

## Letter from the chairman

Dear shareholder

I have great pleasure in extending an invitation to you to attend the 61st annual general meeting of The Bidvest Group Limited to be held in the boardroom, Third Floor, Bidvest House, 18 Crescent Drive, Melrose Arch, at 09:00 on Wednesday, November 7 2007.

*You will find with this letter:*

- › **The notice of meeting setting out the resolutions to be proposed, together with explanatory notes, and guidance notes for shareholders who wish to attend the meeting or to vote by post**
- › **Voting forms (proxy/voting instruction)**
- › **A copy of The Bidvest Group Limited financial statements 2007 including the directors' report**

If you are unable to attend the meeting in person, you are able to exercise the right as a shareholder to vote on the resolutions to be proposed at the annual general meeting and to take part in the governance of The Bidvest Group Limited by completing, signing and returning the applicable voting form in good time before the annual general meeting.

The directors and I look forward to seeing as many of you as possible at the annual general meeting and we thank you for your continued support.



Cyril Ramaphosa  
Chairman

## Notice to shareholders

Notice is hereby given that the 61st annual general meeting of members of The Bidvest Group Limited will be held at Bidvest House, 18 Crescent Drive, Melrose Arch, Johannesburg at 09:00 on Wednesday, November 7 2007 for the following purposes:

1. To receive, consider and adopt the audited financial statements of the Company and the Group for the year ended June 30 2007, together with the reports of the directors and auditors.
2. To approve the non-executive directors' remuneration for the year ending June 30 2008.

### **Proposed remuneration for non-executive directors:**

<i>Chairman</i>	<i>– R440 000 per annum</i>
<i>Board members</i>	<i>– R30 000 per annum plus R10 000 per meeting</i>
<i>Alternate directors</i>	<i>– R15 000 per annum plus R10 000 per meeting if attended in place of the nominated director</i>
<i>Audit committee chairman</i>	<i>– R50 000 per annum plus R15 000 per meeting</i>
<i>Audit committee member</i>	<i>– R30 000 per annum plus R10 000 per meeting</i>
<i>Remuneration committee chairman</i>	<i>– R30 000 per annum plus R10 000 per meeting</i>
<i>Remuneration committee member</i>	<i>– R10 000 per meeting</i>
<i>Nominations committee chairman</i>	<i>– R10 000 per annum plus R10 000 per meeting</i>
<i>Nominations committee member</i>	<i>– R10 000 per meeting</i>
<i>Acquisitions committee chairman</i>	<i>– R30 000 per annum plus R10 000 per meeting</i>
<i>Acquisitions committee member</i>	<i>– R10 000 per meeting</i>
<i>Risk committee chairman</i>	<i>– R30 000 per annum plus R10 000 per meeting</i>
<i>Risk committee member</i>	<i>– R10 000 per meeting</i>
<i>Transformation committee chairman</i>	<i>– R10 000 per meeting</i>
<i>Transformation committee member</i>	<i>– R10 000 per meeting</i>

*Other services – To be approved by the chief executive up to a maximum in aggregate of R3,75 million per annum*

3. To confirm the appointment of Deloitte & Touche as auditors.
4. To consider and, if deemed fit, to pass, with or without modification, the following special resolution:

#### **4.1 Special resolution number 1**

*“Resolved that the Company or any of its subsidiaries, be and are hereby authorised, by way of a general approval, to acquire ordinary shares issued by the Company, in terms of sections 85(2) and 85(3) of the Companies Act, No 61 of 1973 (as amended) and in terms of the rules and requirements of the JSE Limited (“the JSE”), 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;*
- > this general authority shall be valid until the Company’s next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution number 1;*
- > an announcement will be published as soon as the Company or any of its subsidiaries has acquired ordinary shares constituting, on a cumulative basis 3% of the number of ordinary shares in issue prior to the acquisition pursuant to which the aforesaid 3% threshold is reached, and for each 3% in aggregate acquired thereafter, containing full details of such acquisitions;*

- › acquisitions of shares in aggregate in any one financial year may not exceed 20% of the Company's ordinary issued share capital as at the date of passing of this special resolution number 1;
- › in determining the price at which ordinary shares issued by the Company are acquired by it or any of its subsidiaries in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% of the weighted average of the market value at which such ordinary shares are traded on the JSE over the five business days immediately preceding the date of repurchase of such ordinary shares by the Company or any of its subsidiaries;
- › the Company has been given authority by its articles of association;
- › at any one point in time, the Company may only appoint one agent to effect any repurchase on the Company's behalf;
- › the Company's sponsor must confirm the adequacy of the Company's working capital for purposes of undertaking the repurchase of shares in writing to the JSE before entering the market to proceed with the repurchase;
- › the Company remaining in compliance with the minimum shareholder spread requirements of the JSE listing requirements; and
- › the Company and/or its subsidiaries not repurchasing any shares during a prohibited period as defined by the JSE listing requirements."

