



# TRELLIDOR HOLDINGS LIMITED

## Integrated Annual Report 2018

# Contents

- 1 About this report

## GROUP OVERVIEW

- 3 Who is Trelidor
- 4 Highlights
- 5 Group Structure
- 6 Leadership

## HOW THE GROUP CREATES VALUE

- 10 Capitals
- 12 Growth Strategy
- 14 Business Model
- 16 Risk and Opportunities
- 17 Stakeholders
- 18 Chairman's Report

## VALUE OUTCOMES

- 21 CEO's Report
- 25 How Trelidor Creates Value
- 29 How Taylor Creates Value

## HOW THE GROUP IS GOVERNED

- 34 Corporate Governance Report
- 41 Social and Ethics Committee Report
- 44 Remuneration Report

## ANNUAL FINANCIAL RESULTS

- 52 Audit, Risk and Compliance Committee Report
- 55 Directors' Approval
- 55 Company Secretary's Certification
- 55 Independent Auditor's Report
- 56 Directors' Report
- 58 Summarised Consolidated Statement of Financial Position
- 59 Summarised Consolidated Statement of Profit or Loss and Other Comprehensive Income
- 60 Summarised Consolidated Statement of Changes in Equity
- 61 Summarised Consolidated Statement of Cash Flows
- 62 Notes to the Summarised Consolidated Financial Results

## SHAREHOLDER INFORMATION

- 67 Shareholder Analysis
- 68 Shareholder Diary
- 69 Notice of Annual General Meeting
- inserted Form of Proxy
- ibc Corporate Information

### TRELLIDOR HOLDINGS LIMITED

("Trelidor", "the Company" or "Group")

Registration number: 1970/015401/06

JSE share code: TRL

ISIN: ZAE000209342

## Navigation

### SIX CAPITALS



HUMAN  
CAPITAL



FINANCIAL  
CAPITAL



SOCIAL  
CAPITAL



INTELLECTUAL  
CAPITAL



MANUFACTURED  
CAPITAL



NATURAL  
CAPITAL

### PAGE REFERENCES

SEE PAGE 10

This integrated annual report covers the operational activities and financial performance of the Group for the financial year ended 30 June 2018.

## Corporate information

Trellidor's executive directors are CEO, Terry Dennison and CFO, Craig Cunningham. The Group's independent non-executive Chairman is Mark Olivier.

They can be contacted via Trellidor at 20 Aberdare Drive, Phoenix Industrial Park, Durban, Tel: +27 31 508 0800. For additional contact details please see the inside back cover. Trellidor welcomes feedback and any suggestions for the Company's future reports. Please forward any comments to [investor.relations@trellidor.co.za](mailto:investor.relations@trellidor.co.za).

## Basis of preparation

This report was prepared in accordance with the requirements of the South African Companies Act, No 71 of 2008, as amended ("Companies Act"), the JSE Listings Requirements, the principles of King IV™ (*Copyright and trademarks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved*) and the International Integrated Reporting Framework and strives to provide a transparent and balanced appraisal of the material issues that faced our business during the year under review. The report aims to provide, in an integrated manner, an account of our financial and non-financial performance of the Group. It also addresses the material issues, risks and opportunities faced by the Group in the normal course of business as well as the Group's governance, social and environmental responsibilities to create value, in the short, medium and long term for each of its identified stakeholders.

The Trellidor integrated report contains a summary extract of the annual financial statements. The integrated report, as well as the comprehensive annual financial statements for the financial year ended 30 June 2018, are available on the Company's website at [www.trellidor.co.za](http://www.trellidor.co.za).

## Assurance

The Company's external auditor, Mazars, has provided assurance on the annual financial statements and expressed an unqualified audit opinion. The financial statements have been prepared under the supervision of Craig Cunningham the CFO of Trellidor.

The content of the integrated annual report has been reviewed by the Board but has not been externally assured.

## Forward-looking statements

This report may include certain forward-looking statements concerning the Group's strategy, financial conditions, growth plans and expectations. These involve inherent risks and uncertainties and, if one or more of these risks materialise, or should the underlying assumptions prove incorrect, actual results may be different from those anticipated. Forward-looking statements apply only as of the date on which they are made, and Trellidor does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. No assurance can therefore be given that these views will prove to be correct and no representation or warranty expressed or implied is given as to the accuracy or completeness of such views.

## Statement of responsibility

The Audit, Risk and Compliance Committee and the Board acknowledge their responsibility to ensure the integrity of this integrated annual report and have collectively assessed its content. The Board has applied its mind to the Integrated Report and in its opinion this report addresses the material issues and is a fair representation of the integrated performance of the Group. The Board has approved the report for presentation to stakeholders.

**Mark Olivier**  
Chairman

**Terry Dennison**  
CEO

**Ralph Patmore**  
Chairman Audit, Risk and Compliance Committee



# GROUP OVERVIEW



# Who is Trellidor

Trellidor Group comprises, the JSE listed Trellidor Holdings Limited and two main operating segments, Trellidor and Taylor.

Trellidor is a leading African manufacturer of custom-made barrier security with an extensive franchisee network. Taylor is a leading manufacturer of custom-made blinds and shutters and a distributor of NMC product in South Africa and parts of Africa.



# Highlights

## Financial

NET CASH  
FROM OPERATING  
ACTIVITIES

↑ **9.3%**  
to R68.1 million

RETURN ON EQUITY

**28%**

FINAL DIVIDEND

**16.2**  
cents per share

## Non-financial

New  
**Shutterguard**  
range

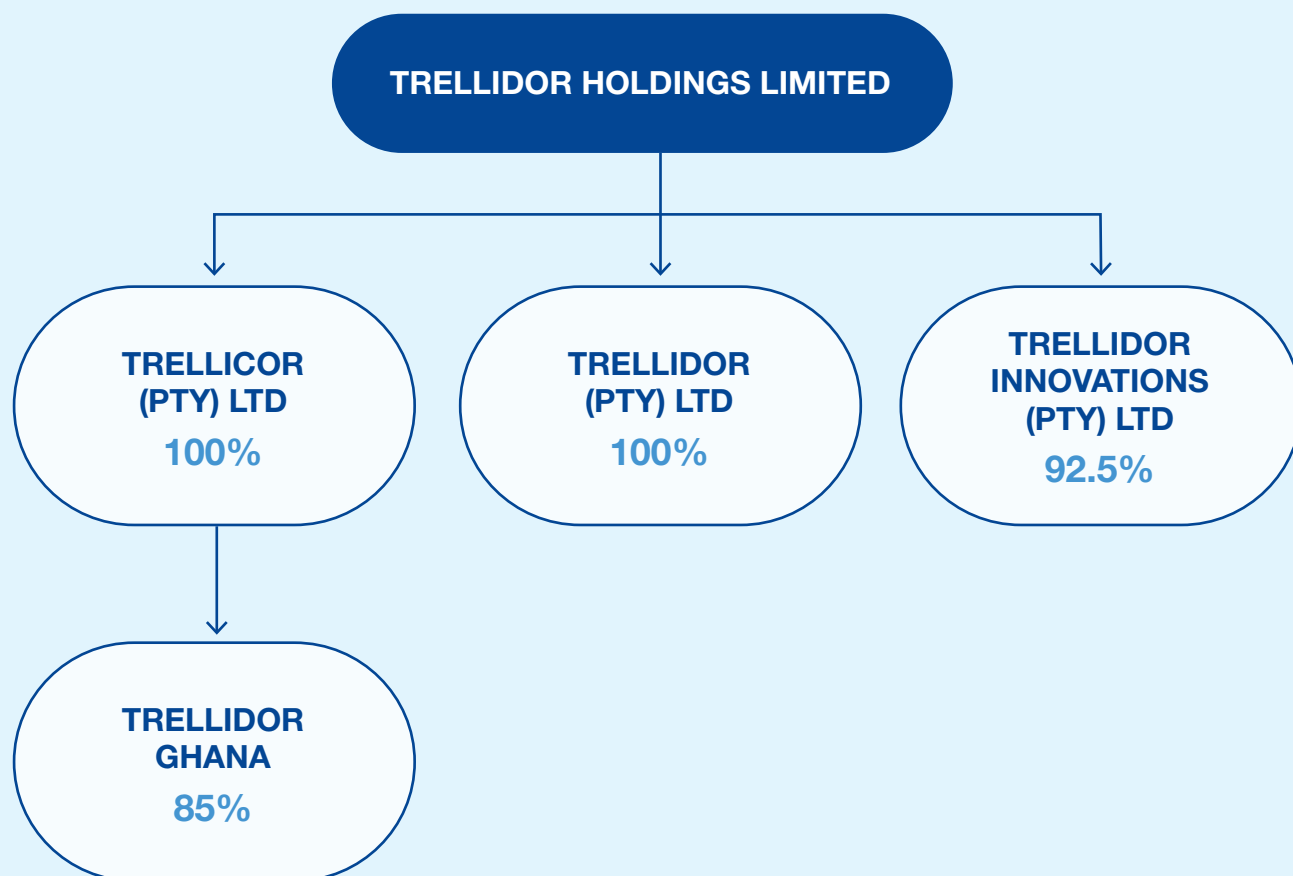
New  
**Roller blind**  
range

**LPCB level 3**  
retractable Trellidor  
developed for UK





# Group structure



# Our leadership

## Executive directors and officers



### Terence Mark Dennison (51)

CEO

CA(SA) ("Terry")

#### Appointed to the Board: 1 June 2002

Terry joined Trellidor as financial director in 1999 and has fulfilled the position as chief executive officer since 2001.

