

Hudaco

A large, stylized letter 'H' in a metallic, brushed silver texture. The 'H' is positioned diagonally, with its top-left corner pointing towards the top-left of the page. Behind the 'H', there are several horizontal stripes in various shades of blue and a gold stripe at the bottom. The stripes are of varying widths and colors, including dark blue, medium blue, light blue, and gold.

SUMMARISED REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2017

PROFILE

Hudaco Industries is a South African group specialising in the importation and distribution of high-quality branded automotive, industrial and electronic consumable products, mainly in the southern African region.

Hudaco businesses serve markets that fall into two primary categories. The automotive aftermarket, power tool, security and communication equipment businesses supply products into markets with a bias towards consumer spending whilst the mechanical and electrical power transmission, diesel engine, hydraulics and pneumatics, steel, thermoplastic fittings and bearings businesses supply engineering consumables mainly to mining and manufacturing customers.

Hudaco sources branded products, mainly on an exclusive basis, directly from leading international manufacturers and to a lesser extent from local manufacturers. Hudaco seeks out niche areas in markets where customers need, and are prepared to pay for, the value Hudaco adds to the products it distributes. The value added includes product specification, technical advice, application and installation training and troubleshooting, combined with ready availability at a fair price. The group has a network of specialised branches and independent distributors throughout southern Africa to ensure product availability to its customers. With the exception of DD Power, in which Deutz AG has a 30% share, all Hudaco businesses are 15% owned directly by BEE shareholders.

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- ⇒ **Turnover up 7% to R5,9 billion**
- ⇒ **Operating profit up 6% to R676 million**
- ⇒ **Comparable earnings per share up 7% to 1 251 cents**
- ⇒ **Annual dividend up 7% to 560 cents per share**
- ⇒ **Return on equity 19%**
- ⇒ **Net cash generated from operations R711 million**

Hudaco Industries is a South African group specialising in the importation and distribution of high-quality branded automotive, industrial and electronic consumable products, mainly in the southern African region. Value added includes product specification, technical advice, application and installation training and troubleshooting, combined with availability at a fair price.

2017 Overview

Hudaco is an agency distribution business, the financial performance of which is heavily dependent on South Africa's GDP growth rate and the Rand exchange rate. In the 2017 financial year the resilience of our strategy for tough market conditions was proven yet again. We had to cope with a South African economy in recession coupled with an extremely volatile Rand exchange rate resulting in economic conditions that were challenging to say the least. The relatively strong Rand between October 2016 and March 2017 placed our businesses under pressure to reduce prices. Thereafter we had to contend with a disastrous cabinet reshuffle in which the highly respected finance minister was removed and the release of an unworkable new mining charter. The ensuing inevitable ratings downgrades caused the Rand to weaken substantially, which relieved the downward pressure on pricing but, coupled with regular negative news throughout the year, including the revelations around State capture, increasingly ineffective government, corruption and high risk populist rhetoric, it sapped any remaining business confidence from the economy and business suffered. The largest impact on Hudaco of the negative sentiment was felt in those businesses heavily reliant on projects because so many customers either cancelled planned projects or put them on hold until such time as the turmoil abated.

Against this negative backdrop we are pleased with the results achieved. Annual sales were up 7% to R5,9 billion whilst operating profit rose 6% to R676 million. Comparable earnings per share were up 7% to 1 251 cents while headline earnings per share rose only 3% to 1 256 cents because of a positive fair value adjustment on the vendor liability in the previous year. The return on equity was a very respectable 19%, well above our cost of capital.

Ongoing operations' operating profit was down 1% with both segments having to grind it out. Their results give a good indication of how difficult trading conditions were. Ongoing operations in the consumer-related products segment was down 4% with the bulk of this decline coming from the projects side of both the communications and security businesses. Encouragingly, engineering consumables' operating profit from ongoing operations was up 4,5% even with the mining and manufacturing sectors firmly in recession for part of the year. It is only through the deployment of cash generated by the existing businesses in the acquisition of successful new businesses with better growth potential that we were able to increase profits.

The final dividend has been increased by 25 cents giving a total dividend for 2017 of 560 cents, up almost 7% year on year. Comparable earnings cover the full dividend 2,23 times, which falls within our long-term dividend policy range of paying between 40% and 50% of comparable earnings.

Financial position

The financial position remains healthy with consistently strong cash generation. The group had R860 million in net bank borrowings at year end, representing gearing of 36%, down from R905 million in 2016, notwithstanding R210 million spent on acquisitions. More importantly, interest payments (excluding imputed interest) were covered eight times by operating profits against our internal benchmark of at least five times. We have significant additional bank borrowing facilities available so there is still capacity for acquisitions and we continue to look for businesses in growth areas to further diversify and strengthen our portfolio.

Inventories have been well managed considering the volatility of the Rand against our basket of currencies. At R1 538 million, they are down 2%, excluding take-on inventory of acquisitions. The return on net operating assets including goodwill (RONA) in 2017 is 19,8%, compared with 20,4% last year, still well above our cost of capital, which is approximately 15%.

Consumer-related products

The consumer-related products segment comprises 11 businesses. In 2017, it made up 52% of Hudaco's sales and 61% of operating profit.

The demand for automotive spares and accessories in the year from Partquip and Abes Technoseal was strong, which was to be expected. As new car sales slumped, repairs took preference over replacement and consequently both these businesses had a good year. Rutherford, the second largest business in this segment which distributes Makita power tools and garden equipment had an excellent year, as all the authority letters for new products were issued by the National Regulator for Compulsory Specifications. MiRO, a distributor of wireless connectivity products in its second year with Hudaco, achieved strong growth as it continued to add to its impressive basket of wireless technology products. The Elvey Security Technologies group had a difficult year with both sales and profit well down, particularly in Pentagon, the high end project side of the business. Our communications business struggled again for the second year with no significant projects awarded. We will right size this business this year for current turnover levels.

Rutherford had recently moved to a larger, more effective distribution centre at City Deep and we look forward to the benefits.

The segment increased sales by 9% to R3 billion and operating profit by 6% to R428 million. Operating profit margin was 14,0%.

Engineering consumables

The 21 businesses that constitute engineering consumables made up the other 48% of sales and 39% of operating profit.

The majority of businesses in this segment distribute mature industrial products to mature economic segments (mainly mining and manufacturing). These market sectors have been in decline for the last approximately ten years partly due to natural boom and bust cyclicity of resources but also recently due to new regulations scaring off investment. Hudaco businesses in this segment are sized correctly for current market conditions and, whilst profits are not growing, returns are good and they generate the cash we use to diversify and expand our portfolio of businesses.

We are happy to report that two of the three businesses in this segment which suffered significant declines in sales and operating profit in 2016 delivered significantly improved performances this financial year. Our filter business, FHS, has benefitted from an increase in activity, mainly in open-cast mining but also in the construction sector. In the gear pump business, GPM, sales have picked up locally and from the USA and UK. Sales in our diesel engine business, Deutz Dieselpower, normalised albeit at a lower level than in the load shedding era. Encouragingly, late in the year we saw an increase in activity in the mining side of this business, which bodes well for 2018.

The segment increased sales by 4,5% to R2,9 billion whilst operating profit increased 7% to R272 million. Operating profit margin increased to a very respectable 9,5%.

