
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 4 of this Circular apply *mutatis mutandis* throughout this Circular.

Action Required:

1. If you are in any doubt as to what action to take in relation to this Circular, please consult your CSDP, Broker, banker, attorney, accountant or other professional advisor immediately.
2. Shareholders should note that, whilst the entire Circular is important and should be read in its entirety, particular attention should be paid to the section titled “Action required by Shareholders” commencing on page 2 of this Circular.

Quantum does not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any Shareholder to notify such Shareholder of the General Meeting, or any business to be conducted thereat.



QUANTUM FOODS HOLDINGS LIMITED

Incorporated in the Republic of South Africa

(Registration number 2013/208598/06)

Share code: QFH ISIN: ZAE000193686

(“Quantum” or “the Company”)

CIRCULAR TO QUANTUM SHAREHOLDERS

regarding:

- the Specific Repurchase by Quantum and Quantum Subco of an aggregate of 18 091 661 Quantum Shares from the BEE Participants at a repurchase consideration of R3.30 per Quantum Share amounting to an aggregate repurchase consideration of approximately R59 702 481.

and incorporating

- a notice convening the General Meeting of Shareholders; and
- a Form of Proxy (*grey*) for use by Certificated Shareholders and Dematerialised Shareholders who have selected Own-Name Registration only.

Sponsor and Transaction Advisor



Legal Advisor



Date of issue: Friday, 5 April 2019

Copies of this Circular, which are available in English, may be obtained during normal business hours from Friday, 5 April 2019 up to and including Monday, 27 May 2019 from the registered offices of the Company and the offices of PSG Capital at their respective addresses set out in the “Corporate Information” section of this Circular. A copy of this Circular will also be available on the Company’s website (www.quantumfoods.co.za).

CORPORATE INFORMATION

The definitions and interpretations commencing on page 4 of this Circular apply mutatis mutandis to this Corporate Information section.

Directors

Wouter André Hanekom (*Chairman*)*#
Hendrik Albertus Lourens (*Chief executive officer*)
André Hugo Muller (*Chief financial officer*)
Norman Celliers*
Patrick Ernest Burton (Lead independent)*#
Geoffrey George Fortuin*#
Tanya Golden*#
Prof Abdus Salam Mohammad Karaan*#

* Non-executive

Independent

Date of Incorporation of Quantum

7 November 2013

Place of Incorporation

Republic of South Africa

Company Secretary and Registered Address

Marisha Octavia Gibbons

11 Main Road
Wellington
7655
(PO Box 1183, Wellington, 7654)

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Ave
Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)

Sponsor and Transaction Advisor

PSG Capital Proprietary Limited
(Registration number 2006/015817/07)
1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

and

2nd Floor
Building 3
11 Alice Lane
Sandhurst
Sandton, 2196
(PO Box 650957, Benmore, 2010)

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ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations commencing on page 4 of this Circular apply *mutatis mutandis* to this section.

This Circular is important and requires your immediate attention.

Please take careful note of the following provisions regarding the action required by Shareholders. If you are in any doubt as to what action to take, please consult your CSDP, Broker, banker, attorney, accountant or other professional adviser immediately.

The General Meeting will be held at the Quantum Foods Building, 11 Main Road, Wellington on Monday, 27 May 2019 at 10:00 for purposes of considering and, if deemed fit, passing the special resolution required to authorise the implementation of the Specific Repurchase. The notice convening the General Meeting is attached to and forms part of this Circular.

1. DEMATERIALISED SHAREHOLDERS WHO ARE NOT OWN-NAME DEMATERIALISED SHAREHOLDERS

1.1 Voting at the General Meeting

- 1.1.1 Your Broker or CSDP should contact you to ascertain how you wish to cast your vote at the General Meeting and should thereafter cast your vote in accordance with your instructions.
- 1.1.2 If you have not been contacted by your Broker or CSDP, it is advisable for you to contact your Broker or CSDP and furnish it with your voting instructions.
- 1.1.3 If your Broker or CSDP does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your Broker or CSDP.
- 1.1.4 You must not complete the attached Form of Proxy.

1.2 Attendance and representation at the General Meeting

In accordance with the mandate between you and your Broker or CSDP, you must advise your Broker or CSDP if you wish to attend the General Meeting and if so, your Broker or CSDP will issue the necessary letter of representation to you to attend and vote at the General Meeting.

2. CERTIFICATED SHAREHOLDERS AND DEMATERIALISED SHAREHOLDERS WHO ARE OWN-NAME DEMATERIALISED SHAREHOLDERS

2.1 Voting and attendance at the General Meeting

- 2.1.1 You are entitled to attend the General Meeting in person and speak, vote or abstain from voting at the General Meeting.
- 2.1.2 Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached Form of Proxy in accordance with the instructions contained therein and returning it to the Transfer Secretaries, to be received by them, for administrative purposes, by no later than 10:00 on Thursday, 23 May 2019 or thereafter by handing such form to the chairperson of the General Meeting at the General Meeting, at any time before the proxy exercises any of your rights at the General Meeting (should you lodge your Form of Proxy with the Transfer Secretaries less than 48 hours before the General Meeting, you will be required to furnish a copy of such Form of Proxy to the chairperson of the General Meeting before the appointed proxy exercises any of your rights at the General Meeting).

3. GENERAL

Approval necessary for the implementation of the Specific Repurchase at the General Meeting

The implementation of the Specific Repurchase is subject, *inter alia*, to the approval of Quantum Shareholders by special resolution at the General Meeting in accordance with the JSE Listings Requirements, the Companies Act and the MOI. In order to be approved, the special resolution must be adopted with the support of at least 75% of the voting rights exercised on such resolution, at the General Meeting. The BEE Participants and their associates will be excluded from voting on the special resolution to approve the Specific Repurchase.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 4 of this Circular apply *mutatis mutandis* to this section.

2019

Record date to determine which Shareholders are eligible to receive this Circular (including the notice convening the General Meeting) on	Friday, 29 March
Circular posted to Shareholders (including the notice convening the General Meeting) on	Friday, 5 April
Last day to trade in Quantum Shares in order to be eligible to attend, participate in and vote at the General Meeting on	Tuesday, 14 May
General Meeting Record Date for Shareholders to be recorded in the Register in order to be eligible to attend, participate in and vote at the General Meeting on	Friday, 17 May
Last day to lodge Forms of Proxy in respect of the General Meeting with Transfer Secretaries by 10:00 on	Thursday, 23 May
Anticipated date for the release of Quantum's interim results	Thursday, 23 May
Forms of Proxy not lodged with the Transfer Secretaries to be handed to the chairperson of the General Meeting before 10:00 on	Monday, 27 May
General Meeting of Shareholders to be held at 10:00 on	Monday, 27 May
Results of General Meeting released on SENS on or about	Monday, 27 May
If the Specific Repurchase is approved by Shareholders at the General Meeting:	
Expected date for the delisting from the JSE of the Quantum Shares repurchased by Quantum in terms of the Specific Repurchase from the commencement of trading on the JSE on	Friday, 31 May

Notes

1. All of the above dates and times are subject to change. Any changes made will be notified to Shareholders by release on SENS.
2. Shareholders should note that, as transactions in shares are settled in the electronic settlement system used by Strate, settlement of trades take place three Business Days after such trade. Therefore, persons who acquire Quantum Shares after the last day to trade in order to be eligible to vote at the General Meeting, namely Tuesday, 14 May 2019, will not be able to vote thereat.
3. A Shareholder may submit the Form of Proxy at any time before the commencement of the General Meeting (or any adjournment of the General Meeting) or hand it to the chairperson of the General Meeting before the General Meeting (or any adjournment of the General Meeting), provided that, should a Shareholder lodge the Form of Proxy with the Transfer Secretaries less than 48 hours before the General Meeting, a Shareholder will also be required to furnish a copy of such Form of Proxy to the chairperson of the General Meeting before the appointed proxy exercises any of such Shareholder's rights at the General Meeting (or any adjournment of the General Meeting).
4. If the General Meeting is adjourned or postponed, Forms of Proxy submitted for the initial General Meeting will remain valid in respect of any such adjournment or postponement.
5. All times given in this Circular are local times in South Africa.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless the context indicates otherwise, reference to the singular shall include the plural and *vice versa*, words denoting one gender include the others, words and expressions denoting natural persons include juristic persons and associations of persons and the words and expressions in the first column have the meanings stated opposite to them in the second column.