Prior to his time at the Company, Terry was in various senior management positions at agricultural processing companies owned by the Commonwealth Development Corporation.

Terry qualified with KPMG as a chartered accountant in 1992.



### Craig Gavin Cunningham (43)

CFO

CA(SA)

#### Appointed to the Board: 27 August 2015

Craig is a chartered accountant with experience post-articles with Ernst and Young and Citigroup in the United Kingdom ("UK").

Prior to joining Trellidor Craig held financial management posts at logistics companies Unitrans and Manline.



### Peter Walter Edward Rawson (61)

Group Sales and Marketing Executive

BA (Rhodes) ("Pete")

#### Prescribed officer

Pete joined the Company in 1996 as head of the Sales and Marketing team and was appointed as a director on 26 October 2006.

Pete resigned from the Board on 27 August 2015 as part of the Board's reconfiguration pre-listing.

He remains part of the executive team and sits on the Board of a main operating subsidiary.

## Leadership process

### Roles and responsibilities

- The Chairman provides independent Board leadership and guidance, facilitates suitable deliberation on matters requiring the Board's attention and ensures the efficient operation of the Board as a unit.
- Ultimate control of the Group rests with the Board of directors and the Board is responsible for setting the strategic direction of the Group, while the CEO and executive management are responsible for the implementation of the Group's strategy and the day-to-day operational decisions and business activities.
- The non-executive directors are individuals of high calibre and credibility, and have the necessary skills and experience to bring judgement to bear, independently of management, on issues of strategy formulation, performance management, resources planning and allocation, transformation and employment equity, standards of conduct, and other important decisions. The Board operates according to a Board Charter, which is available at [www.trellidor.co.za](http://www.trellidor.co.za).

### Evaluation

To improve the Board's effectiveness, formal evaluations of the Board, individual directors, Board Committees and the Chairman are conducted every two years. Appropriate measures are taken to address any weaknesses highlighted through the evaluation processes. The evaluation was completed for the prior year-end. An informal review was completed for the year-end. It was found that the Board has duly completed its responsibilities during the year in accordance with its Charter.



## Independent non-executive directors



**Mark Cyril Olivier (49)**

**Chairman**  
CA(SA)

**Appointed to the Board:  
26 October 2006**

Mark has over 25 years' experience in managing debt, property and private equity assets and providing corporate finance and strategic advice, predominantly to public companies in the UK.

Before establishing Hibridge Capital, a boutique investment banking business, Mark was a shareholder and employee of Hawkpoint Partners, a UK-based corporate advisor and also worked for BoE Limited, serving on the executive committee of the bank's international business headquartered in London.

Currently Mark is a non-executive director of Greenbay Properties Limited, a property investment company listed in both South Africa and Mauritius and also Chairman of African Rainbow Capital Investments, a financial services and private equity company listed on the JSE.

Mark was previously a non-executive director of the Dynasty Group, a China-based retail property fund owned and managed by Macquarie Bank and Blackstone Inc. and also the Chairman of Rockcastle, a real estate company investing in retail properties in Eastern Europe.



**John Bartram Winship (64)**

*B. Business Science (UCT),  
Certificate of Investment  
(Institute of Actuaries)*

**Appointed to the Board:  
26 October 2006**

John has been a non-executive director of Trellidor since 2006.

He has been involved in various aspects of asset management and financial services through his career and has experience in analysis, portfolio management, executive management and directorships. He worked for Old Mutual and was thereafter instrumental in the founding of BoE Asset Management and served on the board of BOE Limited, before going on to establish ABVEST, an institutional asset manager which was subsequently bought out by ABSA.

He is currently self-employed, primarily serving on Investment Committees for corporates and high net worth families. He is actively involved in community service through Rotary International.



**Ralph Bruce Patmore (66)**

*BComm (Wits)  
MBL (SBL)*

**Appointed to the Board:  
28 October 2015**

Ralph co-founded and was instrumental in the listing of Iliad Africa Limited, a building material supply company, which he led as chief executive officer until his retirement in 2008.

Prior to that he was the managing director of the manufacturing division of Group Five Limited (1988 to 1997).

Ralph currently holds non-executive directorships in a number of other companies listed on the JSE, including Mustek Limited, ARB Holdings Limited and Calgro M3 Holdings Limited.

The Trellidor Board of directors are committed to upholding the highest standards of good governance by working towards the realisation of four key governance outcomes: ethical culture, good performance, effective control and legitimacy.






# HOW THE GROUP CREATES VALUE








# Capitals

The Integrated Reporting Framework and King IV recommend reporting to shareholders on the capital resources that impact the creation of value. These capitals are either increased, decreased or transformed through the activities of the business, and should ultimately result in value creation. A brief snapshot of the performance and activities relative to these categories of capital is detailed below:

INPUTS	OUTPUTS	OUTCOMES
 <b>Human capital</b> <ul style="list-style-type: none"> <li>• Properly constituted board and sub-committees with adequate experience and independence</li> <li>• Remuneration policy aimed at attracting and retaining key staff and driving shareholder returns</li> <li>• Senior management with over 70 years of combined experience</li> <li>• Well-established research and development teams</li> <li>• Strict compliance with the South African Occupational Health and Safety Act, 85 of 1993</li> <li>• Skilled installers</li> <li>• Strong and effective marketing team</li> <li>• Invested in training at in-house manufacturing facility</li> <li>• Invested in provision of training for franchisees</li> </ul>	<ul style="list-style-type: none"> <li>• Recognised governance structures in terms of King IV</li> <li>• Remuneration Policy with short- and long-term incentives for key staff</li> <li>• Regular engagement with trade unions with a focus on maintaining harmonious relationships</li> <li>• Various training and skills development initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Good corporate governance</li> <li>• Compliance with JSE Listings Requirements</li> <li>• Compliance with regulatory requirements</li> <li>• Retention and motivation of key management</li> <li>• Engaged, skilled, loyal and energised employees</li> <li>• Good working relationship with unions and employees</li> </ul>
 <b>Financial Capital</b> <ul style="list-style-type: none"> <li>• Market Cap – R500 million</li> <li>• Long- and short-term borrowings (interest-bearing debt) – R93 million</li> <li>• Effective management of cash and capital</li> <li>• Franchise distribution model</li> <li>• Strong working capital management</li> <li>• Order book for two weeks ahead only</li> </ul>	<ul style="list-style-type: none"> <li>• Revenue R539 million</li> <li>• Total dividend for FY18 of 27.2 cents and EPS of 54.4 cents</li> <li>• Contribution to local economy through income taxes – R31 million</li> <li>• Franchise distribution model reduces financial risk</li> <li>• Cash on hand – R27 million</li> <li>• Cash generated from operating activities for year ended 30 June 2018 – R68 million</li> </ul>	<ul style="list-style-type: none"> <li>• Sound financial position</li> <li>• Increased shareholder and stakeholder value</li> <li>• Strong and sustainable relationships with financiers for future growth/acquisitions</li> <li>• Excellent cash conversion</li> </ul>
 <b>Social and relationship capital</b> <ul style="list-style-type: none"> <li>• Franchisees and distributors</li> <li>• Strong relationship with major suppliers</li> <li>• Corporate social investment such as supporting the Sunflower Foundation, schools, orphanages (community-based facilities)</li> </ul>	<ul style="list-style-type: none"> <li>• Dedicated support and training for franchisees and subsidiaries</li> <li>• Smooth running of factories</li> <li>• JIT inventory system in place at Durban Factory</li> <li>• Develop, maintain and grow owner-operated small businesses</li> </ul>	<ul style="list-style-type: none"> <li>• Job creation</li> <li>• Enduring relationships with suppliers</li> <li>• Enterprise development</li> <li>• Positive contribution to wider South African society</li> <li>• Economic growth for communities</li> </ul>