Prospects

Prospects for Hudaco in 2018 will depend on how the economy performs and that in turn depends largely on government policy and its implementation. The year has started off in a much more positive vein with consumer and business confidence increasing after the election of Cyril Ramaphosa as president of the ANC. There is a great deal of optimism that he will deliver good governance, eradicate much of the corruption, put in place policies that support economic growth and assign responsibility to competent people. Withdrawal of the controversial Mining Charter would be a case in point. If that perception becomes a reality then the optimism is likely to translate into investment in those sectors of the economy that are traditional Hudaco markets. That will enable those of our businesses that have been in austerity mode for the past few years to thrive once again. Many of our businesses are well placed to benefit immediately from such a scenario, while others will need to wait for the positive cycle to mature first. If industry is active, we will supply the replacement parts it requires. We also believe that these positive developments, if they eventuate, will be enough to counter the pressure on pricing resulting from a strong Rand. On the other hand, if the government just delivers more of the same, we will again have to fall back on strategic acquisitions to deliver growth. We are optimistic.

Lawsuit against Bravura and certain associates

The legal case against Bravura, Cadiz and certain of their associates for up to R490 million continues slowly. We are preparing for court, although a date for the matter to be heard has not yet been set. Hudaco has brought the action to recover, *inter alia*, secret profits made on the financing arrangements around the Hudaco BEE transaction that ran from August 2007 to February 2013.

Declaration of final dividend no 62

Final dividend number 62 of 380 cents per share (2016: 355 cents per share) is declared payable on Monday, 5 March 2018 to ordinary shareholders recorded in the register at the close of business on Friday, 2 March 2018.

The timetable for the payment of the dividend is as follows:

Last day to trade <i>cum</i> dividend	Tuesday, 27 February 2018
Trading ex dividend commences	Wednesday, 28 February 2018
Record date	Friday, 2 March 2018
Payment date	Monday, 5 March 2018

Share certificates may not be dematerialised or rematerialised between Wednesday, 28 February 2018 and Friday, 2 March 2018, both days inclusive. The certificated register will be closed for this period.

In terms of the Listings Requirements of the JSE Limited regarding the Dividends Tax the following additional information is disclosed:

- The dividend has been declared from income reserves;
- The dividend withholding tax rate is 20%;
- The net local dividend amount is 304 cents per share for shareholders liable to pay the Dividend Tax and 380 cents per share for shareholders exempt from the Dividend Tax;
- Hudaco Industries Limited has 34 153 531 shares in issue (which includes 2 507 828 treasury shares); and
- Hudaco Industries Limited's income tax reference number is 9400/159/71/2.

Directorate

We thank Stuart Morris who retired from the board on 30 June 2017 for the significant contribution that he made to the group over the years and wish him well in his retirement. We welcome Mark Thompson as a member of the board, the nomination committee and the audit and risk management committee and as chairman of the remuneration committee.

Royden Vice, who has been an independent non-executive director since June 2007 and has served as chairman of the board since March 2008, has indicated that he will retire from the board after the annual general meeting in April 2018. He has been a great asset to the group and his contribution will be missed both personally and professionally. We are pleased to advise that Stephen Connelly, a non-executive director and former chief executive of Hudaco who knows the group intimately, will assume the chairmanship when Royden steps down. He will also chair the nomination committee. Daisy Naidoo will assume the role of lead independent non-executive director and will join the nomination committee. Nyami Mandindi will join the remuneration committee. All these appointments will take effect immediately after the annual general meeting.

Annual general meeting

The company's 33rd annual general meeting will be held at Building 9, Greenstone Hill Office Park, Emerald Boulevard, Greenstone Hill, Edenvale at 11:00 on Thursday 5 April 2018. The notice and proxy form for the company's annual general meeting will be posted to the shareholders during the last week of February 2018 and is included in this summarised report. The integrated report will be published on Hudaco's website during the first week of March 2018.

Approval of financial statements

The financial statements have been approved by the board and abridged for purposes of this report. Grant Thornton has signed an unqualified audit opinion on the annual financial statements. Both the financial statements and the auditor's report are available for inspection at the company's registered office.

This abridged report is extracted from audited information, but is not itself audited.

The auditor's report does not necessarily cover all of the information contained in this announcement. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor's work they should obtain a copy of the report together with the accompanying financial information.

For and on behalf of the board



RT Vice

Independent non-executive chairman



GR Dunford

Chief executive

1 February 2018

Nedbank Corporate and Investment Banking

Sponsor

These results are available on the internet: www.hudaco.co.za

GROUP STATEMENT OF FINANCIAL POSITION

R million	30 Nov 2017	30 Nov 2016
ASSETS		
Non-current assets	1 843	1 611
Property, plant and equipment	270	256
Investment in joint venture	9	7
Goodwill	1 480	1 243
Intangible assets	70	68
Deferred taxation	14	37
Current assets	2 777	2 619
Inventories	1 538	1 508
Trade and other receivables	1 156	1 046
Taxation	2	18
Bank deposits and balances	81	47
TOTAL ASSETS	4 620	4 230
EQUITY AND LIABILITIES		
Equity	2 376	2 130
Equity holders of the parent	2 295	2 065
Non-controlling interest	81	65
Non-current liabilities	891	869
Amounts due to bankers	675	710
Amounts due to vendors of businesses acquired	215	148
Deferred taxation	1	11
Current liabilities	1 353	1 231
Trade and other payables	943	898
Bank overdraft	266	242
Amounts due to vendors of businesses acquired	116	76
Taxation	28	15
TOTAL EQUITY AND LIABILITIES	4 620	4 230

GROUP STATEMENT OF COMPREHENSIVE INCOME

R million	30 Nov 2017	% change	30 Nov 2016
Turnover	5 902	6,6	5 534
– Ongoing operations	5 204		5 252
– Operations acquired after December 2015	698		282
Cost of sales	3 704		3 536
Gross profit	2 198		1 998
Operating expenses	1 522		1 359
Operating profit	676	5,7	639
– Ongoing operations	591	(1,2)	598
– Operations acquired after December 2015	85		41
Adjustment to fair value of amounts due to vendors of businesses acquired	2		19
Profit before interest	678	3,0	658
Finance costs	103		100
Profit before taxation	575	3,0	558
Taxation	156		148
Profit after taxation	419	2,0	410
Income from joint venture	3		3
Profit for the year	422	2,2	413
Other comprehensive loss	(2)		(8)
Movement on fair value of cash flow hedges	2		(7)
Exchange loss on translation of foreign operations	(4)		(1)
Total comprehensive income for the year	420	3,6	405
Profit attributable to:			
– Equity holders of the parent	397	2,3	388
– Non-controlling shareholders	25		25
	422	2,2	413
Total comprehensive income attributable to:			
– Equity holders of the parent	396	3,6	381
– Non-controlling shareholders	24		24
	420	3,6	405

GROUP STATEMENT OF COMPREHENSIVE INCOME (continued)

R million	30 Nov 2017	% change	30 Nov 2016
Earnings per share (cents)			
– Basic	1 254	2,3	1 226
– Headline	1 256	2,8	1 222
– Comparable	1 251	6,8	1 171
Diluted earnings per share (cents)			
– Basic	1 241	1,6	1 222
– Headline	1 243	2,0	1 219
– Comparable	1 237	5,9	1 168
Calculation of headline earnings			
Profit attributable to equity holders of the parent	397	2,3	388
<i>Adjusted for:</i>			
Loss (profit) on disposal of plant and equipment	1		(1)
Headline earnings	398	2,8	387
Calculation of comparable earnings			
Headline earnings	398	2,8	387
<i>Adjusted for:</i>			
Adjustment to fair value of amounts due to vendors of businesses acquired	(2)		(19)
Non-controlling interest			2
Comparable earnings	396		370
Dividends			
– Per share (cents)	560		525
– Amount (Rm)	177		166
Shares in issue (000)	31 646		31 646
– Total (000)	34 154		34 154
– Held by subsidiary (000)	(2 508)		(2 508)
Weighted average shares in issue			
– Total (000)	31 646		31 646
– Diluted (000)	31 981		31 732