“AEEI”	African Equity Empowerment Investments Limited (Registration number 1996/006093/06), a public company incorporated under the laws of South Africa, the issued ordinary share capital of which is listed on the Main Board of the JSE;
“AEEI SPV”	Sekunjalo Consumer Products (RF) Proprietary Limited (Registration number 2011/134976/07), a private company incorporated under the laws of South Africa, wholly-owned by AEEI;
“AEEI Specific Repurchase Agreement”	the agreement titled “ <i>Share Repurchase Agreement</i> ” entered into between the Company, Quantum Subco, AEEI SPV, AEEI Subco, Pioneer Foods Proprietary Limited and Pioneer Foods on or about 26 March 2019;
“AEEI Subco”	Business Venture Investments No 1581 (RF) Proprietary Limited (Registration number 2011/135974/07), a private company incorporated under the laws of South Africa, wholly-owned by AEEI SPV;
“A H Sangqu”	Andile Hesperus Sangqu, an adult male with identity number 661002 5961 087;
“A H Sangqu SPV”	Shanike Investments No 173 (RF) Proprietary Limited (Registration number 2011/132596/07), a private company incorporated under the laws of South Africa, wholly-owned by A H Sangqu;
“A H Sangqu Specific Repurchase Agreement”	the agreement titled “ <i>Share Repurchase Agreement</i> ” entered into between the Company, Quantum Subco, A H Sangqu SPV, A H Sangqu Subco, Pioneer Foods Proprietary Limited and Pioneer Foods on or about 26 March 2019;
“A H Sangqu Subco”	Shanike Investments No 175 (RF) Proprietary Limited (Registration number 2011/133848/07), a private company incorporated under the laws of South Africa, wholly-owned by A H Sangqu SPV;
“A S M Karaan”	Prof Abdus Salam Mohammad Karaan, an adult male with identity number 680122 5262 083, being a director of and related party to Quantum;
“A S M Karaan SPV”	M Karaan Issuer Investments (RF) Proprietary Limited (Registration number 2011/127619/07), a private company incorporated under the laws of South Africa, wholly-owned by A S M Karaan;
“A S M Karaan Specific Repurchase Agreement”	the agreement titled “ <i>Share Repurchase Agreement</i> ” entered into between the Company, Quantum Subco, A S M Karaan SPV, A S M Karaan Subco, Pioneer Foods Proprietary Limited and Pioneer Foods on or about 26 March 2019;
“A S M Karaan Subco”	Triple Advanced Investments No 107 (RF) Proprietary Limited (Registration number 2011/128165/07), a private company incorporated under the laws of South Africa, wholly-owned by A S M Karaan SPV;
“BEE Participants”	collectively: <ul style="list-style-type: none">– AEEI, acting through AEEI SPV, which in turn is acting through AEEI Subco;– A H Sangqu, acting through A H Sangqu SPV, which in turn is acting through A H Sangqu Subco;– A S M Karaan, acting through A S M Karaan SPV, which in turn is acting through A S M Karaan Subco;– F A Sonn, acting through F A Sonn SPV, which in turn is acting through F A Sonn Subco;– Identity Partners, acting through Identity Partners SPV, which in turn is acting through Identity Partners Subco;– KZN Women’s Trust, acting through KZN Women’s Trust SPV Holdco, which in turn is acting through KZN Women’s Trust Subco SPV, which in turn is acting through KZN Women’s Trust Subco;– M I Survé, acting through M I Survé SPV, which in turn is acting through M I Survé Subco;– N S Mjoli-Mncube, acting through N S Mjoli-Mncube SPV, which in turn is acting through N S Mjoli-Mncube Subco;– Riparian, acting through Riparian SPV, which in turn is acting through Riparian Subco;– Dipeo Capital, acting through Dipeo Capital SPV, which in turn is acting through Dipeo Capital Subco; and– Z L Combi, acting through Z L Combi SPV, which in turn is acting through Z L Combi Subco;

“BEE Participant SPV”	<p>each of:</p> <ul style="list-style-type: none"> – AEEI SPV; – A H Sangqu SPV; – A S M Karaan SPV; – F A Sonn SPV; – Identity Partners SPV; – KZN Women’s Trust SPV; – M I Survé SPV; – N S Mjoli-Mncube SPV; – Riparian SPV; – Dipeo Capital SPV; and – Z L Combi SPV;
“Board” or “Directors”	the board of directors of Quantum, whose names appear in the “ <i>Corporate Information</i> ” section of this Circular;
“Broker”	a “stockbroker” as defined in the Financial Markets Act, or its nominee;
“Business Day”	any day, other than a Saturday, Sunday or public holiday in South Africa;
“Certificated Shareholders”	holders of Certificated Shares;
“Certificated Shares”	Shares being “certificated securities” as defined in the Financial Markets Act and having accordingly not yet been Dematerialised, title to which is evidenced by Documents of Title;
“Circular”	this bound document dated Friday, 5 April 2019, including all annexures and enclosures hereto and incorporating a notice of General Meeting and Form of Proxy;
“Common Monetary Area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Companies Act”	the Companies Act, No. 71 of 2008, as amended;
“Company Secretary”	the company secretary of Quantum as appointed in terms of the Companies Act from time to time;
“CSDP”	a Central Securities Depository Participant, accepted as a participant in terms of the Financial Markets Act, with whom a Shareholder holds a Dematerialised share account;
“Custody Agreement”	a custody mandate agreement between a Shareholder and a CSDP or Broker, regulating their relationship in respect of Dematerialised Shares held on Quantum’s uncertificated securities register administered by a CSDP or Broker on behalf of such Shareholder;
“Dematerialise” or “Dematerialisation”	the process by which Certificated Shares are converted into an electronic format as Dematerialised Shares and recorded in Quantum’s uncertificated securities register administered by a CSDP;
“Dematerialised Shareholders”	Shareholders who hold Dematerialised Shares;
“Dematerialised Shares”	Shares which have been incorporated into the Strate system and which are no longer evidenced by certificates or other physical Documents of Title;
“Dipeo Capital”	Dipeo Capital (RF) Proprietary Limited (Registration number 2014/154814/07), a private company incorporated under the laws of South Africa, whose shareholders are PSG Financial Services Limited (49%) and Dipeo BEE Education Trust (51%) (the beneficiaries of whom are black students from disadvantaged backgrounds);
“Dipeo Capital SPV”	Rumisys Investments (RF) Proprietary Limited (Registration number 2011/000252/07), a private company incorporated under the laws of South Africa, wholly-owned by Dipeo Capital;
“Dipeo Capital Specific Repurchase Agreement”	the agreement titled “ <i>Share Repurchase Agreement</i> ” entered into between the Company, Quantum Subco, Dipeo Capital SPV, Dipeo Capital Subco, Pioneer Foods Proprietary Limited and Pioneer Foods on or about 26 March 2019;
“Dipeo Capital Subco”	K2011115194 (RF) Proprietary Limited (Registration number 2011/115194/07), a private company incorporated under the laws of South Africa, wholly-owned by Dipeo Capital SPV;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts or any other physical documents of title pertaining to the Shares in question, acceptable to the Board;
“Exchange Control Regulations”	the Exchange Control Regulations, 1961, as amended, issued in terms of section 9 of the Currency and Exchanges Act, No 9 of 1933, as amended;
“F A Sonn”	Dr Franklin Abraham Sonn, an adult male with identity number 391011 5086 08 1;