INPUTS	OUTPUTS	OUTCOMES
 <b>Intellectual capital</b> <ul style="list-style-type: none"> <li>• Strong, well-known brands in South Africa</li> <li>• Growing brand awareness in Africa and overseas</li> <li>• Research and development team with extensive experience and innovative ideas</li> <li>• Ongoing market research</li> <li>• ISO 9001: 2015 certification</li> <li>• International certification on selected products</li> <li>• Patented products and components</li> <li>• Regulatory compliance</li> <li>• Retention of key managerial staff of Taylor</li> <li>• Purchase of Taylor customer base as part of the acquisition</li> <li>• Purchase of Taylor brand name as part of acquisition</li> <li>• Monitoring of risks through utilisation of risk registers</li> </ul>	<ul style="list-style-type: none"> <li>• Innovative ideas for the long-term strategy</li> <li>• Integration of Taylor into the group</li> <li>• Up-to-date knowledge of trends in the market</li> <li>• Minimising risks and therefore possible losses to an acceptable level</li> </ul>	<ul style="list-style-type: none"> <li>• Market differentiation</li> <li>• Increased brand awareness in Africa</li> <li>• Strong management of new acquisition maintained</li> <li>• Customer satisfaction and peace of mind</li> <li>• Investor confidence</li> </ul>
 <b>Manufactured capital</b> <ul style="list-style-type: none"> <li>• Modern manufacturing facility in Durban with the capacity to produce steel and aluminium products</li> <li>• Modern, well equipped manufacturing facility in Cape Town ("Taylor")</li> <li>• Assembly plants in Africa</li> <li>• Manufacture to customer order</li> <li>• Gas fired ovens</li> <li>• Quality Management System certified by an independent third party, the Loss Prevention Certification Board (LPCB), based in the UK</li> <li>• Capital expenditure – R16 million</li> </ul>	<ul style="list-style-type: none"> <li>• Maintaining operating capacity with significant spare capacity</li> <li>• Improving efficiencies and minimising overheads</li> <li>• Operational efficiency and decreased costs</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction</li> <li>• ISO 9001: 2015 certification</li> <li>• Capital growth creating long-term value</li> <li>• Class leading, made-to-order delivery cycle</li> </ul>
 <b>Natural capital</b> <ul style="list-style-type: none"> <li>• Impact on the natural capital is managed through various programmes to increase energy efficiency, reduce water use and minimise waste</li> <li>• Modern effluent plant in Durban to reduce environmental impact</li> <li>• Electricity – energy usage and energy saving measures</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental initiatives</li> <li>• Electricity consumption decreased</li> <li>• Focus on CO<sub>2</sub> greenhouse gas emissions</li> <li>• Adherence to high quality standards of waste water</li> </ul>	<ul style="list-style-type: none"> <li>• Reducing environmental impact</li> <li>• Reducing non-compliance risk regarding environmental regulations</li> </ul>

# Growth Strategy

## Grow the distribution capacity of the Group internationally with a focus on Africa

- Target markets are identified and the search for suitable franchisees continues
- Through training and marketing, introduce the full product offering of the Group to existing and new franchisees
- Continue to invest in marketing to incrementally enhance brand and product awareness in new markets
- A dedicated team is in place to drive the strategy
- Continue to service the UK market and take opportunities as they arise.

### Operational efficiency

- Continue to enhance manufacturing efficiency, profitability and working capital utilisation
  - during the year a shift efficiency project was identified and implemented effective August 2018. This project required capital expenditure on plant and buildings of c.R12 million and is targeted to provide a payback on the investment over c.2 years.
  - a new ERP system has been implemented at the Taylor plant to drive manufacturing efficiencies and facilitate improved working capital utilisation.

### Diversify the Group's product offering through in-house development

- Continued research and investment in in-house product development.
- Products introduced through this strategy since 2012 now account for 19% of the Group's revenue.
- A new retractable Trellidor product was designed and developed to demanding London Underground specifications, and sales have commenced in the new financial year.

### Acquisition

- Taylor products are being successfully sold through the Trellidor network. The revenue synergies derived from the acquisition of Taylor are evident and we will continue to drive these synergies and seek other synergistic acquisition opportunities that:
  - accelerate the geographic expansion of the Group's products;
  - extend the Group's product offering within the sectors the Group currently operates in;
  - provide the Group's existing products with access to new markets and sectors; and
  - utilises excess manufacturing capacity.
- Targets meet criteria that maintain and enhance the Group's key performance metrics.

## Key drivers of value



## Our strategic growth footprint

African growth remains a key strategic objective.

We are actively increasing the distribution capacity in Africa through new franchises, distributing Trellidor's new products through African territories and establishing more franchisee-owned assembly plants in Africa to enhance logistical efficiencies.



**TRELLIDOR**

The national and international distribution footprint sets Trellidor apart from its competitors with a presence in 19 African countries.



**TAYLOR**  
BLINDS & SHUTTERS Est.1959

Taylor has two branches, one in Cape Town and a second in Gauteng.

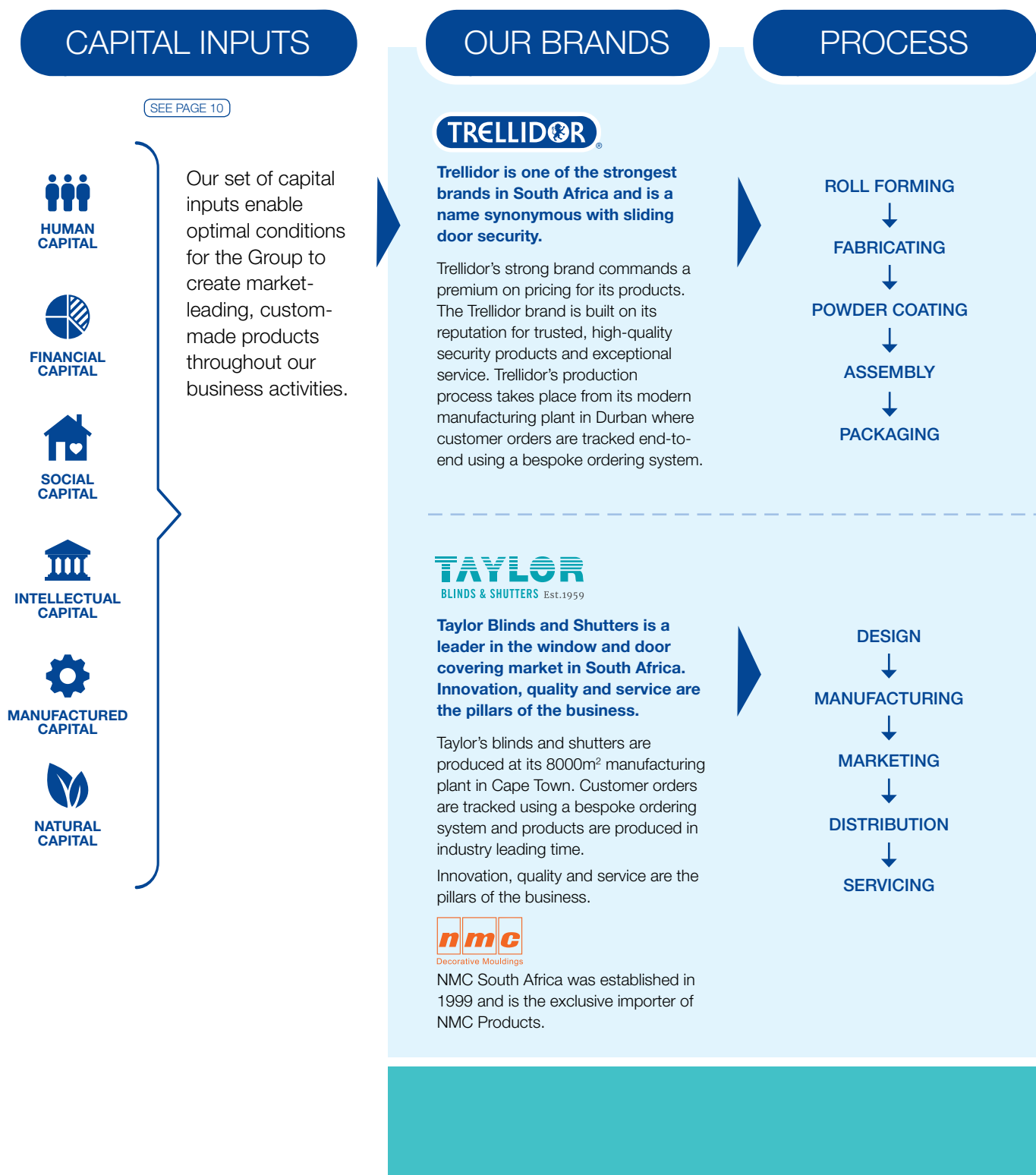


**nmc**  
Decorative Mouldings

NMC has branches in Gauteng, Cape Town and Durban.