GROUP STATEMENT OF CASH FLOWS

	30 Nov 2017	30 Nov 2016
R million		
Cash generated from trading	772	712
(Increase) decrease in working capital	(61)	34
Cash generated from operations	711	746
Taxation paid	(131)	(174)
Net cash from operating activities	580	572
Net investment in new operations	(210)	(165)
Net investment in property, plant and equipment	(47)	(30)
Net cash from investing activities	(257)	(195)
Decrease in non-current amounts due to bankers	(35)	(90)
Share-based payments	(16)	(5)
Finance costs paid	(81)	(87)
Dividends paid	(177)	(173)
Net cash from financing activities	(309)	(355)
Decrease in net bank overdraft	14	22
Foreign exchange translation loss	(4)	(1)
Net bank overdraft at beginning of the year	(195)	(216)
Net bank overdraft at end of the year	(185)	(195)

GROUP STATEMENT OF CHANGES IN EQUITY

	Share capital and premium	Non- distrib- able reserves	Retained income	Equity holders of the parent	Non- control- ling interest	Equity
R million						
Balance at 1 December 2015	55	75	1 733	1 863	51	1 914
Comprehensive income for the year		(7)	388	381	24	405
Movement in equity compensation reserve		(4)	7	3		3
Dividends			(163)	(163)	(10)	(173)
Balance at 30 November 2016	55	64	1 965	2 084	65	2 149
Less: Shares held by subsidiary company			(19)	(19)		(19)
Net balance at 30 November 2016	55	64	1 946	2 065	65	2 130
Balance at 1 December 2016	55	64	1 965	2 084	65	2 149
Comprehensive income for the year		(2)	398	396	24	420
Movement in equity compensation reserve		16	(13)	3		3
Dividends			(169)	(169)	(8)	(177)
Balance at 30 November 2017	55	78	2 181	2 314	81	2 395
Less: Shares held by subsidiary company			(19)	(19)		(19)
Net balance at 30 November 2017	55	78	2 162	2 295	81	2 376

SUPPLEMENTARY INFORMATION

The consolidated financial statements have been prepared in accordance with IAS 34: Interim Financial Reporting, International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the requirements of the South African Companies Act and the JSE Listings Requirements. Except for the reclassification of the settlement of share-based payments from cash flows from operating activities to cash flows from financing activities, the same accounting policies, presentation and measurement principles have been followed in the preparation of this abridged report as were applied in the preparation of the group's annual financial statements for the year ended 30 November 2016. These results have been compiled under the supervision of the financial director, CV Amoils, CA (SA). The directors of Hudaco take full responsibility for the preparation of the abridged report and ensuring that the financial information has been correctly extracted from the underlying financial statements.

	30 Nov 2017	30 Nov 2016
Average net operating assets (NOA) (Rm)	3 411	3 141
Operating profit margin (%)	11,5	11,6
Average NOA turn (times)	1,7	1,8
Return on average NOA (%)	19,8	20,4
Average net tangible operating assets (NTOA) (Rm)	1 970	1 910
PBITA margin (%)	11,9	12,0
Average NTOA turn (times)	3,0	2,9
Return on average NTOA (%)	35,7	34,7
Net asset value per share (cents)	7 252	6 525
Return on average equity (%)	18,7	20,5
Operating profit has been determined after taking into account the following charges (Rm)		
– Depreciation	46	44
– Amortisation	28	24
Capital expenditure (Rm)		
– Incurred during the period	52	36
– Authorised but not yet contracted for	66	60
Commitments		
– Operating lease commitments on properties (Rm)	301	210

Acquisition of businesses

On 1 December 2016 the group acquired 100% of the businesses of SS Telecoms and Commercial ICT, on 1 May 2017 100% of the business of The Dished End Company and on 1 August 2017 100% of the business of Eternity Technologies, each for a consideration based on future profits and on 1 June 2017 100% of the issued share capital of Gear Pump Distributors UK. The total consideration is subject to a combined maximum of R448 million.

Plant and equipment of R14 million, inventories of R62 million, trade and other receivables of R49 million, trade and other payables of R78 million, cash of R13 million, taxation of R17 million, intangible assets of R31 million and goodwill of R237 million were recognised at dates of acquisition. These values approximate the fair values as determined under IFRS 3.

Had these acquisitions been made at the beginning of the year, additional turnover of R139 million and profit after interest and tax of R11 million would have been included in the group results and the turnover and profit after interest and tax for the group would have been R6 040 million and R430 million, respectively.

SEGMENT INFORMATION

R million	Turnover		
	30 Nov 2017	% change	30 Nov 2016
Consumer-related products	3 051	8,9	2 802
– Ongoing operations	2 434	(4,6)	2 553
– Operations acquired after December 2015	617		249
Engineering consumables	2 861	4,5	2 739
– Ongoing operations	2 780	2,7	2 706
– Operations acquired after December 2015	81		33
Total operating segments	5 912	6,7	5 541
Head office, shared services and eliminations	(10)		(7)
Total group	5 902	6,6	5 534

R million	Operating profit		
	30 Nov 2017	% change	30 Nov 2016
Consumer-related products	428	5,7	405
– Ongoing operations	357	(4,0)	372
– Operations acquired after December 2015	71		33
Engineering consumables	272	6,8	255
– Ongoing operations	258	4,5	247
– Operations acquired after December 2015	14		8
Total operating segments	700	6,1	660
Head office, shared services and eliminations	(24)		(21)
Total group	676	5,7	639

R million	Average net operating assets		
	30 Nov 2017	% change	30 Nov 2016
Consumer-related products	1 592	19	1 337
– Ongoing operations	1 469	24	1 185
– Operations acquired after December 2015	123		152
Engineering consumables	1 710	(1,3)	1 732
– Ongoing operations	1 676	(1,0)	1 693
– Operations acquired after December 2015	34		39
Total operating segments	3 302	7,6	3 069
Head office, shared services and eliminations	109		72
Total group	3 411	8,6	3 141

CORPORATE INFORMATION

Hudaco Industries Limited

(Incorporated in the Republic of South Africa)
(Registration number 1985/004617/06)
JSE share code: HDC
ISIN code: ZAE000003273

Registered and business address

1st Floor, Building 9
Greenstone Hill Office Park
Emerald Boulevard
Greenstone Hill, Edenvale
(Private Bag 13, Elandsfontein, 1406)
Tel +27 11 657 5000
Email: info@hudaco.co.za
Website: www.hudaco.co.za

Secretary

Reana van Zyl
Contact details as above

Transfer secretaries

Computershare Investor Services (Pty) Ltd
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)
Tel + 27 11 370 5000

Auditors

Grant Thornton
Wanderers Office Park
52 Corlett Drive
Illovo
(Private Bag X5, Northlands, 2116)

Bankers

Absa Bank Ltd
FirstRand Bank Ltd
Nedbank Ltd
The Standard Bank of South Africa Ltd

Sponsor

Nedbank Corporate and Investment Banking
135 Rivonia Road, Sandton, 2196
(PO Box 1144, Johannesburg, 2000)

SHAREHOLDERS' DIARY

Financial year end	30 November
Annual general meeting	5 April 2018
Reports and financial statements	
Preliminary report and final dividend announcement	2 February 2018
Abridged financial statements and notice of annual general meeting (mailed to shareholders)	23 February 2018
Interim report and interim dividend announcement	29 June 2018
Dividend payment details	
Payment of final dividend	5 March 2018
Payment of interim dividend	third week in August 2018