“F A Sonn SPV”	Shanike Investments No 176 Proprietary Limited (Registration number 2011/132596/07), a private company incorporated under the laws of South Africa, wholly-owned by F A Sonn;
“F A Sonn Specific Repurchase Agreement”	the agreement titled “ <i>Share Repurchase Agreement</i> ” entered into between the Company, Quantum Subco, F A Sonn SPV, F A Sonn Subco, Pioneer Foods Proprietary Limited and Pioneer Foods on or about 26 March 2019;
“F A Sonn Subco”	Shanike Investments No 177 (RF) Proprietary Limited (Registration number 2011/133847/07), a private company incorporated under the laws of South Africa, wholly-owned by F A Sonn SPV;
“Financial Markets Act”	the Financial Markets Act, No. 19 of 2012, as amended;
“Form of Proxy”	for purposes of the General Meeting, the form of proxy (<i>grey</i>) for use by Certificated Shareholders and Own-Name Dematerialised Shareholders only;
“General Meeting”	the general meeting of Shareholders to be held at Quantum Foods Building, 11 Main Road, Wellington on Monday, 27 May 2019 at 10:00 convened in terms of the notice of General Meeting enclosed and forming part of this Circular;
“General Meeting Record Date”	in terms of section 59(1)(b) of the Companies Act, the date determined by the Directors as being the date by which a Shareholder is required to be recorded as such in the Register in order to be eligible to attend, participate in and to vote at the General Meeting, being Friday, 17 May 2019;
“Group” or “Quantum Group”	Quantum and its Subsidiaries;
“Identity Partners”	Identity Capital Partners Proprietary Limited (Registration number 2004/033754/07), a private company incorporated under the laws of South Africa, whose issued share capital is held by Sonja Emilia Ncumisa De Bruyn (42%), Telesilla Capital Proprietary Limited (29.1%), The Sophia Williams and Henry Benny Nato De Bruyn Legacy Foundation Trust (4.4%), Lumka Mlambo (5.6%), Maxwell Nyanteh (5.6%) and RMB Property HoldCo 1 Proprietary Limited (13.3%);
“Identity Partners SPV”	Business Venture Investments No 1574 (RF) Proprietary Limited (Registration number 2011/136052/07), a private company incorporated under the laws of South Africa, wholly-owned by Identity Partners;
“Identity Partners Specific Repurchase Agreement”	the agreement titled “ <i>Share Repurchase Agreement</i> ” entered into between the Company, Quantum Subco, Identity Partners SPV, Identity Partners Subco, Pioneer Foods Proprietary Limited and Pioneer Foods on or about 26 March 2019;
“Identity Partners Subco”	Business Venture Investments No 1577 (RF) Proprietary Limited (Registration number 2011/135665/07), a private company incorporated under the laws of South Africa, wholly-owned by Identity Partners SPV;
“JSE”	the exchange, licensed under the Financial Markets Act, operated by the JSE Limited (Registration number 2005/022939/06), a public company incorporated under the laws of South Africa;
“JSE Listings Requirements”	the Listings Requirements of the JSE in force as at the Last Practicable Date;
“KZN Women’s Trust”	KwaZulu Natal Agribusiness Women’s Trust, with Master’s reference IT3319/2011, a 100% black women owned economic empowerment initiative;
“KZN Women’s Trust SPV Holdco”	Tunica Trading 159 (RF) Proprietary Limited (Registration number 2011/000892/07), a private company incorporated under the laws of South Africa, wholly-owned by KZN Women’s Trust;
“KZN Women’s Trust SPV”	K2011115199 (RF) Proprietary Limited (Registration number 2011/115199/07), a private company incorporated under the laws of South Africa, wholly-owned by KZN Women’s Trust SPV Holdco;
“KZN Women’s Trust Specific Repurchase Agreement”	the agreement titled “ <i>Share Repurchase Agreement</i> ” entered into between the Company, Quantum Subco, KZN Women’s Trust SPV, KZN Women’s Trust Subco, Pioneer Foods Proprietary Limited and Pioneer Foods on or about 26 March 2019;
“KZN Women’s Trust Subco”	K2011130441 Proprietary Limited (Registration number 2011/130441/07), a private company incorporated under the laws of South Africa, wholly-owned by KZN Women’s Trust SPV;
“Last Practicable Date”	the last practicable date before finalisation of this Circular, which date was Friday, 22 March 2019;
“M I Survé”	Dr Mohammed Iqbal Survé, an adult male with identity number 630212 5225 08 0;
“M I Survé SPV”	Business Venture Investments No 1584 (RF) Proprietary Limited (Registration number 2011/135958/07), a private company incorporated under the laws of South Africa, wholly-owned by M I Survé;

“M I Survé Specific Repurchase Agreement”	the agreement titled “ <i>Share Repurchase Agreement</i> ” entered into between the Company, Quantum Subco, M I Survé SPV, M I Survé Subco, Pioneer Foods Proprietary Limited and Pioneer Foods on or about 26 March 2019;
“M I Survé Subco”	Triple Advanced Investments No 110 (RF) Proprietary Limited (Registration number 2011/128683/07), a private company incorporated under the laws of South Africa, wholly-owned by M I Survé SPV;
“MOI”	the memorandum of incorporation of the Company;
“N S Mjoli-Mncube”	Nonhlanhla Sylvia Mjoli-Mncube, an adult female with identity number 581215 0987 08 2;
“N S Mjoli-Mncube SPV”	Qubulashe Investments 2011 (RF) Proprietary Limited (Registration number 2011/136171/07), a private company incorporated under the laws of South Africa, wholly-owned by N S Mjoli-Mncube;
“N S Mjoli-Mncube Specific Repurchase Agreement”	the agreement titled “ <i>Share Repurchase Agreement</i> ” entered into between the Company, Quantum Subco, N S Mjoli-Mncube SPV, N S Mjoli-Mncube Subco, Pioneer Foods Proprietary Limited and Pioneer Foods on or about 26 March 2019;
“N S Mjoli-Mncube Subco”	Triple Advanced Investments No 108 (RF) Proprietary Limited (Registration number 2011/127627/07), a private company incorporated under the laws of South Africa, wholly-owned by N S Mjoli-Mncube SPV;
“Own-Name Registration” or “Own-Name Dematerialised Shareholders”	Shareholders who hold Shares that have been Dematerialised and are recorded by the CSDP on the sub-register kept by that CSDP in the name of such Shareholder;
“Pioneer Foods”	Pioneer Food Group Limited (Registration number 1996/017676/06), a public company incorporated under the laws of South Africa, the issued ordinary share capital of which is listed on the Main Board of the JSE;
“Pioneer Foods Proprietary Limited”	Pioneer Foods Proprietary Limited (Registration number 1957/000634/07), a private company incorporated under the laws of South Africa, a wholly-owned subsidiary of Pioneer Foods;
“Pioneer Foods Shares”	18 091 661 ordinary no par value shares in the issued share capital of Pioneer Foods;
“PSG Capital”	PSG Capital Proprietary Limited (Registration number 2006/015817/07), a private company incorporated under the laws of South Africa;
“Quantum” or “the Company”	Quantum Foods Holdings Limited (Registration number 2013/208598/06), a public company incorporated under the laws of South Africa, the issued ordinary share capital of which is listed on the Main Board of the JSE;
“Quantum Subco”	Quantum Foods Proprietary Limited (Registration number 2012/124966/07), a private company incorporated under the laws of South Africa, a wholly-owned subsidiary of the Company;
“Rand” or “R”	South African Rand;
“Riparian”	Riparian Investments Consortium 1 Proprietary Limited (Registration number 2011/127340/07), a private company incorporated under the laws of South Africa, whose issued share capital is held by Finishing Touch Trading 158 Proprietary Limited (40%), Fruit Workers Development Trust (20%) and Sentraal Suid Beleggings Proprietary Limited (40%);
“Riparian SPV”	Ripa Issuer Investments (RF) Proprietary Limited (Registration Number 2011/006113/07), a private company incorporated under the laws of South Africa, wholly-owned by Riparian;
“Riparian Specific Repurchase Agreement”	the agreement titled “ <i>Share Repurchase Agreement</i> ” entered into between the Company, Quantum Subco, Riparian SPV, Riparian Subco, Pioneer Foods Proprietary Limited and Pioneer Foods on or about 26 March 2019;
“Riparian Subco”	Ripa Issuer Subco Investments (RF) Proprietary Limited (Registration number 2011/006032/07), a private company incorporated under the laws of South Africa, wholly-owned by Riparian SPV;
“Register”	the register of Shareholders of the Company;
“SENS”	the Stock Exchange News Service of the JSE;
“Share Certificates”	share certificates evidencing the Shares held by Certificated Shareholders or any other Document of Title acceptable to the Board in its sole discretion;
“Shareholders” or “Quantum Shareholders”	registered holders of Shares;
“Shares” or “Quantum Shares”	ordinary no par value shares in the issued share capital of Quantum;