# Business model

Our two main operating segments, Trellidor and Taylor have unique processes in producing premium barrier security and blinds and shutters.





## PRODUCTS

## DISTRIBUTION

## CAPITAL OUTPUTS

SEE PAGE 10

**BARRIER SECURITY****Traditional Trellidor****Clear Guard****Rollerstyle****Polycarbonate Bar****Security Shutter**

SEE PAGE 26

Trellidor has a well-established, loyal and extremely effective national franchise network with the unique capacity to design, measure and install custom-made Trellidor products country wide.

**The franchise network includes:****72** franchises in South Africa**21** franchises in 19 African countries**BLINDS AND SHUTTERS****Aluminium shutters****PVC shutters****Blinds**

SEE PAGE 30

Taylor has an accomplished distribution network that services various parts of the Western and Southern Cape, with strong distribution channels emerging in Gauteng.

NMC distributes their products out of branches in Johannesburg, Durban and Cape Town, with the majority of the distribution out of Johannesburg.

**NMC PRODUCTS****Closed-cell polystyrene****Polyurethane decorative moulding**

SEE PAGE 31

**HUMAN CAPITAL****FINANCIAL CAPITAL****SOCIAL CAPITAL****INTELLECTUAL CAPITAL****MANUFACTURED CAPITAL****NATURAL CAPITAL**

**Agile risk management**

SEE PAGE 16

**Strong strategic focus**

SEE PAGE 12

**Stakeholder inclusivity**

SEE PAGE 17

# Risk and opportunities

Strategic objective	Drivers	Achievements	Risks and mitigations
<b>Acquisitive growth</b>	Acquisitions that offer the opportunity to capitalise on Group knowledge and know-how, synergies in manufacturing, distribution and/or product and brand strength.	Integration of Taylor Group and sale of select Taylor products through the Trellidor franchise network.	<p>To ensure acquisitions are appropriate and deliver projected returns, Trellidor conducts comprehensive ongoing market and industry research together with detailed due diligence utilising professional advisors where necessary. Acquisition targets are high-quality and well-established businesses serving similar markets and with a potential to maximise on synergies within the Group.</p> <p>In all acquisition-related activity Trellidor follows good corporate governance and stringent due diligence practices.</p> <p>Good corporate governance is followed in the integration and ongoing management of acquired businesses.</p>
<b>Diversify in-house product offering</b>	Development of new products that meet and enhance the Group's brands and meet new market demands that can be manufactured and distributed by the Group's existing resources.	Taylor launched new Shutterguard and roller blind range. Trellidor designed and developed a LPCB level 3 rated Trellidor retractable product for UK (London Underground).	The Group has research and development resources that research and design new products, informed by analysis of local and international trends and market demand. In the manufacturing process, a comprehensive quality control process is in place. A vigorous testing process is applied to all new products. Before launching the product all consultants and installers in the distribution network undergo a comprehensive training and certification process.
<b>Expansion in Africa</b>	<p>Appoint franchisees in new African territories to increase capacity in new and existing African markets and extend the product range in these markets.</p> <p>Expansion in West and East Africa will be targeted with the establishment of new assembly plants to reduce lead times, import duties and logistics costs.</p>	New franchisees signed in Kinshasa and Ivory Coast.	<p>Trellidor has established an African footprint, achieved with limited capital investment, through appointing a network of franchisees. African economies are relatively small, undeveloped and fragile. Accordingly, the Company has not made significant allocations of capital to Africa and will continue to "partner" with local franchisees.</p> <p>Broader footprint in Africa with low capital investment mitigates individual country concentration risk.</p>
<b>Foreign exchange and economic climate</b>	<p>Development of broad comprehensive geographic footprint.</p> <p>Product diversification and introduction of products developed for upper-middle and upper income markets.</p>	<p>72 Trellidor franchise outlets throughout South Africa, a further 21 spread across Africa and a franchise outlet in the UK.</p> <p>Sale of select Taylor products through the Trellidor franchise network.</p> <p>Launch of Trellidor Security Shutter in prior year and Taylor Shutterguard MKII and new roller blind range in current year.</p>	<p>Geographic spread assists with diversifying and reducing impact of microeconomic factors.</p> <p>Mitigation of foreign exchange risk by 'self-hedging' where possible using foreign currency sales to generate foreign currency required to fund imported materials. In businesses where 'self-hedging' is not available forward exchange contracts are utilised to manage the impact of fluctuating exchange rates.</p> <p>Manage negative economic pressures by remaining focussed on maintaining GP margins and returns. Timeous review and updating of price lists, driving operational efficiencies and strict overhead controls.</p> <p>Broad product range targets middle income, upper-middle income and upper income consumers, mitigating pressure in any single market segment.</p>

# Stakeholders

Trellidor's relationships are critical to its ability to create value and enhance the business' sustainability. The Group seeks to engage all stakeholders productively and proactively, and in doing so identify and address opportunities and risks. Trellidor regularly engages with the stakeholder groups described in the table below.

Stakeholder	Key issues for stakeholders	Key issues for Trellidor	How we communicate
Investors	Stable investment performance Risk management Ability to execute on strategy Profitability ROI (share price and dividends) Cash generation Corporate governance Growth prospects Transparent leadership Sustainability	Access to capital Support and feedback	Annual and interim results announcements SENS announcements Annual General Meeting One-on-one meetings communicating non-price sensitive information Investor presentations at results roadshows Integrated report
Funders	Capital management Sustainability Profitability Cash generation Liquidity and solvency Corporate governance and compliance Risk management	Access to debt Favourable rates	Agreed reporting frameworks Annual and interim results announcements Regular meetings Integrated report SENS announcements
Employees and trade unions	Job security Sustainability Fair remuneration Personal growth and development Employment equity and diversity Skills development Safe and healthy working conditions Bargaining Council agreement	Committed, energised and stable workforce Upholding standards and brand value Labour relations OHS Act compliance	Agreed reporting frameworks Regular feedback meetings Union meetings Integrated report Training programs Employment equity consultation Bargaining Council agreement
Suppliers	Timely payment Sales volumes Fair business practices	Reliable supply of materials Consistent quality	One-on-one meetings
Franchisees	Security of supply Pricing, marketing, training and technical support	Upholding standards and brand value	One-on-one meetings Conferences Training seminars
Customers	Quality Reliability Service levels	Customer satisfaction Customer loyalty	Marketing Franchisees Product brochures
Government and Regulators	Employment equity Environmental impact Health and safety Taxation Adherence to the JSE Listings Requirements, King IV and company legislation Skills development	Continued operations and investment	Regulatory returns SENS announcements Engagement as required

## Industry Associations and Organisations:

Steel and Engineering Industries Federation of South Africa  
KZN Engineering Industries Association  
South African Metal Finishes Association  
Metal & Engineering Industries Bargaining Council  
Manufacturing, Engineering and Related Services SETA



# Chairman's report

Mark Olivier Chairman

## Dear shareholders

The Board continues to pursue strategies that are targeted at increasing the long-term value of your investment rather than focusing on delivering short-term results, which restrict the Company's strategic options.

Although earnings per share declined 8%, the Company's key financial metrics of free cash flow growth and return on invested capital have stood up well to economic headwinds.

Net cash from operating activities of R68.1 million grew 9% in 2018. The Company's impressive return on invested capital in excess of 20% was maintained and reflects the Trellidor business's long-term competitive advantage in the barrier security market.

The Board takes a measured approach to achieving growth, which has served shareholders well, particularly during a higher risk operating environment. The Company remains focused on maintaining its superior return on invested capital.

The Board supports the view that companies that consistently generate growth at high rates of return on invested capital are, over time, generally rewarded by stock markets.

## The operating environment

The South African economy is being impeded by several structural issues and again underperformed during the year. Government is in a transitional phase and uncertainty regarding policy has contributed to a significant decline in both business and consumer confidence.