The reason for and effect of special resolution number 1 is to grant the Company a general authority in terms of the Companies Act and the JSE listing requirements for the repurchase by the Company, or a subsidiary of the Company of the Company's shares.

5. To consider and, if approved, to pass, with or without modification, the following ordinary resolutions:

**5.1 Ordinary resolution number 1**

*"To place 30 (thirty) million of the unissued shares of the Company under the control of the directors, who shall be authorised, subject to the requirements of the JSE, to allot and issue up to 30 (thirty) million shares in the authorised, but unissued share capital of the Company at such times, at such prices and for such purposes as they may determine, at their discretion, after setting aside so many shares as may be required to be allotted and issued pursuant to the Company's employee share option scheme."*

**5.2 Ordinary resolution number 2**

*"That subject to the passing of ordinary resolution number 1 and in terms of the JSE listing requirements, the directors are hereby authorised to issue up to 30 (thirty) million ordinary shares for cash, representing a class of share already in issue, as and when suitable opportunities arise, subject to the following conditions, inter alia:*

- › that this authority shall not extend beyond the next annual general meeting or 15 (fifteen) months from the date of this annual general meeting, whichever date is the earlier;
- › that a press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue representing, on a cumulative basis within one year, 5% or more of the number of shares in issue prior to the issue/s;
- › that the shares must be issued to public shareholders and not to related parties;
- › that any issue in the aggregate in any one year shall not exceed 30 (thirty) million of shares of the Company's issued ordinary share capital; and
- › that, in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of the shares over the 30 (thirty) days prior to the date that the price of the issue is determined or agreed to by the directors. In the event that shares have not traded in the said 30 (thirty) day period a ruling will be obtained from the committee of the JSE.

The approval of a 75% majority of the votes cast by shareholders present or represented by proxy at the meeting is required for ordinary resolution number 2 to become effective.

## Notice to shareholders

### 5.3 Ordinary resolution number 3

*"Resolved that the directors of the Company shall be entitled to pay by way of a pro rata reduction of share capital or share premium, in lieu of a dividend, an amount equal to the amount which the directors of the Company would have declared and paid out of profits in respect of the Company's interim and final dividends for the financial year ending June 30 2008."*

In terms of paragraph 5.86 of the JSE listing requirements, any general payment will not exceed 20% of the Company's issued share capital.

This general authority shall be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this ordinary resolution number 3;

Before entering the market to effect the general repurchase (special resolution 1) and also the general payment (ordinary resolution 3), the directors, having considered the effects of the repurchase of the maximum number of ordinary shares in terms of the foregoing general authority and the general payment, will ensure that for a period of 12 (twelve) months after the date of the notice of annual general meeting:

- › the Company and the Group will be able, in the ordinary course of business to pay its debts;
- › the assets of the Company and the Group, fairly valued in accordance with international financial reporting standards, will exceed the liabilities of the Company and the Group; and
- › the Company and the Group's ordinary share capital, reserves and working capital will be adequate for ordinary business purposes.

The following information appears in the financial statements of which this notice forms part, and is provided in terms of the JSE listing requirements for purposes of the general authority:

- › Directors – page 12
- › Major shareholders – page 78
- › Directors' interests in ordinary shares – pages 12 and 13
- › Share capital of the Company – page 72.

#### **Litigation statement**

In terms of section 11.26 of the JSE listing requirements, the directors, whose names appear on page 12 of the financial statements of which this notice forms part, are not aware of any legal or arbitration proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous (twelve) months, a material effect on the Group's financial position.

#### **Directors' responsibility statement**

The directors, whose names appear on page 12 of the financial statements, collectively and individually accept full responsibility for the accuracy of the information pertaining to these resolutions. They certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolutions contain all information.

#### **Material changes**

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

#### **Share purchases**

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

At that time an announcement will be made detailing the salient features of the repurchase and the Company's sponsor shall, prior to the implementation of the repurchase, provide the JSE with the written working capital statement required in terms of the JSE listing requirements.