SHAREHOLDER ANALYSIS

as at 25 November 2017

Shareholder analysis	Number of shareholders	Number of shares	% of issued shares
Portfolio size			
1 – 1 000 shares	2 396	895 875	2,83
1 001 – 5 000 shares	855	1 972 114	6,23
5 001 – 10 000 shares	143	1 046 260	3,31
10 001 – 100 000 shares	181	6 499 636	20,54
Over 100 000 shares	53	21 231 818	67,09
Total⁽¹⁾	3 628	31 645 703	100,00
Category			
Banks and nominee companies	51	2 753 937	8,70
Financial institutions and pension funds	244	21 685 445	68,53
Individuals	3 275	6 595 610	20,84
Other corporate bodies	58	610 711	1,93
Total⁽¹⁾	3 628	31 645 703	100,00
Shareholder spread			
Public	3 609	30 090 268	95,09
Non-public	19	1 555 435	4,91
Directors and associates ⁽²⁾	18	1 551 235	4,90
Share trust	1	4 200	0,01
Total⁽¹⁾	3 628	31 645 703	100,00

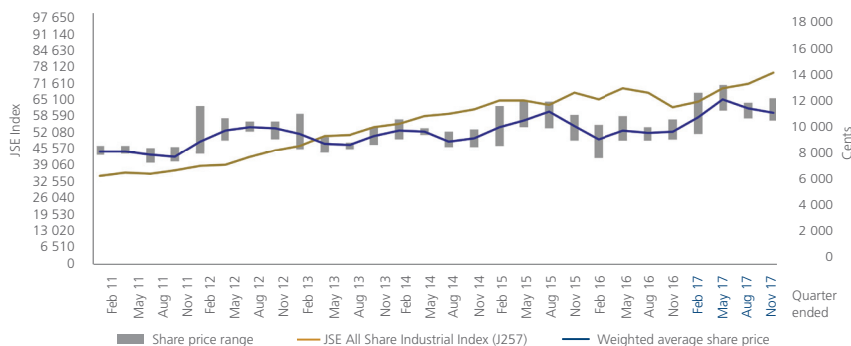
Major shareholders	Number of shares	% of issued shares
Beneficial shareholders holding more than 3%		
Public Investment Corporation GEPI	3 082 448	9,74
PSG Flexible Fund	1 428 777	4,51
PSG Balanced Fund	1 295 259	4,09
Nedgroup Investments Value Fund	1 090 033	3,44
Old Mutual Life Assurance	1 084 173	3,42
Dunford Holdings (Pty) Ltd	970 812	3,07
Fund managers holding more than 3%		
PSG Asset Management	4 503 744	14,23
Public Investment Corporation	3 218 750	10,71
Prudential Portfolio Managers	2 360 029	7,46
Melville Douglas	1 994 799	6,30
Old Mutual Investment Group	1 868 667	5,90
36ONE Asset Management	1 208 707	3,81
Foord Asset Management	1 195 951	3,78
Sanlam Investment Management	1 011 293	3,19

(1) Excludes 2 507 828 shares held by a subsidiary company

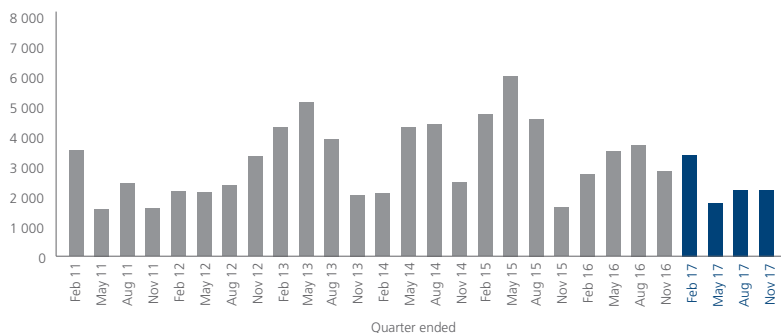
(2) A list of shareholdings of senior management is available on request from the group secretary

SHARE INFORMATION

Share price history



Volume of shares traded (000)



JSE statistics	2017	2016	2015	2014	2013	2012	2011
Market price (cents)	13 600	10 850	10 701	9 590	10 365	11 200	8 475
NAV per share (cents)	7 252	6 525	5 827	5 210	5 737	5 277	4 721
Number of shares in issue (000)*	31 646	31 646	31 646	31 646	31 646	31 646	31 646
Market capitalisation (Rm)*	4 304	3 434	3 386	3 035	3 280	3 544	2 682
Price: earnings ratio (times)	11,0	9,3	9,2	10,3	9,6	10,4	10,1
All Share Industrial Index PE ratio (J257)	30,4	27,0	22,6	21,6	21,0	18,7	17,4
Dividend yield (%)	3,1	4,8	4,9	4,8	4,5	4,2	4,3
All Share Industrial Index dividend yield (J257) (%)	1,9	2,5	2,3	2,2	2,2	2,4	2,6
Annual trade in Hudaco shares							
Number of transactions recorded	29 245	20 903	36 271	22 549	23 223	12 034	7 427
Volume of shares traded (000)	9 714	12 995	17 211	13 475	15 638	10 121	9 242
% of issued shares traded*	31	41	54	43	49	32	29
Value of shares traded (Rm)	1 234	1 341	2 007	1 354	1 496	1 062	757

* Excludes 2 507 823 treasury shares.

NOTICE OF ANNUAL GENERAL MEETING

Hudaco Industries Limited

(Incorporated in the Republic of South Africa)
(Registration number 1985/004617/06)
Share code: HDC ISIN code: ZAE000003273
("Hudaco" or "the company")

Notice to shareholders of the 33rd Annual General Meeting (AGM) of Hudaco Industries Limited

Notice is hereby given that the 33rd AGM of shareholders of the company for the year ended 30 November 2017 will be held at 11:00 on Thursday, 5 April 2018 in the boardroom at Hudaco's corporate offices situated at Building 9, Greenstone Hill Office Park, Emerald Boulevard, Greenstone Hill, Edenvale. Registration for attendance will commence at 10:30.

Important dates and times ^{(1),(2)}

2018

Record date for determining which shareholders are entitled to receive the AGM notice	Friday, 16 February
Notice posted to shareholders on or about	Friday, 23 February
Last day to trade to be eligible to participate and vote at the AGM	Monday, 26 March
Record date for attending and voting at the AGM ⁽³⁾	Thursday, 29 March
AGM to be held at 11:00	Thursday, 5 April
Results of AGM to be released on SENS on	Thursday, 5 April

Notes

- (1) All times referred in this notice are local times in South Africa.
- (2) Any material variation of the above dates and times will be announced on SENS and published in the press.
- (3) The Hudaco board of directors ("the board") has determined that the record date for the purpose of determining which shareholders are entitled to receive the AGM notice is Friday, 16 February 2018, and the record date for purposes of determining which shareholders of the company are entitled to participate and vote at the AGM is Thursday, 29 March 2018. Accordingly, only shareholders who are recorded as such in the register maintained by the transfer secretaries of the company on Thursday, 29 March 2018 will be entitled to participate in and vote at the AGM.
- (4) Kindly note that AGM participants (including shareholders and proxies) are required to provide satisfactory picture identification before being entitled to attend or participate at the AGM. Forms of satisfactory identification include valid identity documents, driver's licences and passports.