Consumer disposable income declined, most prominently in the middle-income segment. Real house prices are also in decline and house sales have stagnated. Forecasts are for the residential housing sector and consumer demand to remain weak. The Company's operating results have been negatively impacted by the above macroeconomic factors, a volatile currency and the implementation of trade tariffs on key inputs.

However, the relatively stronger performance of the newly introduced products reflects that the upper-middle and upper-income segment of the market is less affected by a stagnant economy.

South Africa continues to suffer from high levels of crime which is a positive driver of performance in the Trellidor business.

Although no significant new competitors entered the market, competition in the

main centres is intense. The Company has a strong market position outside of the main centres and during the year has performed relatively well in these regions.

## Strategic review

The Company's key focus during a year of economic headwinds was to continue the process of extracting revenue synergies from the Taylor acquisition, grow geographically and to improve operational efficiencies.

The operational risk in the business has been well managed and a platform for the next phase of the Company's growth is established and will be achieved through the following longer term strategies:

- Continuing to increase the geographic footprint in Africa by establishing new and growing existing franchises that distribute the Group's products.
- Expansion of Taylor's products and extension of its distribution network which is currently concentrated in the Western Cape.
- Broaden the Trellidor range of products, possibly into complimentary market segments.
- Develop Trellidor's access to the commercial market which currently accounts for less than 5% of its sales.
- Continued product innovation.

These longer term strategies will be delivered through a combination of organic and acquisition growth.

In this respect, the Company has proved to be very successful in internally developing new products. During the year, a modernised version of the Taylor Shutterguard product was launched and a new Trellidor retractable product was developed for the London Underground



station revamp project. With this product having met the stringent and bespoke specifications and certifications, orders have now been received for the London Underground project.

## Operational efficiencies

During the period, capital expenditure of c.R6.0 million out of a planned total R12.0 million was made in an efficiency-enhancing project, which is expected to yield a payback period of two years. The capital expenditure includes extra building space and new machinery. This project was implemented in August 2018 and will start producing full benefits from January 2019.

In addition, new systems were implemented in the Taylor business to improve manufacturing efficiencies and working capital utilisation. The benefits of this initiative will be realised in the years ahead.

These projects will contribute to maintaining the Company's return on invested capital and the spare capacity at both plants will benefit from operational gearing generated by strategies focused on increasing sales volumes.

## Taylor synergies

Selected Taylor products have been introduced to the Trellidor franchise network to drive geographic expansion. The first year targets post acquisition were achieved.

## Geographic growth

Africa growth remains a key strategy through the extension of the range of the Company's products being sold into

Africa and the acceleration of growth in the number of distributors in Africa.

During the period, international sales growth of 15% was achieved. Efforts to expand the franchise footprint continue, by the establishment of new franchises, and the introduction and increased offtake of the newer products that the Company offers including the Taylor products. A dedicated team is focused on growing the Company's distribution in Africa.

## Looking ahead

The weak economy is expected to prevail. Notwithstanding, the Company will continue to pursue its growth strategies in the year ahead, as follows:

- Implementation of the efficiency enhancing project in the Trellidor business.
- Accelerating the geographic growth of the Taylor distribution network and the introduction of new products.
- Opening new territories in Africa.

Despite the overarching economic conditions the Board has set demanding growth targets for 2019.

## Governance overview

The Board and its committees operated effectively in the 2018 financial year, with the Board, individual directors, Board Committees and the Chairman undergoing regular performance evaluations.

Following appropriate review, I am satisfied that all the committees are constituted with members of relevant skills, knowledge and experience and that our stakeholders can take comfort with the Group's governance in place. In addition, the

Board has commenced the migration of its governance framework to implement the recommendations of King IV.

## Dividend

The Board declared a final gross dividend of 16.2 cents per share for the year ended 30 June 2018. The total dividend declared in respect of the current financial year was 27.2 cents per share.

The Company's future dividend policy will continue to reflect its capacity to generate cash flow growth and return on invested capital but will take into account capital requirements to finance growth.

In addition, the Board will also be extending its authority, previously granted by shareholders, and will be putting in place an active programme to buy back its shares.

## Appreciation

I would like to thank my fellow directors for their contribution to the governance processes and for their assistance in driving the growth strategy of the Group.

On behalf of the Board, I thank our executive directors and the senior management team for their hard work during the year as we navigated a tough economy.

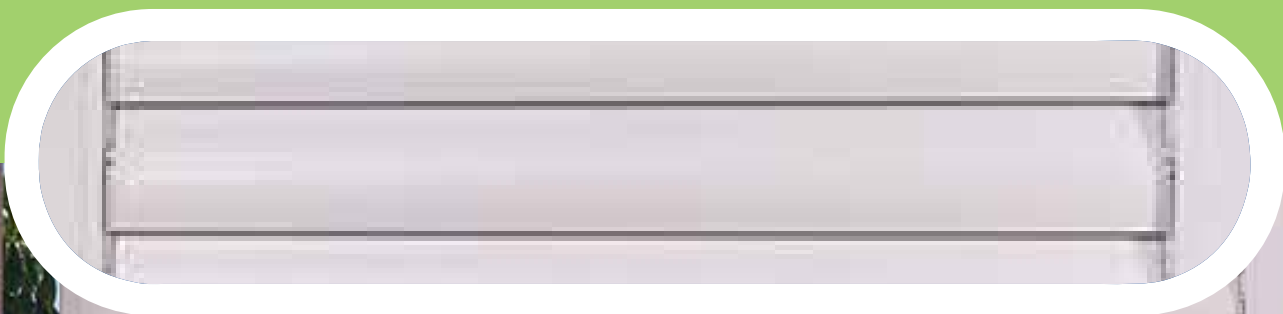
Finally, we thank our customers for their ongoing support and our franchisees, distributors and suppliers for our continuing relationships.



Mark Olivier  
Chairman

16 October 2018

# VALUE OUTCOMES





# CEO's report

**Terence Dennison** CEO

Trellidor Holdings Limited ("the Group") comprises the Trellidor and Taylor Group businesses.

Trellidor is the market leading manufacturer of custom-made barrier security products, distributed via a dedicated and skilled franchise network operating throughout South Africa, Africa and the UK.

The Taylor Group business incorporates Taylor, a major manufacturer and distributor of custom-made blinds, decorative and security shutters and NMC, an importer and distributor of cornicing and skirting products. The Taylor Group has a strong presence in the Western and Southern Cape.

## Overview

The Trellidor business produced a solid performance reflecting its strong positioning in and the defensive qualities of the security sector despite the tough economic conditions during the period which negatively impacted consumer spending throughout South Africa and Africa, particularly in the middle-income market. The Taylor Group was, however, fully exposed to the decline in consumer disposable income.

Group revenue for the year grew 2.6% to R539.0 million (2017: R525.3 million) in these difficult trading conditions.

The Group's gross profit margin of 45.6% was lower compared to the previous year (47.7%), predominantly due to; increased material costs, a change in sales mix (higher proportion of sales of premium product) and an under recovery of an above inflationary increase in labour cost. Operating expenses were well managed and increased by 4% year-on-year.

Accordingly, profit after tax of R59.6 million and earnings per share of 54.4 cents for the year declined 10% and 8% respectively.

The Group's strong cash-generating capacity was reflected in the net cash from operating activities of R68.1 million which grew by 9.3%. As previously reported, the second tranche of the Taylor business acquisition purchase price of R30 million was paid from cash reserves in July 2017.

During the year, the Group purchased 446 535 Group shares on the open market valued at R2.6 million. These shares were cancelled after year-end.

The Group has interest-bearing liabilities of R93.0 million which incurred R8.3 million of net interest for the year ended 30 June 2018. The Group's gearing is at a conservative level and its financial risk is well managed – interest cover is 9.6 times.

## Segment

### Trellidor

Revenue grew by 5% to R331.6 million. The product diversification and geographic expansion strategies generated new product and international sales growth of 23% and 12%, respectively. A pleasing outcome of these strategies.

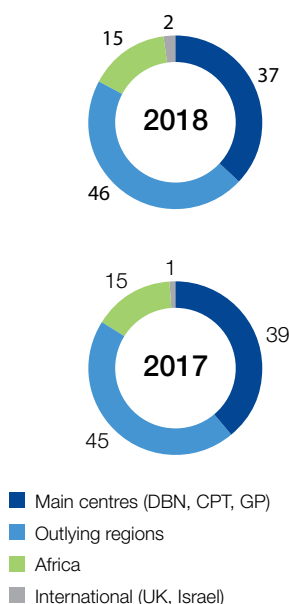
Gross margin reduced to 46.8% (2017: 49.0%), due primarily to a change in sales mix and under recovery of an above inflationary increase in labour costs.