“Solvency and Liquidity Test”	the solvency and liquidity test set out in section 4(1) of the Companies Act;
“South Africa”	the Republic of South Africa;
“Specific Repurchase”	the proposed repurchase of 10 505 000 Specific Repurchase Shares by the Company and 7 586 661 Specific Repurchase Shares by Quantum Subco from the BEE Participants at the Specific Repurchase Price on the basis set out in this Circular;
“Specific Repurchase Price”	for purposes of repurchasing the Specific Repurchase Shares from the BEE Participants, a repurchase price per Specific Repurchase Share of R3.30, representing a discount of 5.839% to the volume weighted average trading price of Quantum Shares traded on the JSE over the 30 trading days up to 25 March 2019.;
“Specific Repurchase Shares”	a total of 18 091 661 Quantum Shares, comprising 10 505 000 Quantum Shares to be repurchased by the Company and 7 586 661 Quantum Shares to be repurchased by Quantum Subco in terms of the Specific Repurchase from the BEE Participants;
“Specific Share Repurchase Agreements”	collectively: <ul style="list-style-type: none"> – AEEI Specific Repurchase Agreement; – A H Sangqu Specific Repurchase Agreement; – A S M Karaan Specific Repurchase Agreement; – F A Sonn Specific Repurchase Agreement; – Identity Partners Specific Repurchase Agreement; – KZN Women’s Trust Specific Repurchase Agreement; – M I Survé Specific Repurchase Agreement; – N S Mjoli-Mncube Specific Repurchase Agreement; – Riparian Specific Repurchase Agreement; – Dipeo Capital Specific Repurchase Agreement; and – Z L Combi Specific Repurchase Agreement;
“Strate”	Strate Proprietary Limited (Registration number 1998/022242/07), a private company incorporated under the laws of South Africa, a central securities depository licensed in terms of the Financial Markets Act and responsible for the electronic clearing and settlement system provided to the JSE;
“Subsidiary” or “Subsidiaries”	a “subsidiary” as defined in the Companies Act;
“Transfer Secretaries” or “Computershare”	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company incorporated under the laws of South Africa;
“Z L Combi”	Zitulele Luke (KK) Combi, an adult male with identity number 511229 5602 08 8;
“Z L Combi SPV”	Business Venture Investments No 1582 Proprietary Limited (RF) (Registration number 2011/136014/07), a private company incorporated under the laws of South Africa, wholly-owned by Z L Combi;
“Z L Combi Specific Repurchase Agreement”	the agreement titled “ <i>Share Repurchase Agreement</i> ” entered into between the Company, Quantum Subco, Z L Combi SPV, Z L Combi Subco, Pioneer Foods Proprietary Limited and Pioneer Foods on or about 26 March 2019; and
“Z L Combi Subco”	Business Venture Investments No 1583 (RF) Proprietary Limited (Registration number 2011/137115/07), a private company incorporated under the laws of South Africa, wholly-owned by Z L Combi SPV.



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Incorporated in the Republic of South Africa

(Registration number 2013/208598/06)

Share code: QFH ISIN: ZAE000193686

("Quantum" or "the Company")

Directors

Wouter André Hanekom (*Chairman*)*#

Hendrik Albertus Lourens (*Chief executive officer*)

André Hugo Muller (*Chief financial officer*)

Norman Celliers*

Patrick Ernest Burton (*Lead independent*)*#

Geoffrey George Fortuin*#

Tanya Golden*#

Prof Abdus Salam Mohammad Karaan*#

* Non-executive

Independent

CIRCULAR TO QUANTUM SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THE CIRCULAR

- 1.1 Shareholders of Quantum are referred to the announcement released by the Company on SENS on Wednesday, 6 March 2019, in terms of which Shareholders were advised that Quantum had agreed terms with the BEE Participants for the Specific Repurchase.
- 1.2 The Specific Repurchase, in one instance, involves the repurchase by Quantum of Shares from a director and related party of Quantum, being A S M Karaan. Accordingly, the Specific Repurchase must comply with section 48(8)(a) of the Companies Act. The Specific Repurchase must also comply with paragraph 5.69 of the JSE Listings Requirements and the MOI. In terms of section 48(8) of the Companies Act, paragraph 5.69 of the JSE Listings Requirements and the MOI, the Specific Repurchase will require Shareholder approval by way of a special resolution.
- 1.3 The purpose of this Circular is to –
 - 1.3.1 provide Shareholders with the requisite information regarding the Specific Repurchase, so as to enable them to make an informed decision in respect of the resolution set out in the notice of General Meeting enclosed with this Circular; and
 - 1.3.2 convene the General Meeting at which Shareholders can consider and, if deemed fit, approve, with or without modification, the resolution authorising the implementation of the Specific Repurchase.