Business to be transacted

The purpose of the AGM is for the following business to be transacted and the following resolutions to be proposed, all of them ordinary resolutions unless the contrary appears:

1. To present the audited consolidated financial statements of the company (as approved by the board), as well as the external auditor, audit and risk management committee, social and ethics committee and directors' reports for the financial year ended 30 November 2017, distributed as required.

Copies of the integrated report which contains the full audited consolidated annual financial statements for the year ended 30 November 2017 are obtainable from the company's website: www.hudaco.co.za or from the group secretary.

2. Ordinary Resolution Number 1: To re-elect directors retiring by rotation

To re-elect as directors, each by way of a separate vote the following directors who are required to retire in terms of clause 21.6.1 of the company's Memorandum of Incorporation (MOI) and who are eligible and have offered themselves for re-election:

NOTICE OF ANNUAL GENERAL MEETING (continued)

2.1 Ordinary Resolution Number 1.1: Re-election of Mr SJ Connelly;

2.2 Ordinary Resolution Number 1.2: Re-election of Ms N Mandindi.

The nomination committee of the board has reviewed the composition of the board against corporate governance and transformation requirements and has recommended the re-election of the directors listed above in 2. It is the view of the board that re-election of the candidates referred in 2 above would enable the company to:

- responsibly maintain a mixture of business skills and experience relevant to the company and balance the requirements of transformation, continuity and succession planning; and
- comply with corporate governance requirements in respect of matters such as the balance of executive, non-executive and independent directors on the board.

For Ordinary Resolution Numbers 1.1 and 1.2 to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

Note

In terms of clause 21.6.1 of the company's MOI at least one third of the directors must retire each year and are eligible for re-election. The directors who shall retire shall be the longest serving directors since their last election. Brief curricula vitae of directors who have offered themselves for re-election are included in the Hudaco integrated report, which is available on the company's website: www.hudaco.co.za or from the group secretary.

3. Ordinary Resolution Number 2: To elect a director appointed since the previous AGM

To elect as director Mr MR Thompson, appointed by the board during the course of the year and who is required to retire in terms of clause 21.2.6 of the company's MOI and who is eligible and has offered himself for election.

The nomination committee of the board has reviewed the composition of the board against corporate governance and transformation requirements and has recommended the election of Mr MR Thompson. It is the view of the board that the election of Mr MR Thompson would enable the company to:

- responsibly maintain a mixture of business skills and experience relevant to the company and balance the requirements of transformation, continuity and succession planning; and
- comply with corporate governance requirements in respect of matters such as the balance of executive, non-executive and independent directors on the board.

A brief *curriculum vitae* of Mr MR Thompson is included in the Hudaco integrated report.

For Ordinary Resolution Number 2 to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

4. Ordinary Resolution Number 3: To approve the re-appointment of external auditors

To re-appoint Grant Thornton as independent auditors of Hudaco and to note that the individual registered auditor who will undertake the audit for the financial year ending 30 November 2018 is Ms VR de Villiers.

The audit and risk management committee of the company has concluded that the appointment of Grant Thornton will comply with the requirements of the Companies Act, 71 of 2008 (the Companies Act), the Companies Regulations 2011 and the JSE Listings Requirements and has accordingly nominated Grant Thornton for re-appointment as auditors of the company.

For Ordinary Resolution Number 3 to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

5. Ordinary Resolution Number 4: Appointment of the members of the audit and risk management committee

To elect each by way of a separate vote, the members of the audit and risk management committee of the company, with effect from the end of the AGM:

- 5.1 Ordinary Resolution Number 4.1: To elect Ms D Naidoo as member;
- 5.2 Ordinary Resolution Number 4.2: To elect Ms N Mandindi as member, subject to the passing of Ordinary Resolution Number 1.2;
- 5.3 Ordinary Resolution Number 4.3: To elect Mr MR Thompson as member, subject to the passing of Ordinary Resolution Number 2.

Under the Companies Act the audit committee is a committee elected by the shareholders at each AGM. A brief *curriculum vitae* of each of the independent non-executive directors mentioned above appears in the Hudaco integrated report.

The board has reviewed the proposed composition of the audit and risk management committee against the requirements of the Companies Act and the Companies Regulations 2011 and has confirmed that the proposed audit and risk management committee will comply with the relevant requirements and have the necessary knowledge, skills and experience to enable the committee to perform its duties in terms of the Companies Act. Accordingly, the board recommends the election of the directors listed above as members of the audit and risk management committee.

For Ordinary Resolution Numbers 4.1, 4.2 and 4.3 to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

6. Special Resolution Number 1: Approval of non-executive directors' remuneration

That the remuneration, exclusive of value-added tax, payable to the non-executive directors of Hudaco for their services as directors for the period 1 April 2018 until 31 March 2019, be and it is hereby approved as set out below:

R	Proposed 2018		2017	
	Base fee	Penalty for non-attendance	Base fee	Penalty for non-attendance
Board				
Chairman of the board	1 033 500*	19 100	975 000*	18 000
Board member	276 300	13 500	260 700	12 700
Lead independent director	100 000	5 000		
Audit and risk management committee				
Chairman of the committee	240 400	19 100	226 800	18 000
Committee member	132 500	13 500	125 000	12 700
Remuneration committee				
Chairman of the committee	168 500	19 100	159 000	18 000
Committee member	42 700	6 700	40 200	6 300
Nomination committee				
Chairman of the committee	*		*	
Committee member	42 700	6 700	40 280	6 300
Social and ethics committee				
Chairman of the committee	143 750	19 100	135 600	18 000
Member of the committee	42 700	6 700	40 200	6 300

* All inclusive fee.

NOTICE OF ANNUAL GENERAL MEETING (continued)

The penalty incurred for non-attendance as chairman of a meeting would be paid to the member who stood in as chairman at that meeting.

The fee for additional meetings would be: Chairman – R28 000 (2017: R26 500), Member – R20 000 (2017: R19 000).

Reason and effect of Special Resolution Number 1

This resolution is proposed in order to comply with the requirements of the Companies Act. In terms of section 65(11)(h) of the Companies Act, read with sections 66(8) and 66(9), remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by the shareholders within the previous two years and only if this is not prohibited in terms of the company's MOI.

Therefore the reason for and effect of Special Resolution Number 1 is to approve the payment of and the basis for calculating the remuneration payable by Hudaco to its non-executive directors for their services as directors of the company for the period 1 April 2018 until 31 March 2019. The fees payable to the non-executive directors are detailed above. Further details on the basis of calculation of remuneration are included in the remuneration report in the Hudaco integrated report.

For Special Resolution Number 1 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

7. Non-binding Resolution Number 1: Approval of Hudaco's remuneration policy

That shareholders endorse, through a non-binding advisory vote to ascertain the shareholders' view, Hudaco's remuneration policy. Hudaco's remuneration policy is set out in the remuneration report in its integrated report.

King IV, as well as the amended JSE Listings Requirements require the board (with the assistance of the remuneration committee) to present Hudaco's remuneration policy to the shareholders. This is an ordinary resolution which requires the support of 50% of the total number of votes exercisable by shareholders, present in person or by proxy. This ordinary resolution is of an advisory nature and failure to pass this resolution will therefore not have any legal consequences for existing arrangements. However, should the resolution be voted against by 25% or more of the voting rights exercised, the board undertakes to engage with those identifiable shareholders opposed to the remuneration policy in order to ascertain the reasons therefore, and to address appropriately legitimate objections and concerns.

8. Non-binding Resolution Number 2: Approval of Hudaco's remuneration implementation report

That shareholders endorse, through a non-binding advisory vote to ascertain the shareholders' view, Hudaco's remuneration implementation report. Hudaco's remuneration implementation report is set out in the remuneration report in its integrated report.