Recurring overhead cost growth was below inflation. Operating profit before interest declined by 1.7% to R64.9 million. Net cash from operating activities of R49.8 million grew by 12%.

#### Analysis of revenue by geographical presence

Revenue growth of 4% in South Africa was driven by growth outside of the main cities of 8%. International revenue growth of 12% was boosted by excellent growth in the UK. Growth in Africa, excluding Ghana, of 18% was driven mainly by East and Southern Africa. This was offset by a weaker performance in West Africa, leaving overall Africa growth at 2%.

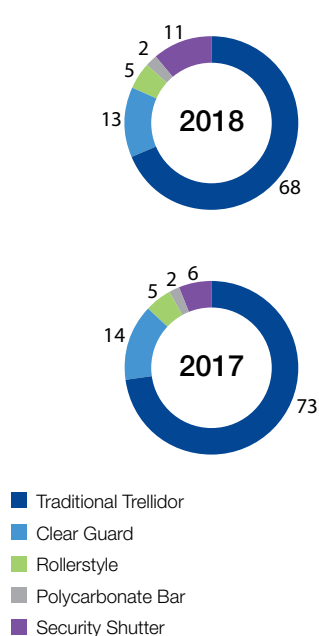
REVENUE BY GEOGRAPHY (%)



#### Analysis of revenue by product type

Strong growth in the newly introduced premium product range of 23% underpins the strategy of introducing "lifestyle" barrier security products that has now diversified the product range to span income groups which serves to mitigate the weaker middle and upper-middle class economy.

PRODUCT TYPE (%)



## Dividend

The Board of Directors has declared a final gross dividend of 16.2 cents (2017: 19.5 cents) per ordinary share. This brings the total gross dividend for the year ended 30 June 2018 to 27.2 cents (2017: 30.0 cents).

## Prospects

The introduction of the new premium product set over the past few years and the synergistic acquisition of the Taylor Group have diversified and grown the Group's revenue stream. These strategies have proven to be successful as reported above and will continue to drive growth in 2019. In this respect, the strategy to sell certain Taylor products through the Trellidor distribution network will be accelerated in 2019.

Further new product introductions are planned for launch during 2019.

New franchisees have been signed in Africa and a dedicated team focused on growing the Group's distribution in Africa is developing new opportunities.

The Group has capacity to benefit from operational gearing generated by strategies focused on increasing sales volumes.

Operational improvements are targeted to increase gross margin. During the period capital expenditure of c.R6.0 million out of a planned total R12.0 million was made in an efficiency-enhancing project, which is expected to yield a payback period of two years. The capital expenditure includes factory expansion and new machinery. This project was implemented in August 2018 and will start producing full benefits from January 2019.

The Group will also continue to seek synergistic acquisition opportunities.



## Segment

### Taylor Group

Revenue declined by 0.3% to R208.8 million. Taylor experienced strong shutter sales in the premium market but this was offset by weaker blind sales in the middle and upper-middle income market. NMC which accounts for 13% of the Taylor Group sales was severely impacted by the slowdown in the construction sector and declined by 22%.

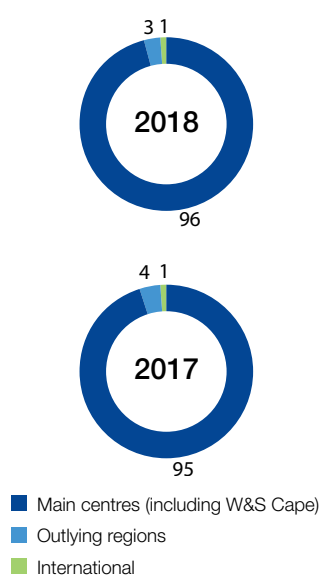
Gross margin reduced to 43.7% (2017: 45.7%) due predominantly to higher material input costs.

Overheads were negatively impacted by new product launch expenses and foreign exchange losses of R3.2 million (2017: R0.9 million). Operating profit before interest decreased by 31.3% to R31.8 million. Net cash from operating activities of R18.3 million grew by 1%.

#### Analysis of revenue by geographical presence

With a concentration of revenue in the Western Cape, Southern Cape and Johannesburg, the impact of the weaker economy in the main cities reflects in the results. The strategy of spreading Taylor's geographic presence, initially using Trellidor's established franchise base, is in its early stages and achieved target for the year.

REVENUE BY GEOGRAPHY (%)

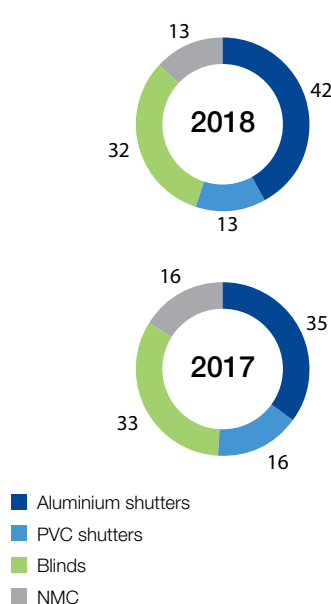


#### Analysis of revenue by product type

Revenue is well spread by product, and the product range is well diversified. Again, the premium product range performed well with strong growth in the aluminium shutters and roller blind ranges, offset by the weaker middle and upper-middle income market, as well as the pressure on the construction sector.

Constant innovation and development of products to keep up with trends remains a focus of the business. New versions of the Shutterguard and Hurricane shutters were launched during the year alongside a new range of premium roller blinds.

PRODUCT TYPE (%)



## Appreciation

I would like to express my thanks to our shareholders, the Board, fellow executives, managers, employees, our franchisees, distributors and our suppliers for their support and commitment to the Group through the year in a challenging economic environment.

Terry Dennison  
CEO





# How Trellidor creates value



Trellidor supplies our network of franchisees with a range of high quality custom-made security and home improvement products for installation. We leverage our manufacturing capability, intellectual property, experience, skills and support infrastructure to ensure our products are market leaders.

## The Trellidor brand

Trellidor's strong brand commands a premium on pricing for our products. The Trellidor brand is built on our reputation for trusted, high-quality security products and exceptional service. Trellidor is one of the strongest brands in South Africa and is a name synonymous with sliding door security. Brand awareness in Africa is growing along with our sustained expansion across the continent. Innovation quality and service are the pillars of the business.

## Manufacturing

**Trellidor products are produced at its modern manufacturing plant in Durban where customer orders are tracked end-to-end using a bespoke ordering system. The manufacturing process includes roll forming, fabricating, powder coating, assembly and packaging. Production processes are ISO 9001:2015 certified.**

Trellidor products are manufactured to each customer's specification and generally dispatched within two weeks of placement of the order. In South Africa products are delivered by outsourced road logistic services to the franchisee. Trellidor's Ghanaian subsidiary operates an assembly plant that services West Africa, shortening lead times, and reducing duties and transport costs. Franchisee owned and operated assembly shops service markets in Zambia, Zimbabwe, Reunion, Mauritius, Seychelles, DRC, Tanzania and Mayotte.

Materials used in the manufacturing process include steel, aluminium, fasteners, cylinders, locks and paint, much of which is imported. Trellidor practices a just-in-time purchasing system and as such has a relatively low inventory requirement. The manufacturing process adds significant value to the material in the roll forming, fabricating and powder coating processes.

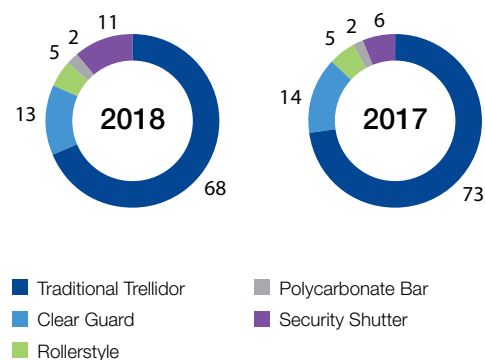


## Products

**Trellidor offers non-commodity, custom designed, manufactured and installed barrier security products. Residential security solutions include door, window, patio, safe zone and gated estate approved barrier products. Products for commercial customers include specialist retail and office barriers.**

The Company's newer products are "lifestyle" security barriers which aesthetically make them more appealing for upmarket residential homes. Trellidor's leading research and development team ensures that product offerings are constantly evolving to meet current market demands, incorporating new technology and materials. In addition, ongoing research is enhanced by detailed analysis of burglary statistics, for example the methods used to gain entry to properties and the tools used by criminals, as well as research into international trends. Products and components are patented where possible and certain products are certified by the London based Loss Prevention Certification Board, which sets Trellidor apart from local competitors.