2. RATIONALE FOR THE TRANSACTION

- 2.1 In 2012, Pioneer Foods concluded its phase II broad-based black economic empowerment transaction ("**BEE Transaction**"), in terms of which Pioneer Foods issued the Pioneer Foods Shares to the BEE Participants. The Pioneer Foods Shares were issued subject to a lock-in period of 7 years ("**Lock-in**"). In this regard, Shareholders are referred to the Pioneer Foods announcement released on SENS on 6 March 2019 for more information on the BEE Transaction.
- 2.2 On 19 September 2014, Quantum issued a pre-listing statement as a result of the unbundling by Pioneer Foods' of its shareholding in Quantum, through a distribution in *specie* to its shareholders, which resulted in Quantum being listed on the JSE and in *inter alia* 18 091 661 Quantum Shares being distributed to the BEE Participants (such Shares being subject to the Lock-in ("**BEE Shares**"). The Lock-in expired on 15 March 2019 ("**Lock-in Period**"). Following the expiration of the Lock-in Period, the BEE Participants are entitled to sell the BEE Shares.
- 2.3 Quantum Foods has been repurchasing Shares for an extended period of time. The expiry of the Lock-in Period presented Quantum with an opportunity to repurchase a sizeable block of Shares from the BEE Participants in terms of the Specific Repurchase. From the perspective of the BEE Participants, the Specific Repurchase provides an opportunity to sell their Shares in order to, *inter alia*, settle their funding obligations (to Pioneer Foods) in terms of the BEE Transaction, settle external debt (to third party funders) or to realise value (if they are debt free).
- 2.4 In terms of the BEE Transaction, the consent of Pioneer Foods is required for the implementation of the Specific Repurchase.

3. SUMMARY OF THE SPECIFIC REPURCHASE

3.1 Overview

- 3.1.1 The Company proposes in terms of the Specific Repurchase, to repurchase the Specific Repurchase Shares at the Specific Repurchase Price. The Specific Repurchase Shares to be so repurchased constitute approximately 8.59% of the Company's issued share capital. The Specific Repurchase Shares shall be repurchased from the BEE Participants in the following proportions:

BEE Participant	Number of Specific Repurchase Shares	Percentage
AEEI	1 589 998	0.76%
A H Sangqu	86 147	0.04%
A S M Karaan	86 147	0.04%
F A Sonn	86 147	0.04%
Identity Partners	2 755 997	1.31%
KZN Women's Trust	2 755 997	1.31%
M I Survé	86 147	0.04%
N S Mjoli-Mncube	86 147	0.04%
Riparian	1 059 999	0.50%
Dipeo Capital	9 326 640	4.43%
Z L Combi	172 295	0.08%
Total	18 091 661	8.59%

Notes:

- (1) AEEI holds its Specific Repurchase Shares through AEEI Subco, which is a wholly-owned subsidiary of AEEI SPV.
 - (2) A H Sangqu holds his Specific Repurchase Shares through A H Sangqu Subco, which is a wholly-owned subsidiary of A H Sangqu SPV.
 - (3) A S M Karaan holds his Specific Repurchase Shares through A S M Karaan Subco, which is a wholly-owned subsidiary of A S M Karaan SPV.
 - (4) F A Sonn holds his Specific Repurchase Shares through F A Sonn Subco, which is a wholly-owned subsidiary of F A Sonn SPV.
 - (5) Identity Partners holds its Specific Repurchase Shares through Identity Partners Subco, which is a wholly-owned subsidiary of Identity Partners SPV.
 - (6) KZN Women's Trust holds its Specific Repurchase Shares through KZN Women's Trust Subco, which is a wholly-owned subsidiary of KZN Women's Trust SPV, which, in turn, is a wholly-owned subsidiary of KZN Women's Trust SPV Holdco.
 - (7) M I Survé holds his Specific Repurchase Shares through M I Survé Subco, which is a wholly-owned subsidiary of M I Survé SPV.
 - (8) N S Mjoli-Mncube holds her Specific Repurchase Shares through N S Mjoli-Mncube Subco, which is a wholly-owned subsidiary of N S Mjoli-Mncube SPV.
 - (9) Riparian holds its Specific Repurchase Shares through Riparian Subco, which is a wholly-owned subsidiary of Riparian SPV.
 - (10) Dipeo Capital holds its Specific Repurchase Shares through Dipeo Capital Subco, which is a wholly-owned subsidiary of Dipeo Capital SPV.
 - (11) Z L Combi holds his Specific Repurchase Shares through Z L Combi Subco, which is a wholly-owned subsidiary of Z L Combi SPV.
- 3.1.2 The Specific Repurchase Price will be settled in cash on the implementation date of the Specific Repurchase from available cash resources.
- 3.1.3 In terms of section 48(8)(a) of the Companies Act, paragraph 5.69 of the JSE Listings Requirements and the MOI, a special resolution of the Company must be passed by Shareholders in order to implement the Specific Repurchase.
- 3.1.4 The Specific Repurchase Shares will, once repurchased by Quantum, be cancelled in accordance with the Companies Act and their listing on the JSE terminated on, or as soon as possible after, the implementation of the Specific Repurchase. The Specific Repurchase Shares to be purchased by Quantum Subco, will be held as treasury shares. The Shares held in treasury will be used for corporate purposes going forward.
- 3.1.5 Quantum will not implement the Specific Repurchase during a prohibited period as defined in paragraphs 3.67 of the JSE Listings Requirements.

3.2 **Conditions Precedent**

- 3.2.1 The Specific Share Repurchase Agreements are all subject to the same outstanding conditions precedent, which are as follows:
- 3.2.1.1 by no later than 31 May 2019, FirstRand Bank Limited, acting through its Rand Merchant Bank Division, has provided its required consent for the Specific Repurchase, in its own name or as agent for holders of preference shares in each respective BEE Participant SPV; and
 - 3.2.1.2 by no later than 31 May 2019, and to the extent necessary, all Shareholder approvals required in terms of the Companies Act and the JSE Listings Requirements for the implementation of the Specific Repurchase have been obtained.

4. **EXCHANGE CONTROL REGULATIONS**

The following is a summary of the Exchange Control Regulations. It is intended as a guide only and is not a comprehensive statement of the Exchange Control Regulations which apply to Shareholders. Shareholders who have any queries regarding the Exchange Control Regulations should contact their own professional advisors without delay.

4.1 **Emigrants from the Common Monetary Area**

- 4.1.1 The Specific Repurchase Price is not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations.
- 4.1.2 The Specific Repurchase Price due to a BEE Participant who is an emigrant from South Africa, whose registered address is outside the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, will be deposited in a blocked account with the BEE Participant's authorised dealer in foreign exchange in South Africa (controlling the BEE Participant's blocked assets in accordance with his instructions), against delivery of the relevant Documents of Title.

4.2 **All other non-residents of the Common Monetary Area**

- 4.2.1 The Specific Repurchase Price due to an "own-name" BEE Participant who is a non-resident of South Africa and who has never resided in the Common Monetary Area, whose registered address is outside the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, will be deposited with the authorised dealer in foreign exchange in South Africa nominated by such BEE Participant. It will be incumbent on the BEE Participant concerned to instruct the nominated authorised dealer as to the disposal of the Specific Repurchase Price against delivery of the relevant Documents of Title.
- 4.2.2 All CSDPs and Brokers with whom Shares have been Dematerialised should note that they are required to comply with the Exchange Control Regulations set out above.