King IV, as well as the amended JSE Listings Requirements require the board (with the assistance of the remuneration committee) to present Hudaco's remuneration implementation report to the shareholders. This is an ordinary resolution which requires the support of 50% of the total number of votes exercisable by shareholders, present in person or by proxy. This ordinary resolution is of an advisory nature and failure to pass this resolution will therefore not have any legal consequences for existing arrangements. However, should the resolution be voted against by 25% or more of the voting rights exercised, the board undertakes to engage with those identifiable shareholders opposed to the remuneration implementation report in order to ascertain the reasons therefore, and to address appropriately legitimate objections and concerns.

9. Special Resolution Number 2: Authorising the provision of financial assistance to subsidiaries

That the board of the company be and it is hereby authorised, to the extent required by and subject to section 45 of the Companies Act and the requirements, if applicable of: (i) the MOI; and (ii) the JSE Listings Requirements, to cause the company to provide direct or indirect financial assistance to a subsidiary or joint venture of Hudaco, provided that no such financial assistance may be provided at any time in terms of this authority after the expiry of two years from the adoption of this Special Resolution Number 2.

Reason and effect of Special Resolution Number 2

In the normal course of business, the company is often required to grant financial assistance to subsidiary or joint venture companies. This assistance includes but is not limited to loans and guarantees for banking facilities. If this authorisation is not granted, it could inhibit the group from making acquisitions or obtaining banking facilities without having to call a general meeting of shareholders on each occasion. Special Resolution Number 2 will enable the company to provide financial assistance to subsidiaries and joint ventures in the Hudaco group for any purpose in the normal course of business.

Section 45 of the Companies Act provides, among others, that financial assistance to subsidiaries and joint ventures must be provided only pursuant to a special resolution of the shareholders, adopted within the previous two years, which approved such assistance whether for the specific recipient, or generally for a category of potential recipients, and the specific recipient falls within that category and the board of directors must be satisfied that: (a) immediately after approving the financial assistance, the company would satisfy the solvency and liquidity test, and (b) the terms under which the financial assistance is proposed to be given are fair and reasonable to the company.

For Special Resolution Number 2 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

10. Special Resolution Number 3: General authority to repurchase up to 1 582 285 (5%) of the shares in issue

That Hudaco or any of its subsidiaries be and is hereby authorised, by way of a general approval, to acquire up to 1 582 285 (5%) of Hudaco ordinary shares ("ordinary shares") in terms of section 48 of the Companies Act and the JSE Listings Requirements, being that:

- any such acquisition of ordinary shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between Hudaco and the counterparty;
- this general authority shall be valid until Hudaco's next AGM, provided that it shall not extend beyond 15 months from the date of passing of this special resolution;
- an announcement will be published as soon as Hudaco or any of its subsidiaries have acquired ordinary shares constituting, on a cumulative basis, 3% of the number of ordinary shares in issue and for each 3% in aggregate of the initial number acquired thereafter, in compliance with Rule 11.27 of the JSE Listings Requirements;
- acquisitions of ordinary shares in aggregate in any one financial year may not exceed 5% of Hudaco's ordinary issued share capital as at the date of passing of this Special Resolution Number 3;
- ordinary shares may not be acquired at a price greater than 10% above the weighted average of the market value at which such ordinary shares are traded on the JSE as determined over the five business days immediately preceding the date of repurchase of such ordinary shares by Hudaco or any of its subsidiaries;

NOTICE OF ANNUAL GENERAL MEETING (continued)

- Hudaco has been given authority by its MOI;
- at any point in time, Hudaco may only appoint one agent to effect any repurchase on its behalf;
- prior to entering the market to repurchase the company's shares, a company resolution authorising the repurchase will have been passed in accordance with the requirements of section 46 of the Companies Act, stating that the board has applied the solvency and liquidity test as set out in section 4 of the Companies Act, and has reasonably concluded that the company will satisfy the solvency and liquidity test immediately after the repurchase; and
- Hudaco and/or its subsidiaries may not repurchase any ordinary shares during a prohibited period as defined by the JSE Listings Requirements unless a repurchase programme is in place, where the dates and quantities of ordinary shares to be traded during the prohibited period are fixed and full details of the programme have been submitted to the JSE in writing detailed prior to the commencement of the prohibited period.

Before entering the market to effect the general repurchase, the directors, having considered the effects of the repurchase of the maximum number of ordinary shares in terms of the foregoing general authority, will ensure that for a period of 12 months after the date of this notice of AGM:

- Hudaco and the group will be able, in the ordinary course of business, to pay its debts;
- the consolidated assets of Hudaco and the group, fairly valued in accordance with statements of International Financial Reporting Standards, will exceed the consolidated liabilities of Hudaco and the group; and
- Hudaco and the group's ordinary share capital, reserves and working capital will be adequate for ordinary business purposes.

The following additional information, which appears in the integrated report as published on Hudaco's website, is provided in terms of the JSE Listings Requirements for purposes of the general authority to repurchase shares:

- major shareholders – page 13 of this summarised report;
- share capital of the company – note 17 of the company's audited annual financial statements.

Directors' responsibility statement

The directors, whose names appear in the integrated report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this Special Resolution Number 3 and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statements false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Special Resolution Number 3 contains all information required by law and the JSE Listings Requirements.

Material changes

Other than the facts and developments reported on in the integrated report, there have been no material changes in the affairs or financial position of Hudaco and its subsidiaries since the date of signature of the audit report and up to the date of this AGM notice.

Reason and effect of Special Resolution Number 3

The reason for and effect of this special resolution is to grant the directors of Hudaco a general authority in terms of the Companies Act and the JSE Listings Requirements for the repurchase by Hudaco, or a subsidiary of Hudaco, of up to 1 582 285 (5%) of its ordinary shares.

The directors have no specific intention, at present, for Hudaco to repurchase any of its ordinary shares but consider that such a general authority should be put in place should an opportunity to do so and which is and which would be in the best interests of Hudaco and its shareholders, present itself during the year.

For Special Resolution Number 3 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

11. Ordinary Resolution Number 5: General authority to directors to allot and issue authorised but unissued ordinary shares up to 1 582 285 (5%) of the shares in issue

That, as required by and subject to the MOI and the requirements of the Companies Act and the JSE Listings Requirements, from time to time, the directors be and they are, as a general authority and approval, authorised, as they in their discretion think fit, to allot and issue unissued ordinary shares of the company, subject to the following:

- the authority shall be valid until the date of the next AGM of the company, provided that it shall not extend beyond 15 months from the date of this AGM; and
- issues in terms of the authority will not, in any financial year, in aggregate, exceed 5% of the number of ordinary shares in the company's issued share capital as at the date of the AGM.

As explanation for the passing of Ordinary Resolution Number 5, please note that clause 10.4 of the company's MOI, read with the JSE Listings Requirements, provides that shareholders may authorise directors to allot and issue the authorised but unissued shares, as the directors in their discretion think fit.

The authority in Ordinary Resolution Number 5 will be subject to the Companies Act and the JSE Listings Requirements. The aggregate number of ordinary shares able to be allotted and issued in terms of this authority is limited as set out in this Ordinary Resolution Number 5.

For Ordinary Resolution Number 5 to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

12. Ordinary Resolution Number 6: Signature of documents

That any one director or the group secretary of Hudaco be and is hereby authorised to do all such things and sign all documents and take all such action as they consider necessary to implement the resolutions set out in the notice convening the AGM at which this ordinary resolution will be considered.

