voting.

	*In favour	*Against	*Abstain
1. Special resolution No. 1			
To approve the fee payable to the Non-executive Chairman			

NOTES TO FORM OF PROXY

A shareholder may insert the name or the names of two alternative proxies of his/her choice in the space provided, with or without deleting "the Chairman of the meeting". The person whose name stands first on the form of proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow. Any such proxy, who need not be a shareholder of the company, is entitled to attend, speak and vote on behalf of the shareholder.

A proxy is entitled to one vote on a show of hands and, on a poll, one vote for each share held. A shareholder's instructions to the proxy must be indicated in the appropriate spaces.

If a shareholder does not indicate on this instrument that the proxy is to vote in favour of or against the resolution or to abstain from voting or gives contradictory instructions, or should any further resolution/s or any amendment/s which may be properly put before the General Meeting be proposed, the proxy shall be entitled to vote as he thinks fit.

This form of proxy must be received by the transfer secretaries, Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196, (P O Box 61051, Marshalltown, 2107) or electronically to proxy@computershare.co.za by no later than Thursday 14 June 2018 at 11:00. Forms of proxy may also be submitted to the Chairman of the meeting at any time prior to the vote.

Documentary evidence establishing the authority of the person signing the proxy in a representative capacity must be attached hereto unless previously recorded by the company's transfer secretaries.

The completion and lodging of this form of proxy will not preclude a shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms of this proxy form.

Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.

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

Shareholders who have dematerialized their shares must inform their CSDP or broker of their intention to attend the General Meeting and request their CSDP or broker to issue them with the necessary authorisation to attend the General Meeting or provide their CSDP or broker with their voting instructions should they not wish to attend the General Meeting in person but wish to be represented thereat. This must be done by the cut-off time as requested by the CSDP or broker.

If you are in any doubt as to what action you should take in relation to this notice of meeting and form of proxy, please consult your CSDP, broker, banker, investment adviser or other professional adviser immediately.