5. **ADEQUACY OF CAPITAL**

- 5.1 The Directors have considered the impact of the Specific Repurchase and are of the opinion that:
- 5.1.1 the relevant provisions of section 4 and section 48 of the Companies Act in relation to the Specific Repurchase have been complied with;
 - 5.1.2 Quantum and the Group will be able, in the ordinary course of business, to pay their debts for a period of 12 months from the date of approval of this Circular;
 - 5.1.3 the assets of Quantum and the Group will be in excess of their liabilities for a period of 12 months from the date of approval of this Circular, where for this purpose, the assets and liabilities are recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements of Quantum and the Group, which comply with the Companies Act;
 - 5.1.4 the share capital and reserves of Quantum and the Group will be adequate for ordinary business purposes for a period of 12 months from the date of approval of this Circular; and
 - 5.1.5 the working capital of Quantum and the Group will be adequate for ordinary business purposes for a period of 12 months from the date of approval of this Circular.
- 5.2 Furthermore, the Directors state as follows:
- 5.2.1 in terms of section 46(1)(a)(ii) of the Companies Act and paragraph 5.69(d) of the JSE Listings Requirements, the Board has, by resolution, authorised the Specific Repurchase;
 - 5.2.2 in terms of section 46(1)(b) of the Companies Act, it reasonably appears that Quantum and the Group will satisfy the Solvency and Liquidity Test immediately after completing the Specific Repurchase; and
 - 5.2.3 in terms of section 46(1)(c) of the Companies Act and paragraph 5.69 of the JSE Listings Requirements, the Board has, by resolution, acknowledged that it has applied the Solvency and Liquidity Test, and reasonably concluded that Quantum and the Group will satisfy the Solvency and Liquidity Test immediately after completing the Specific Repurchase and that, since the Solvency and Liquidity Test was performed, there have been no material changes to the financial position of any company in the Group.

6. FINANCIAL INFORMATION

6.1 The Specific Repurchase will be funded through the use of cash to the extent available at the time of the Specific Repurchase and existing bank facilities. As such, the impact of the Specific Repurchase on the financial information of Quantum is as follows:

- 6.1.1 on the basis that cash resources will be used to settle the total Specific Repurchase consideration and associated costs, a decrease in the available cash resources of R60.6 million;
- 6.1.2 a decrease in the net interest income before taxation of approximately R4.2 million per annum, assuming a weighted average interest rate of 7% per annum;
- 6.1.3 a decrease in Quantum's issued ordinary shares of 10 505 000; and
- 6.1.4 an increase in treasury shares held by Quantum Subco of 7 586 661 Shares.

7. INFORMATION RELATING TO QUANTUM

7.1 Share capital

The authorised and issued ordinary share capital of Quantum, before and after the Specific Repurchase, is set out below:

Before the Specific Repurchase	Number of Shares	R'000
Authorised share capital		
Ordinary shares of no par value	400 000 000	–
Issued share capital		
Stated capital – ordinary shares of no par value	210 529 716	1 500 248
Treasury shares	–	–

After the Specific Repurchase	Number of Shares	R'000
Authorised share capital		
Ordinary shares of no par value	400 000 000	–
Issued		
Stated capital – ordinary shares of no par value	200 024 716	1 465 069
Treasury shares	7 586 661	25 406

7.2 Major Shareholders

7.2.1 As at the Last Practicable Date, insofar as it is known to the Company, the following Shareholders are directly or indirectly beneficially interested in 5% or more of the share capital of Quantum:

Name	Number of Shares held beneficially	%
Zeder Investment Limited	61 620 084	29.27%
Allan Gray Proprietary Limited (on behalf of clients)	30 691 085	14.58%
Old Mutual Investment Group (on behalf of clients)	15 253 947	7.25%
Total	107 565 116	51.09%

Note: Allan Gray Proprietary Limited is the appointed discretionary investment manager of clients who are beneficial and/or registered holders of Quantum Shares. Allan Gray Proprietary Limited is not the beneficial owner of the Quantum Shares.

7.2.2 Following the implementation of the Specific Repurchase, insofar as it is known to the Company, the following Shareholders will be directly or indirectly beneficially interested in 5% or more of the share capital of Quantum:

Name	Number of Shares held beneficially	%
Zeder Investment Limited	61 620 084	30.81%
Allan Gray Proprietary Limited (on behalf of clients)	30 691 085	15.34%
Old Mutual Investment Group (on behalf of clients)	15 253 947	7.63%
Total	107 565 116	53.78%

Note: Allan Gray Proprietary Limited is the appointed discretionary investment manager of clients who are beneficial and/or registered holders of Quantum Shares. Allan Gray Proprietary Limited is not the beneficial owner of the Quantum Shares.

7.3 Material changes

There have been no material changes in the financial or trading position of Quantum and the Group since the end of its last financial period, being 30 September 2018, up to and including the Last Practicable Date, save for as advised in the voluntary trading update published on SENS on 14 March 2019.

7.4 Material contracts

There have been no material contracts, other than the Specific Share Repurchase Agreements, entered into either verbally or in writing by Quantum or its Subsidiaries, being restrictive funding arrangements and/or a contract entered into otherwise than in the ordinary course of the business carried on or proposed to be carried on by Quantum and/or its Subsidiaries, within the two years preceding the Last Practicable Date, or concluded at any time, and which contain an obligation or settlement that is material to Quantum and/or its Subsidiaries at the date of this Circular.

8. INFORMATION RELATING TO THE DIRECTORS

8.1 Directors' service contracts

Each of the executive Directors have concluded service contracts with terms and conditions that are appropriate for such appointments, which are available for inspection in terms of paragraph 16 below. No service contracts have been entered into or amended within the 6 months prior to the Last Practicable Date.

8.2 Directors' interests

8.2.1 The direct and indirect interests of the Directors and their associates (including a Director who has resigned during the last 18 months) in the share capital of the Company as at the Last Practicable Date, are set out below:

Director	Number of Shares held directly	Number of Shares held indirectly	% of Shares in issue held
W A Hanekom	–	7 524 758	3.57%
H A Lourens	698 551	–	0.33%
A H Muller	243 306	–	0.12%
N Celliers	–	–	0.00%
P E Burton	–	9 648	0.00%
G G Fortuin	–	–	0.00%
T Golden	–	–	0.00%
Prof A S M Karaan	–	86 147	0.04%
Total	941 857	7 620 553	4.07%

The direct and indirect interests of the Directors and their associates (including a Director who has resigned during the last 18 months) in the share capital of the Company following the implementation of the Specific Repurchase, are set out below:

Director	Number of Shares held directly	Number of Shares held indirectly	% of Shares in issue held
W A Hanekom	–	7 524 758	3.76%
H A Lourens	698 551	–	0.35%
A H Muller	243 306	–	0.12%
N Celliers	–	–	0.00%
P E Burton	–	9 648	0.00%
G G Fortuin	–	–	0.00%
T Golden	–	–	0.00%
Prof A S M Karaan	–	–	0.00%
Total	941 857	7 534 406	4.24%

8.3 Directors' Interests in transactions

Save for being a Shareholder of Quantum, no Director (including a Director who has resigned during the last 18 months) has or had any material beneficial interest, directly or indirectly, in any transactions that were effected by Quantum –

8.3.1 during the current or immediately preceding financial year; or

8.3.2 in any previous financial year which remains in any respect outstanding or unperformed, other than the Specific Repurchase.

9. IRREVOCABLE UNDERTAKINGS

- 9.1 As at the Last Practicable Date, the following Shareholders have provided irrevocable undertakings to vote in favour of all resolutions necessary to approve and implement the Specific Repurchase:

Shareholder	Number of Shares undertaken to vote	% of Quantum' issued share capital	% of shares eligible to vote
Zeder Investment Limited	61 620 084	29.27%	32.02%
Allan Gray Proprietary Limited (on behalf of clients)	30 691 085	14.58%	15.95%
Total	92 311 169	43.85%	47.97%

Note: Allan Gray proprietary Limited is the appointed discretionary investment manager of clients who are beneficial and/or registered holders of Quantum Shares. Allan Gray Proprietary Limited is not the beneficial owner of the Quantum Shares but has irrevocably undertaken to procure that its clients vote in favour of the special resolution to approve the Specific Repurchase. The irrevocable undertaking is subject to the continuing mandates of Allan Gray Proprietary Limited's clients in their current form and in the absence of any instructions from its clients to the contrary.