For Ordinary Resolution Number 6 to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

Quorum

A quorum for the purpose of considering the resolutions above consists of three shareholders of the company, personally present or represented by proxy and entitled to vote at the AGM. In addition, a quorum will comprise 25% of all voting rights entitled to be exercised by shareholders in respect of the resolutions above.

The date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Computershare Investor Services (Pty) Ltd to be entitled to attend, participate in and vote at the AGM is Thursday, 29 March 2018.

NOTICE OF ANNUAL GENERAL MEETING (continued)

Voting and proxies

To record the votes more effectively and give effect to the intentions of shareholders, voting on all resolutions will be conducted by way of a poll. Any shareholder entitled to attend and vote at the AGM may appoint a proxy to attend, speak and vote in his/her stead. A proxy need not be a shareholder of the company. For the convenience of registered members of the company, a form of proxy is enclosed herewith.

The attached form of proxy is to be completed only by those shareholders who are:

- holding the company's ordinary shares in certificated form, or
- recorded on the electronic sub-register in "own name" dematerialised form.

Shareholders who have dematerialised their ordinary shares through a Central Securities Depository Participant (CSDP) or broker and wish to attend the AGM must instruct their CSDP or broker to provide them with their voting instruction in terms of the relevant custody agreement/mandate entered into between them and the CSDP or broker.

A form of proxy is attached but may also be obtained on request from the company's registered office. Completed forms of proxy should be returned to the transfer secretaries, Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107), so as to reach them by no later than 11:00 on Tuesday, 3 April 2018. It may also be emailed to them at proxy@computershare.co.za. Any forms of proxy not submitted in this time may nevertheless be submitted to the transfer secretaries before the meeting or handed to the chairman of the AGM prior to the shareholder exercising any rights of a shareholder at the AGM.

By order of the board



R van Zyl
Group secretary

1 February 2018

Transfer secretaries

Computershare Investor Services (Pty) Ltd
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)

FORM OF PROXY

To: **Computershare Investor Services Proprietary Limited**
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)
Fax +27 11 370 5390

Hudaco Industries Limited
(Incorporated in the Republic of South Africa)
(Registration number 1985/004617/06)
Share code: HDC **ISIN:** ZAE000003273
("Hudaco" or "the company")

Proxy form for the 33rd annual general meeting – for use by certificated Hudaco ordinary shareholders and dematerialised shareholders with own name registration only (see note 1)

For use by Hudaco shareholders at the annual general meeting of Hudaco to be held on Thursday, 5 April 2018 at Hudaco's corporate offices situated at Building 9, Greenstone Hill Office Park, Emerald Boulevard, Greenstone Hill, Edenvale, Gauteng at 11:00 (the annual general meeting).

I/We

of (address)

(please print)

being the holder(s) of ordinary shares in the capital of the company, do hereby appoint
(see note 2):

- 1 or failing him/her
- 2 or failing him/her
- 3 the chairman of the annual general meeting

as my/our proxy to act on my/our behalf at the annual general meeting, which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of all the above ordinary shares registered in my/our name/s, in accordance with the following instructions:

Please indicate with an "X" in the appropriate box below how you wish to vote.

	Number of ordinary shares		
	For	Against	Abstain
Resolution			
Ordinary Resolution Number 1: To re-elect directors retiring by rotation:			
1.1 SJ Connelly			
1.2 N Mandindi			
Ordinary Resolution Number 2: To elect MR Thompson appointed since previous AGM			
Ordinary Resolution Number 3: To approve the re-appointment of external auditors			
Ordinary Resolution Number 4: Appointment of the members of the audit and risk management committee:			
4.1 D Naidoo			
4.2 N Mandindi			
4.3 MR Thompson			
Special Resolution Number 1: Approval of non-executive directors' remuneration			
Non-binding Resolution Number 1: Approval of Hudaco's remuneration policy			
Non-binding Resolution Number 2: Approval of Hudaco's remuneration implementation report			
Special Resolution Number 2: Authorising the provision of financial assistance to subsidiaries			
Special Resolution Number 3: General authority to repurchase shares up to 1 582 285 (5%) of the shares in issue			
Ordinary Resolution Number 5: General authority to directors to allot and issue authorised but unissued ordinary shares – up to 1 582 285 (5%) shares in issue			
Ordinary Resolution Number 6: Signature of documents			

Signed at on 2018

Signature(s)

Assisted by me (where applicable)

FORM OF PROXY continued

Notes

1. Shareholders who have dematerialised their shares through a Central Securities Depository Participant (CSDP) or broker must either inform their CSDP or broker of their intention to attend the annual general meeting to provide them with the necessary authority to attend or provide the CSDP or broker with their voting instruction in terms of the custody agreement entered into between the beneficial owner and the CSDP or broker.
2. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided. The person whose name appears first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. A shareholder's instructions to the proxy must be indicated by "X" in the appropriate box provided on the proxy form. Failure to comply with the above will be deemed to authorise a proxy to vote or abstain from voting at the annual general meeting as he/she deems fit in respect of all the members' votes exercisable at the meeting.
4. The completion and lodging of this form of proxy will not preclude the shareholder from attending the annual general meeting and speaking and voting thereat to the exclusion of any proxy appointed in terms hereof should the shareholder wish to do so (see note 1 above).
5. The chairman of the annual general meeting may reject or accept any proxy form that is completed and/or received, other than in accordance with these notes. Proxy forms received by way of facsimile will be acceptable.
6. Each shareholder is entitled to appoint one or more proxies (none of whom needs to be a shareholder of Hudaco) to attend, speak and vote in place of the shareholder at the annual general meeting.
7. Any alteration to this form of proxy, other than a deletion of alternatives, must be initialled by the signatories.
8. Documentary evidence establishing the authority of the person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by Hudaco.
9. Where there are joint shareholders:
 - (a) Any one shareholder may sign the form of proxy;
 - (b) The vote of the senior (for that purpose seniority will be determined by the order in which the names of shareholders appear in Hudaco's register of shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote/s of the other joint shareholder/s.
10. For administrative purposes only, forms of proxy should be lodged with the transfer secretaries, Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or be posted to them at PO Box 61051, Marshalltown, 2107, or emailed to them at proxy@computershare.co.za, by Tuesday, 3 April 2018 at 11:00 or thereafter to the company by hand at Hudaco's offices situated at Building 9, Greenstone Hill Office Park, Emerald Boulevard, Greenstone Hill, Edenvale, Gauteng. Any forms of proxy not submitted by this time may nevertheless be submitted to the transfer secretaries before the meeting or handed to the chairman of the AGM prior to the shareholder exercising any rights of a shareholder at the AGM.

Additional forms of proxy are available from the transfer secretaries on request.