TRELLIDOR PRODUCT TYPE (%)



### RETRACTABLE SECURITY

A wide range of retractable doors and windows.



### COTTAGE GUARD

These premium quality, reinforced burglar bars can be custom made to match existing windows or to create a cottage pane effect.



### POLYCARBONATE BAR

Is a newly developed product for windows that provides an unobtrusive, yet effective security barrier targeted at gated estates in particular. (Introduced 2015)





### FIXED SECURITY

Fixed barriers that are primarily window solutions.



### ROLLERSTYLE

Rollerstyle, a high-end automated roller shutter for residential, office and light commercial use. (Introduced 2011)



### CLEAR GUARD

A strong "lifestyle" security barrier made from aluminium and stainless steel mesh that is "open" when closed allowing uninterrupted views and airflow whilst being an effective security barrier. (Introduced 2011)



### SECURITY SHUTTER

A louvre aluminium security fitting for windows or doors targeted primarily at upmarket homes and residential estates. (Introduced June 2016)



## Distribution

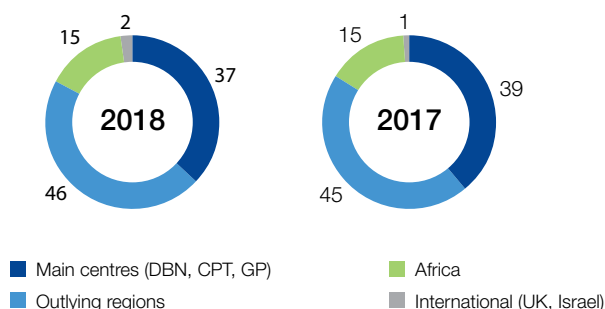
**Trellidor has a well-established, loyal and extremely effective national franchise network with the unique capacity to design, measure and install custom-made Trellidor products country-wide.**

A typical franchise comprises an owner operator, a sales team, admin staff and installers. The owner is usually the key customer-facing representative of the brand and has a vested interest in the Company's success.

Trellidor certifies the sales consultants and installers and monitors franchisee performance to ensure the high levels of service synonymous with the brand are maintained.

Trellidor's franchise model is not royalty-based. Franchisees purchase Trellidor product at a set trade discount and contribute toward the marketing and advertising campaigns.

**TRELLIDOR REVENUE BY GEOGRAPHY (%)**



**72** RSA franchises

**59** Franchise owners

**94** Sales consultants

**104** Installers

**79** Administration staff

**23** International franchises

**19** African countries

Company-owned assembly plant in Ghana  
– services West Africa

## Marketing and sales

Trellidor manages the national marketing and advertising campaigns across all media and determines the strategy for local marketing and advertising campaigns together with each franchisee. The majority of leads are generated through existing customer relationships and a high percentage are converted to orders. Trellidor records and reviews lead levels and conversion rates, per franchise and sales consultant, through a bespoke IT system.

## Installation and after sale service

The franchise conducts installations on orders it generates. All product and installations include a three to five year warranty that is serviced by the franchisee. Warranty claims are very low representing less than 0.5% of annual revenue.

## Footprint

A national distribution footprint in South Africa sets Trellidor apart from its competitors, who tend to be more focused on urban areas. This positions the Company to take advantage of growing demand for high quality, respected security solutions across the country. Currently established in 19 countries in Africa, Trellidor is well placed to service the growing African economies.

# How Taylor creates value



Taylor comprises the Taylor Blinds and Shutters and NMC South Africa businesses. These businesses were acquired during July 2016.

## The brands

Taylor Blinds and Shutters was founded in 1959 and specialises in designing, manufacturing, marketing, distributing and servicing a wide range of blinds and shutters and is a leader in the window and door covering market in South Africa. Innovation, quality and service are the pillars of this business.

NMC South Africa was established in 1999 as the exclusive importer of the Belgian-based world leader in the production of closed-cell polystyrene and polyurethane decorative mouldings, such as cornices, dado rails and skirting. NMC South Africa has the distribution rights for South Africa and several countries in sub-Saharan Africa.

## Manufacturing

Taylor blinds and shutters are produced at its 8000m<sup>2</sup> manufacturing plant in Cape Town. Customer orders are tracked using a bespoke ordering system and products are produced in industry leading time. Taylor blinds and shutters are custom-made, generally within one to two weeks of placement of order. The products are manufactured from the highest quality materials and fittings, much of which are imported.

All NMC cornices and mouldings distributed in South Africa are imported under agreement from NMC Belgium where the products are manufactured. Stock is held in the key centres of Johannesburg, Durban and Cape Town.



Products

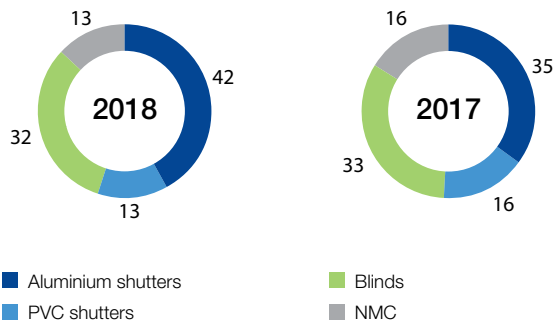
Taylor offers high quality custom-made blind and shutter products that are aesthetically pleasing and often specified by architects and interior decorators.

The blinds offered are venetian, roller, woven and verticals. Shutters offered are Thermowood (wood substitute) shutters as well as aluminium hurricane wind resistant shutters and Shutterguard security shutters.

NMC distributes imported decorative mouldings for a wide variety of interior and exterior architectural applications focusing on cornices and skirtings.

All Taylor blinds and shutters and NMC products are built around the three pillars of innovation, quality and service.

TAYLOR PRODUCT TYPE (%)



SHUTTERGUARD® SECURITY SHUTTERS



HURRICANE SHUTTERS



THERMOWOOD® SHUTTERS



ROLLER BLINDS



VERTICAL BLINDS



WOVEN BLINDS



WOODEN VENETIAN BLINDS



ALUMINIUM VENETIAN BLINDS



CORNICES



DADO RAILS



SKIRTINGS



POLYSTYRENE MOULDINGS





## Distribution

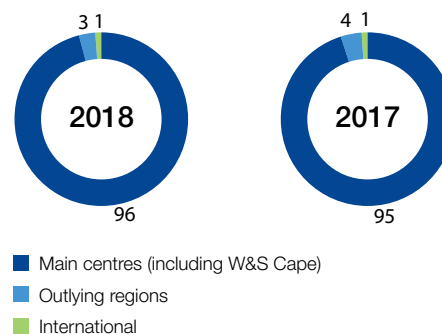
**Taylor has a well-established, loyal distribution network and customers for both the blinds and shutters, concentrated in the Western and Southern Cape. However, strong growth has been achieved more recently in Gauteng.**

Geographic growth opportunities exist and are targeted during 2018/19. NMC distributes their products out of branches in Johannesburg, Durban and Cape Town, with the majority of the distribution out of Johannesburg. Key projects include the Michelangelo Hotel and Towers, Montecasino Hotel, Golden Horse Casino and various Sun International, City Lodge and Holiday Inn hotels.

Wholesalers form a large part of the route to market in the outlying regions.

Geographic expansion through the Trellidor franchise network on certain Taylor products is a focus for 2018/19.

TAYLOR REVENUE BY GEOGRAPHY (%)



## Marketing and sales

Marketing and advertising spend focuses on creating growing awareness for Taylor's products and brands. Continued innovation is targeted to keep products up-to-date and desirable to our markets. Our new roller blind programme, Shutterguard and Hurricane MKII were launched in 2018.

Marketing spend encompasses all key communication channels where we aim to drive fresh, modern and innovative messaging.

## Installation and after sales service

Branches in Cape Town and Johannesburg, supported by a network of skilled distributors, design and install products to customer-specification. Installation is a key factor in delivering a top-quality solution and cements the overall quality and customer centric ethos. Taylor and NMC offer installation training to all our distributors on a regular basis. A dedicated customer service department deals with all after sales service and warranty requirements. All Taylor products are backed by warranties and serviced by the branch and distributor network.

## Footprint

Taylor Blinds and Shutters has two branches, one in Cape Town and the second in Gauteng. NMC South Africa branches are located in Gauteng, Durban and Cape Town.