6. To re-elect, by separate ordinary resolutions numbered 6.1 to 6.9, the following directors who are required in terms of the articles of association, to retire by rotation as directors at the forthcoming annual general meeting and who are eligible for re-election at the annual general meeting:

**6.1 Mr CM Ramaphosa**

Executive chairman of Shanduka Group (Pty) Limited. Joint non-executive chairman of Mondi plc and Mondi Limited. Non-executive chairman of MTN Group Limited and SASRIA Limited. Non-executive director of SAB Miller plc, Macsteel Global b.v, Alexander Forbes Limited and The Standard Bank Group Limited. Cyril is the past chairman of the Black Economic Empowerment Commission. He is vice-chairman of the Global Business Coalition on HIV/Aids, Tuberculosis and Malaria and sits on the board of the Commonwealth Business Council. He sits on the United Nations Secretary General's Panel on International Support to NEPAD. Cyril has received several honorary doctorates.

**6.2 Mr B Joffe**

Non-executive director of Enviroserv Holdings Limited, Tiger Automotive Limited and a director of numerous Bidvest subsidiaries. Since founding Bid Corporation in 1988, Brian served as executive chairman until his appointment as chief executive in 2004. He has over thirty years of local and international commercial experience. He was one of the Sunday Times' top five businessmen in 1992 and is a past recipient of the Jewish Business Achiever of the Year award. Brian was voted South Africa's Top Manager of the Year in 2002 in the Corporate Research Foundation's publication "South Africa's Leading Managers" and represented South Africa at the coveted "Ernst & Young World Entrepreneur of the Year" award in 2003.

**6.3 Mr FJ Barnes**

Chief executive of 3663 First for Foodservice. Appointed a director of The Bidvest Group Limited in October 2003, Fred has extensive international foodservice and distribution experience.

**6.4 Mr MC Berzack**

Non-executive director of Allied Electronics Corporation Limited and Amalgamated Appliance Holdings Limited. Director of numerous Bidvest subsidiaries. Myron has thirty-seven years' experience in the electrical industry, specialising in the marketing, distribution, financial control and reporting functions.

**6.5 Mr S Koseff**

Chief executive officer of Investec Limited and Investec plc. Stephen has thirty-one years of financial experience and is the recipient of numerous business awards. He is a former member of the Financial Markets Advisory Board and former chairman of the Independent Banks Association. His directorships include the JSE Limited and Rensburg Sheppards plc.

**6.6 Mr P Nyman**

Peter has been an executive director of the Group for nearly seventeen years, previous financial director. He is also director of numerous Bidvest subsidiaries, including Bid Industrial Products and Commercial Products, Bidserv and Bidvest Bank, Chairman of the trustees of the Quantum Medical Aid Society, Bidcorp Group Pension Fund and Bidcorp Group Provident Fund.

Peter has extensive local and international financial experience in a diverse range of industries specialising in tax.

**6.7 Mr JL Pamensky**

Director of Enviroserv Holdings Limited, Schindler Lifts (SA) (Pty) Limited, Stonehage Financial Services Holdings (Jersey) Limited and Worldwide African Investment Holdings (Pty) Limited. Chairman of Bidvest Bank Limited and Terra Nova Financial Services (Pty) Limited. Joe is the longest serving non-executive director of Bidvest with over forty years' experience in the financial, insurance and banking industries and the recipient of a number of business and public awards. He serves as a non-executive director on the boards of public and private companies, both locally and internationally, and is a member of a number of audit and remuneration committees. Originally also a director of Bid Corporation Limited.

## Notice to shareholders

### 6.8 Mr AC Salomon

Director of numerous Bidvest subsidiaries and Enviroserv Holdings Limited. Alan has twenty-eight years' experience in the fields of manufacturing and distribution. Alan is managing director of Bidvest Bank Limited.

7. To re-elect by separate ordinary resolutions numbered 7.1 and 7.2, the following directors who are required in terms of Article 53.3 of the articles of association, to stand for re-election as directors at the forthcoming annual general meeting and who are eligible for re-election at the annual general meeting:

### 7.1 Mr DE Cleasby

Director of numerous Bidvest subsidiaries. David was financial director of Rennie's Terminals when the Rennie's Group Limited was acquired by Bidvest in 1998. In 2001, he joined the Bidvest corporate office, where he has been involved in both Group corporate finance and investor relations. David was appointed as an alternate director to Peter Nyman on June 28 2006 and appointed Group financial director on July 9 2007.