NOTES

[illegible]

GROUP DIRECTORY

DIVISION	BUSINESS NAME	PRINCIPAL ACTIVITIES	ADDRESS
CONSUMER-RELATED PRODUCTS			
Power tools	Rutherford	Distributor of Makita power tools, Mercury marine engines, instrumentation, rivets and fasteners	Unit 3A & B City Deep Industrial Park 36 Fortune Street City Deep
Security equipment	Elvey Security Technologies	Distributor of electronic security equipment, including intruder detection, access control, CCTV, fire detection and electric fencing, as well as related consumables	27 Greenstone Place Greenstone Hill Edenvale
	Pentagon	Distributor of integrated security and life safety solutions, including CCTV, access control, fire detection, public address and perimeter detection products	27 Greenstone Place Greenstone Hill Edenvale
	Commercial ICT	Distributor of Permaconn mobile radio communication equipment and systems as well as hosting and support of core IT infrastructure and communication networks	27 Greenstone Place Greenstone Hill Edenvale
Communication equipment	Global Communications	Distributor of professional mobile radio communication equipment and integrator of radio systems	Highway Business Park Park Street Rooihuiskraal Centurion
	MiRO	Distributor of wireless networking, VoIP and video products and provider of strong after-sales service and technical support	9 Landmarks Avenue Kosmosdal Ext 11 Samrand
	SS Telecoms	Supplier of voice and data solutions, specialising in PBX communication management software and telephone management	10 Monte Carlo Crescent Kyalami Business Park Midrand
Automotive	Abes Technoseal	Distributor of automotive clutch kits, ignition leads and rotary oil and hydraulic seals	10 Wankel Street Jet Park
	Partquip	Distributor of automotive spares and accessories	61 Trump Street West Selby Johannesburg
Batteries	Deltec Energy Solutions	Distributor of maintenance free batteries and provider of custom designed energy solutions	6 Liebenberg Street Alrode Alberton
	Eternity Technologies	Supplier of batteries, high frequency chargers and related battery equipment to the traction battery market. It also designs, builds and manages battery bays for warehouses and distribution centres	192 Peenz Street Corner Pretoria Road Putfontein Benoni
	Specialised Battery Systems	Distributor of stand-by and solar batteries	23 Golden Drive Morehill Benoni

CONTACT

EXECUTIVES


Tel	011 878 2600	Martin Peterson	Chief executive	Neil Black	Divisional director	
Fax	011 873 1689	Arusha Asari	Financial director	Craig Gutteridge	Divisional manager	
Email	info@rutherford.co.za	Carol Caunter	Divisional director	Charmaine Beukes	Divisional manager	
Tel	011 401 6700	Gary Lowe	Chief executive	Ingo Mutinelli	Business development director	
Fax	011 401 6753	Dave Waywell	Regional director – coastal	Zane Greeff	Regional director – inland	
Email	sales@elvey.co.za	Anika Peterson Thyphrus Baloyi	Financial manager Operations executive	Gugulethu Nkutha	Marketing executive	
Tel	011 401 6700	Brendon Hall	Managing director	Matthew Short	Divisional director	
Fax	011 401 6753	Elmar Snyman	Divisional director	Anika Peterson	Financial manager	
Email	info@pentgon.co.za					
Tel	010 590 6177	Brad Morein	Managing director	Anika Peterson	Financial manager	
Email	bradmorein@commercialict.co.za					
Tel	087 310 0400	Sean Mervitz	Managing director	Errol Baker	Non-executive director	
Fax	011 661 0387	Barbara Smith	Financial director			
Email	info@globalcomms.co.za					
Tel	012 657 0960	Bertus van Jaarsveld	Managing director	Sello Moshokwa	Senior manager – business development	
Email	feedback@miro.co.za	Jaco Malan	Financial director			
Tel	012 664 4644	George Smalberger	Managing director	Sue-Anne Jansen van Rensburg	Financial manager	
Fax	086 614 5625					
Email	sales@sstelecoms.com					
Tel	011 397 4070	Danie Venter	Managing director	Juan Radley	Financial director	
Fax	011 397 4326	Jayne Kyte	Logistics director			
Email	info@abes.co.za					
Tel	011 634 7600	Carl Rogers	Managing director	Chris de Kock	Financial director	
Fax	011 493 3131	Charmaine Anthony	Logistics director	Lavern Jacobs	Divisional director	
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GROUP DIRECTORY (continued)

DIVISION	BUSINESS NAME	PRINCIPAL ACTIVITIES	ADDRESS
ENGINEERING CONSUMABLES			
Bearings	Bearings International	Distributor of bearings, chains, seals, electric motors, transmission and allied products	Lancaster Commercial Park (off Atlas Rd) Cnr Merlin Rose & Lancaster Ivy Drives Parkhaven Ext 5, Boksburg
Diesel engines and spares	Deutz Dieselpower	Distributor of DEUTZ diesel engines, DEUTZ spare parts and provider of service support	5 Tunney Road Elandsfontein
Power transmission	Ambro Steel	Distributor of solid, round, square, hexagonal and hollow bar engineering steels	Corner Lamp and Snapper Roads Wadeville
	Astore Keymak	Distributor of specialised thermoplastic pipes, fittings and Keymak PVC hose	46 Paul Smit Street Anderbolt Boksburg
	Bauer Geared Motors	Distributor of geared motors, hellical gearboxes, frequency inverters and electric motors	72 Acacia Road Cnr Barbara Road Primrose, Germiston
	Belting Supply Services	Distributor of conveyor belting, industrial hose, fluid sealing and process control products	15 Fortune Street City Deep
	Berntel	Distributor of pneumatic and process components	Unit D2 Strijdom Commercial Park Tungsten Road Randburg
	Bosworth	Manufacturer of conveyor pulleys, steel fabrication, plate rollings and distributor of sheet rubber	Corner Vereeniging and Juyin Roads Alrode
	Brewtech Engineering	Distributor of plastic and stainless steel slat chains, modular belting and conveyor components and manufacturer of plastic engineering parts	389 Elsecar Road Kya Sands
	Dosco Precision Hydraulics	Supplier and repairer of hydraulic pumps and motors to the mining, industrial, mobile, marine and forestry industries	6 Impangela Road Sebenza Ext 6
	Ernest Lowe	Manufacturer of hydraulic and pneumatic equipment and supplier of water valves and sewage processing systems.	6 Skew Road Boksburg North
	Filter and Hose Solutions	Supplier of filtration solutions, customised exhaust systems, kits and accessories	160 Francis Road Anderbolt Boksburg North
	Gear Pump Manufacturing	Manufacturer and assembler of cast iron hydraulic gear pumps	15 Moody Avenue Epping 1 Cape Town
	Hydraulic Engineering Repair Services	Manufacturer and repairer of hydraulic cylinders and repairer of drivetrain components	69 Miller Road Industrial East Germiston
	Joseph Grieveson	Manufacturer of ferrous and non-ferrous castings	332 Aberdare Drive Phoenix Industrial Park Phoenix, Durban
	Powermite	Distributor of electric cabling, plugs, sockets, electric feeder systems and crane materials	2754 Albertina Sisulu Road (previously: 92 Main Reef Road) Technikon Rodepoort

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EXECUTIVES

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GROUP DIRECTORY (continued)

DIVISION	BUSINESS NAME	PRINCIPAL ACTIVITIES	ADDRESS
ENGINEERING CONSUMABLES continued			
	Proof Engineering	Manufacturer of mining connectors and lighting systems	368 Sifon Street Robertville Roodepoort
	Sanderson Special Steels	Distributor of special steels and provider of heat treatment to the tool making and general engineering industries	18 Junction Street Parow Industria Cape Town
	The Dished End Company	Manufacturer of dished and flanged ends, pressing & flanging of small conical sections, push thru's and weld caps	30 North Reef Road Elandsfontein Germiston
	Three-D Agencies	Distributor of electrical cable accessories and electrical instruments	Unit B1, Route 24 50 Herman Street Meadowdale
	Varispeed	Distributor and repairer of commercial and industrial automation and electronic motor control equipment	4 Clovelly Business Park 342 Old Pretoria Main Road Midrand
GROUP			
Group Head Office	Hudaco Industries Hudaco Trading		Building 9 Greenstone Hill Office Park Emerald Boulevard Greenstone Hill Edenvale

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				Nivashree Moodley	Group SHEQ manager

Hudaco

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



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