10. GENERAL MEETING AND VOTING

- 10.1 The General Meeting will be held at the Quantum Foods Building, 11 Main Road, Wellington on Monday, 27 May 2019 at 10:00 for purposes of considering and, if deemed fit, passing the special resolution required to authorise the implementation of the Specific Repurchase.
- 10.2 The notice convening the General Meeting is attached to and forms part of this Circular. Full details of the action required by Shareholders is set out in the "Action Required by Shareholders" section of this Circular.
- 10.3 The special resolution relating to the Specific Repurchase is set out in the notice of General Meeting and is subject to at least 75% of the votes cast by shareholders, present in person or represented by proxy at the General Meeting, being cast in favour thereof. The BEE Participants and their associates will be excluded from voting on the special resolution to approve the Specific Repurchase.

11. EXPENSES

- 11.1 There have been no preliminary expenses relating to the Specific Repurchase incurred by Quantum in the three years immediately preceding the date of this Circular.
- 11.2 The estimated expenses of Quantum in relation to the Specific Repurchase, including the fees payable to professional advisors, exclusive of Value Added Tax, are as follows:

	R'000
Sponsor and Transaction Advisor – PSG Capital	300
Legal Advisor – Cliffe Dekker Hofmeyr	230
Share transfer costs (Brokers fees and security transfer tax)	200
JSE documentation fees	22
Transfer Secretaries – Computershare	10
Printing, publication, distribution and advertising expenses – Greymatter & Finch	70
Contingency	50
Total	882

12. RESPONSIBILITY STATEMENTS

The Directors of Quantum, whose names appear in the "Corporate Information" section of this Circular, collectively and individually accept full responsibility for the accuracy of the information given and 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 this Circular contains all information required by the JSE Listings Requirements.

13. ADVISORS' CONSENTS

Each of the advisors whose names appear in the "Corporate Information" section of this Circular, have consented in writing to act in the capacities stated and to the inclusion of their names and, where applicable, to the inclusion of their reports in this Circular in the form and context in which they appear and have not withdrawn their consents prior to the Last Practicable Date.

14. SPONSOR AND TRANSACTION ADVISOR

As indicated in this Circular, PSG Capital fulfils the functions of sponsor and transaction advisor to the Company. It is PSG Capital's opinion that the performance of these functions do not represent a conflict of interest for PSG Capital, impair PSG Capital's independence from the Company or impair PSG Capital's objectivity in its professional dealings with the Company or in relation to the matters contemplated in this Circular.

15. LITIGATION STATEMENT

There are no legal or arbitration proceedings, including any proceedings that are pending or threatened of which Quantum or its Subsidiaries are aware, which may have or have had a material effect on the financial position of the Group in the last twelve months.

16. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the registered office of Quantum and at the offices of the Sponsor and Transaction Advisor, during normal office hours, from the date of issue of this Circular up to and including Monday, 27 May 2019:

- 16.1 the MOI of Quantum;
- 16.2 the Specific Share Repurchase Agreements;
- 16.3 the service contracts of the executive Directors;
- 16.4 the irrevocable undertakings received by the Company from Shareholders; and
- 16.5 the written consents referred to in paragraph 13.

SIGNED AT WELLINGTON ON FRIDAY, 5 APRIL 2019 ON BEHALF OF ALL THE DIRECTORS OF THE COMPANY, AS LISTED BELOW, IN TERMS OF POWERS OF ATTORNEY SIGNED BY SUCH DIRECTORS



H A LOURENS
Chief Executive Officer

Wouter André Hanekom (*Chairman*)*#
Hendrik Albertus Lourens (*Chief executive officer*)
André Hugo Muller (*Chief financial officer*)
Norman Celliers*
Patrick Ernest Burton (*Lead independent*)*#
Geoffrey George Fortuin*#
Tanya Golden*#
Prof Abdus Salam Mohammad Karaan **

* *Non-executive*

Independent



QUANTUM FOODS HOLDINGS LIMITED
Incorporated in the Republic of South Africa
(Registration number 2013/208598/06)
Share code: QFH ISIN: ZAE000193686
("Quantum" or "the Company")

NOTICE OF GENERAL MEETING

The definitions and interpretations commencing on page 4 of this Circular, which Circular also contains this notice of General Meeting apply in this notice of General Meeting, unless the context requires otherwise.

Shareholders are reminded that:

- a Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy (or more than one proxy) to attend, participate in and vote at the General Meeting in the place of the Shareholder. In this regard, Shareholders are referred to the attached Form of Proxy (grey);
- an appointed proxy need not also be a Shareholder of the Company;
- in terms of section 63(1) of the Companies Act, any person attending and/or participating in a meeting of Shareholders must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as Shareholder or as proxy for a Shareholder) has been reasonably verified.

If you are in any doubt as to what action to take in relation to this Circular, please consult your CSDP, Broker, banker, attorney, accountant or other professional advisor immediately.

In terms of section 59 of the Companies Act, the last date to trade in Shares in order to be eligible to attend, participate in and vote at the General Meeting is Tuesday, 14 May 2019 and the General Meeting Record Date is Friday, 17 May 2019.

Notice of General Meeting

Notice is hereby given that the General Meeting of Shareholders will be held at 10:00 on Monday, 27 May 2019 at the Quantum Foods Building, 11 Main Road, Wellington, to consider and, if deemed fit, to pass, with or without modification, the following resolution:

SPECIAL RESOLUTION NUMBER 1 – SPECIFIC REPURCHASE

"RESOLVED THAT, in terms of sections 48(8)(a) of the Companies Act, paragraph 5.69 of the JSE Listings Requirements and the MOI, the Company and Quantum Subco be authorised to repurchase 10 505 000 Quantum Shares and 7 586 661 Quantum Shares, respectively, which in aggregate constitutes 8.59% of the Shares in Quantum from the BEE Participants, at the Specific Repurchase Price, upon the terms and conditions as are contained in the Circular to which this notice of General Meeting is attached, and at which this resolution will be proposed."

In terms of the Companies Act and the JSE Listings Requirements, for Special Resolution Number 1 to be adopted, at least 75% of the voting rights exercised on such resolution by Shareholders present in person or represented by proxy and entitled to vote on this resolution at the General Meeting, must be cast in favour of Special Resolution Number 1. The BEE Participants and their associates will be excluded from voting on Special Resolution Number 1.

Reason and effect of Special Resolution Number 1

The reasons for Special Resolution Number 1 are that (i) the Companies Act requires shareholders to approve, by way of special resolution, the repurchase by the Company of shares from a director of the company or a person related to a director of the company; and (ii) the JSE Listings Requirements and the MOI require shareholders to approve, by way of special resolution, any specific repurchase by the Company and Quantum Subco of the Shares in Quantum. The effects of Special Resolution Number 1 will be that the Company and Quantum Subco will be authorised to implement the Specific Repurchase as described in detail in the Circular, which Circular also contains this notice of General Meeting. The BEE Participants and their associates will be excluded from voting on Special Resolution Number 1.

VOTING AND PROXIES

A Shareholder entitled to attend, speak and vote at the General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his or her stead. A proxy need not be a Shareholder of the Company.