### 7.2 Ms T Slabbert

Director of BP South Africa (Pty) Limited, Uthingo (Pty) Limited, Rennie's Travel (Pty) Limited and Dinatla Investment Holdings (Pty) Limited. Tania has been the chief executive officer of WDB Investment Holdings (Pty) Limited since 1999. She is also a member of the National Small Business Advisory Council and a board member of the Business Women's Association.

8. To transact such other business as may be transacted at an annual general meeting.  
Any member entitled to vote at the meeting may appoint a proxy or proxies to attend, speak and vote in his/her stead and the person/s so appointed need not be a member/s of the Company.

*The forms of proxy should be completed by those shareholders who are:*

- > holding shares in certificated form; or
- > "own name" registered dematerialised shareholders.

All other beneficial owners who have dematerialised their shares through a central securities depository participant ("CSDP") or broker and wish to attend the annual general meeting, must instruct their CSDP or broker to provide them with a letter of representation, or they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

*Proxy forms must be lodged at, posted to or faxed for attention:*

Mr WA Botha +27 (86) 674 2450, Link Market Services (Pty) Limited, 11 Diagonal Street, Johannesburg 2001 (PO Box 4844, Johannesburg 2000, South Africa) to reach the Company by 09:00 on November 5 2007.

By order of the board



**MA David**  
Company secretary

October 10 2007



## Form of proxy

(Reg No: 1946/021180/06)

Share code: BVT • ISIN number: ZAE 00005 0449

### For the 61st annual general meeting – for use by certificated shareholders and dematerialised shareholders with “own name” registration.

Holders of dematerialised ordinary shares, other than those with own name registration, must inform their CSDP or broker of their intention to attend the annual general meeting and request their CSDP to issue them with the necessary authorisation to attend the annual general meeting in person or provide their CSDP with their voting instructions should they not wish to attend the annual general meeting in person.

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member/members of The Bidvest Group Limited and entitled to \_\_\_\_\_ votes,

hereby appoint \_\_\_\_\_

of \_\_\_\_\_

or failing him \_\_\_\_\_

of \_\_\_\_\_

or failing him, the chairman of the meeting as my/our proxy to vote on my/our behalf at the annual general meeting of the Company to be held at Bidvest House, 18 Crescent Drive, Melrose Arch at 09:00 on November 7 2007 or at any adjournment thereof, as follows:

	For	Against	Abstain
1. To adopt annual financial statements			
2. To approve non-executive directors' remuneration for the year ending June 30 2008			
3. To appoint the auditors for the ensuing year			
4. Special resolutions			
4.1 General approval for share buy back			
5. Ordinary resolutions			
5.1 Place the unissued shares under the directors' control			
5.2 Issue of ordinary shares for cash			
5.3 Payment of dividend by way of a pro rata reduction of share capital or share premium			
6. To re-elect directors in terms of the Company's articles of association			
6.1 Mr CM Ramaphosa			
6.2 Mr B Joffe			
6.3 Mr FJ Barnes			
6.4 Mr MC Berzack			
6.5 Mr S Koseff			
6.6 Mr P Nyman			
6.7 Mr JL Pamensky			
6.8 Mr AC Salomon			
7. To re-elect directors in terms of Article 53.3 of the Company's articles of association			
7.1 Mr DE Cleasby			
7.2 Ms T Slabbert			

Mark with an "X" whichever is applicable. Unless otherwise directed the proxy will vote as he/she thinks fit.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2007

Member \_\_\_\_\_

A member entitled to attend and vote at the abovementioned meeting is entitled to appoint a proxy (who need not be a member of the Company) to attend, speak and, on a poll, to vote in his/her stead.



## Notes

1. On a poll a shareholder is entitled to one vote for each share held.
2. A shareholder may insert the name of a proxy of the shareholder's choice in the space provided.
3. Forms of proxy must be lodged at, posted to or faxed for attention Mr WA Botha +27 (86) 674 2450, Link Market Services (Pty) Limited, 11 Diagonal Street, Johannesburg 2001, Box 4844, Johannesburg 2000, so as to reach the Company at least 48 hours before the meeting.
4. The completion and lodging of this form of proxy will not preclude the relevant shareholders from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
5. Any alteration or correction made to this form of proxy must be initialled by the signatory.
6. If any shares are jointly held, the first name appearing in the register shall, in the event of any dispute, be taken as the shareholder.