For the convenience of Certificated Shareholders and Own-Name Dematerialised Shareholders, a Form of Proxy (*grey*) is enclosed herewith. Duly completed Forms of Proxy must be lodged with the Transfer Secretaries, at Rosebank Towers, 15 Biermann Ave, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107) or emailed to the Transfer Secretaries at proxy@computershare.co.za for administrative purposes no later than 10:00 on Thursday, 23 May 2019 or handed to the chairperson of the General Meeting before the appointed proxy exercises any of the relevant Shareholder's rights at the General Meeting (or any adjournment of the General Meeting) (should a Shareholder lodge a Form of Proxy with the Transfer Secretaries less than 48 hours before the General Meeting, such Shareholder will also be required to furnish a copy of such Form of Proxy to the chairperson of the General Meeting before the appointed proxy exercises any of such Shareholder's rights at the General Meeting (or any adjournment of the General Meeting)).

Dematerialised Shareholders without Own-Name Registration who wish to attend the General Meeting in person should request their CSDP or Broker to provide them with the necessary letter of representation in terms of their Custody Agreement with their CSDP or Broker. Dematerialised Shareholders without Own-Name Registration who do not wish to attend but wish to be represented at the General Meeting must advise their CSDP or Broker of their voting instructions. Dematerialised Shareholders without Own-Name Registration should contact their CSDP or Broker with regard to the cut-off time for their voting instructions.

By order of the Board

M O Gibbons

Company Secretary

Registered address

11 Main Road
Wellington
7655
(PO Box 1183, Wellington, 7654)

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Ave
Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)
proxy@computershare.co.za



QUANTUM FOODS HOLDINGS LIMITED
 Incorporated in the Republic of South Africa
 (Registration number 2013/208598/06)
 Share code: QFH ISIN: ZAE000193686
 ("Quantum" or "the Company")

FORM OF PROXY

TO BE COMPLETED BY CERTIFICATED SHAREHOLDERS AND DEMATERIALIZED SHAREHOLDERS WITH "OWN-NAME" REGISTRATION ONLY

I/We _____
 (print names in full)
 of (address) _____
 telephone number _____
 cellphone number _____
 e-mail address _____

being a Shareholder of Quantum and entitled to _____ votes, hereby appoint
 1. _____ of _____ or failing him/her,
 2. _____ of _____ or failing him/her,
 3. the chairperson of the General Meeting,

as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of Quantum to be held at 10:00 on Monday, 27 May 2019 at the Quantum Foods Building, 11 Main Road, Wellington, and at any adjournment thereof, as follows:

	For	Against	Abstain
Special Resolution Number 1 – Specific Repurchase			

Please indicate with an "X" in the appropriate space above how you wish your vote to be cast in respect of the above resolution should you wish to vote all Quantum Shares held, or insert the actual number of Shares should you wish to vote part of your Quantum Shares held.
 If you return this form duly signed without any specific directions the proxy holder will vote or abstain at his/her discretion.
 Signed this _____ day of _____ 2019
 Signature _____

Please read the notes on the reverse side hereof.

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In terms of section 58 of the Companies Act:

- a Shareholder may appoint any individual (including an individual who is not a Shareholder) as a proxy to participate in, and speak and vote at, the General Meeting on behalf of such Shareholder;
- any appointed proxy of a Shareholder may delegate authority to act on behalf of that Shareholder to another person, subject to any restriction set out in the instrument appointing such proxy (see note 15 below);
- irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant Shareholder chooses to act directly and in person at the General Meeting in the exercise of any of such Shareholder's rights as a Shareholder (see note 5 below);
- any appointment by a Shareholder of a proxy is revocable, unless the form or instrument used to appoint such proxy states otherwise;
- if an appointment of a proxy is revocable, a Shareholder may revoke the proxy appointment by: (i) cancelling it in writing or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and the Company; and
- a proxy appointed by a Shareholder is entitled to exercise, or abstain from exercising, any voting right of such Shareholder without direction, except to the extent that the Company's MOI, or the instrument appointing the proxy, provides otherwise (see note 3 below).

Notes to this Form of Proxy:

1. Each Shareholder is entitled to appoint one or more proxies (none of whom need be a Shareholder of the Company) to attend, speak and vote in place of that Shareholder at the General Meeting.
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/s provided, with or without deleting "the chairperson of the General Meeting" but the Shareholder must initial any such deletion. The person whose name stands first on this 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.
3. A Shareholder's instructions to the proxy must be indicated by the insertion of an "X" should the Shareholder wish the proxy to exercise all of its votes or the relevant number of votes exercisable by the Shareholder and its proxy in the relevant boxes provided. Failure to comply with the above will be deemed to authorise and direct the proxy to vote or abstain from voting at the General Meeting as such proxy deems fit, in respect of all of the Shareholder's votes exercisable at the General Meeting.
4. Completed Forms of Proxy and the authority (if any) under which they are signed must be lodged with or posted to the Transfer Secretaries, at Rosebank Towers, 15 Biermann Ave, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107) or emailed to the Transfer Secretaries at proxy@computershare.co.za for administrative purposes to be received by the Transfer Secretaries by no later than 10:00 on Thursday, 23 May 2019, or handed to the chairperson of the General Meeting before the appointed proxy exercises any of the relevant Shareholder's rights at the General Meeting (or any adjournment of the General Meeting) (should a Shareholder lodge a Form of Proxy with the Transfer Secretaries less than 48 hours before the General Meeting, such Shareholder will also be required to furnish a copy of such Form of Proxy to the chairperson of the General Meeting before the appointed proxy exercises any of such Shareholder's rights at the General Meeting (or any adjournment of General Meeting)).
5. The completion and lodging of this Form of Proxy will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so.
6. The chairperson of the General Meeting may accept or reject any Form of Proxy not completed and/or received in accordance with these notes or with the MOI.
7. Any alteration or correction made to this Form of Proxy must be initialled by the signatory/ies.
8. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this Form of Proxy, unless previously recorded by Quantum or the Transfer Secretaries.
9. Where this Form of Proxy is signed under power of attorney, such power of attorney must accompany this Form of Proxy, unless it has been previously recorded by Quantum or the Transfer Secretaries or waived by the chairperson of the General Meeting.
10. Where Shares are held jointly, all joint holders are required to sign this Form of Proxy.
11. A minor Shareholder must be assisted by his/her parent/guardian, unless the relevant documents establishing his/her legal capacity are produced or have been previously recorded by Quantum or the Transfer Secretaries.
12. Dematerialised Shareholders who do not own Shares with Own-Name Registration and who wish to attend the General Meeting, or to vote by way of proxy, must contact their CSDP or Broker who will furnish them with the necessary letter of representation to attend the General Meeting or to be represented thereat by proxy. This must be done in terms of the Custody Agreement between the Shareholder and such Shareholder's CSDP or Broker.
13. This Form of Proxy shall be valid at any resumption of an adjourned General Meeting to which it relates, although this Form of Proxy shall not be used at the resumption of an adjourned General Meeting if it could not have been legally used at the General Meeting from which it was adjourned. This Form of Proxy shall, in addition to the authority conferred by the Companies Act except insofar as it provides otherwise, be deemed to confer the power generally to act at the General Meeting in question, subject to any specific direction contained in this Form of Proxy as to the manner of voting.
14. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the death of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Share in respect of which the proxy is given, provided that no notification in writing of such death, revocation or transfer as aforesaid shall have been received timeously by the Transfer Secretaries.
15. Any proxy appointed pursuant to this Form of Proxy may not delegate his/her authority to act on behalf of the relevant Shareholder.
16. In terms of section 58 of the Companies Act, unless revoked, an appointment of a proxy pursuant to this Form of Proxy remains valid only until the end of the General Meeting or any adjournment of the General Meeting.

Registered address

11 Main Road
Wellington
7655
(PO Box 1183, Wellington, 7654)

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Ave
Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)
proxy@computershare.co.za