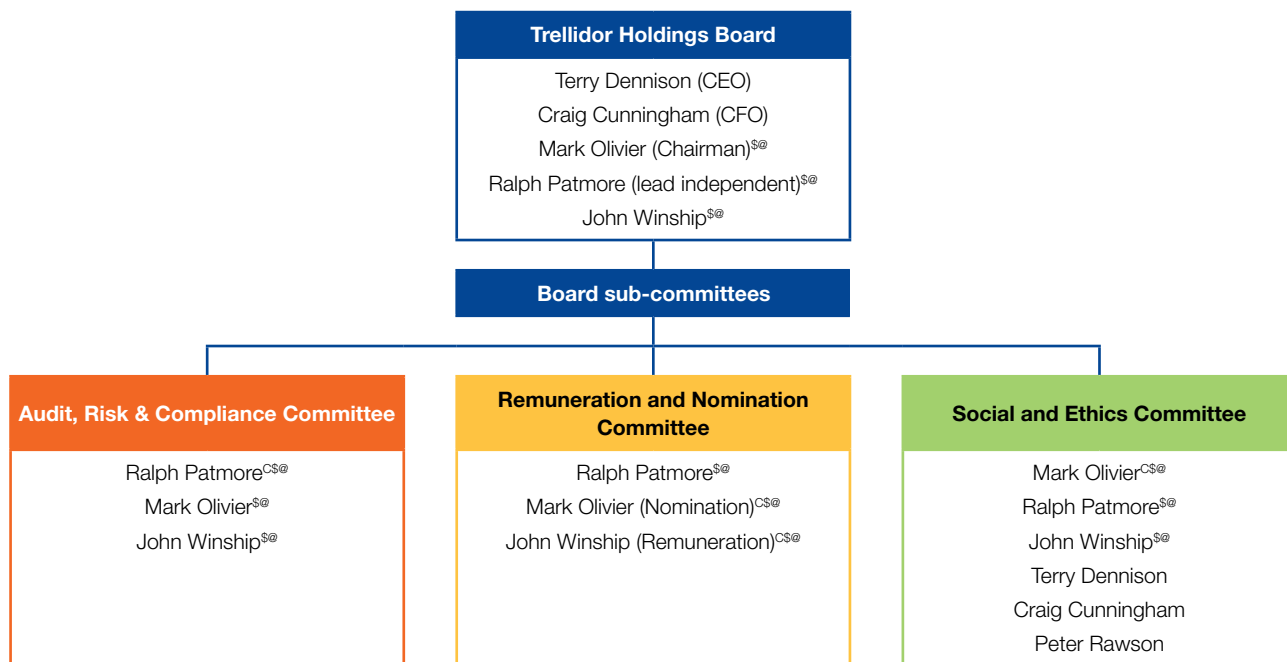




# HOW THE GROUP IS GOVERNED

# Corporate Governance report

Governance structure at the date of this report



<sup>S</sup> Non-executive

<sup>@</sup> Independent

<sup>C</sup> Chairman of particular committee

Trellidor is committed to upholding the highest standards of ethics and good governance while pursuing wealth and value creation for its stakeholders. This process encompasses a stakeholder inclusive approach which includes timely, relevant and meaningful reporting to shareholders and other stakeholders providing a proper and objective perspective of the Company and its activities. The members of the Board act with independence of mind and in a manner that they believe is reasonable, accountable, fair and transparent. The Board remains the focal point of good governance and exercises sound judgement and leadership with integrity, guided by principles of responsibility, accountability, fairness and transparency. The Board assessed the application of the principles set out in King IV and have acknowledged that they are aligned to achieving the four desired governance outcomes, namely ethical culture, good

performance, effective control and legitimacy. The recommended practices associated with each principle are applied to give effect to that principle. The Company's King IV application register is available at [www.trellidor.co.za](http://www.trellidor.co.za). The Board is committed to continuously improving governance and will on an ongoing basis review its governance practices to fully meet the requirements of King IV.

The Company promotes the highest standards of ethical behavior among all persons involved in the Group's operations in line with its adopted Code of Ethics, which is upheld by the Board and is communicated to employees. The Code provides detailed guidance as to their ethical conduct and they are required to adhere to the Code in all daily interactions. The Company has a zero tolerance policy in respect of the committing or concealment of fraudulent acts by employees, contractors or suppliers.

As part of the Board's commitment to best practices in corporate governance and in order to ensure compliance with King IV and relevant laws, regulations and responsible corporate citizenship, they have ensured that mechanisms and policies, which are appropriate to the Company's business, are in place. The Board reviews these from time to time.

The formal steps taken by the directors are summarised on the following pages.

## TRELLIDOR BOARD

<b>Composition</b>	<p>The Board at the time of issuing this report consisted of two executive directors and three non-executive directors, all of whom are independent. The Board has ensured that there is an appropriate balance of power and authority on the Board, such that no one individual or block of individuals can dominate the Board's decision-making. The non-executive directors are individuals of caliber and credibility and have the necessary skills and experience to bring judgement to bear independently of management, on issues of strategy formulation, performance management, resources planning and allocation, transformation, diversity and employment equity, standards of conduct and other important decisions.</p> <p>The Board has applied its mind to the independence of Mark Olivier and John Winship who have both served as non-executive directors since 2006 and is comfortable that they remain independent.</p> <p>Although not required, the Board agreed that a lead independent non-executive director would be appointed. As previously reported, Ralph Patmore was appointed lead independent non-executive director on 7 September 2017.</p> <p>The non-executive directors are required to sign a formal letter of appointment, in which they confirm their commitment to the Board and any committees they may be appointed to.</p> <p>A brief curriculum vitae of each director is set out on pages 6 and 7 of this integrated annual report, with their detailed CVs on the Company's website <a href="http://www.trellidor.co.za">www.trellidor.co.za</a>.</p>
<b>Frequency of meetings</b>	<p>Board meetings are held at least quarterly, with additional meetings convened when circumstances necessitate. The Board met four times prior to the end of the financial year.</p>
<b>Roles and responsibilities</b>	<p>The Chairman, Mark Olivier, is an independent non-executive director whose role continues to be separate from that of the CEO, Terry Dennison. Their roles and responsibilities have been clearly defined and are distinct to ensure checks and balances in terms of decision-making. The Chairman is considered to be independent in terms of King IV.</p> <p>The Chairman provides independent Board leadership and guidance, facilitates suitable deliberation on matters requiring the Board's attention and ensures the efficient operation of the Board as a unit.</p> <p>Ultimate control of the Group rests with the Board of directors and the Board is responsible for setting the strategic direction of the Group, while the CEO and executive management are responsible for the implementation of the Group's strategy and the day-to-day operational decisions and business activities. The Board is also responsible for key policies and for approving financial objectives and targets.</p> <p>The Board, as a whole, continues to act as the focal point for and custodian of the Company's corporate governance, ensuring that Trellidor is a responsible corporate citizen in light of the impact its operations might have on the environment and the society in which it operates.</p> <p>The Board is also responsible for identifying and managing the Group's risks. The Board has analysed these risks and agreed their tolerance levels. The ongoing management of these risks is then addressed by the Audit, Risk &amp; Compliance Committee and the executive directors.</p> <p>The Board is of the view that the risk management processes that are in place effectively assist in managing the Group's risks. A risk assessment identifying the various risks together with the associated mitigating measures as well as identified opportunities, appear on page 16 of this integrated annual report.</p> <p>The Board operates according to a Board Charter, which is available at <a href="http://www.trellidor.co.za">www.trellidor.co.za</a>.</p>
<b>Evaluation</b>	<p>To improve the Board's effectiveness, regular evaluations of the Board, individual directors, Board Committees and the Chairman are conducted. Appropriate measures are taken to address any weaknesses highlighted through the evaluation processes. On completion of the latest evaluation, it was found that the Board has duly completed its responsibilities in accordance with its Charter.</p> <p>The Board has considered both the composition of the board and its various committees and the independence of the non-executive directors and believe that the Board Members bring a wealth of industry and financial experience with the non-executive directors remaining independent. The Board is comfortable that the size and composition of the Board and the various Committees is appropriate for the size of the Company.</p>

### Appointments to the Board

There is both a formal Diversity Policy<sup>#</sup> and Board Appointment Policy in place and appointments to the Board follow a formal and transparent process, and are considered by the Board as a whole following the recommendation of the Nomination Committee. In this way the Board ensures that it has the right balance of skills, experience, background, independence and business knowledge necessary to discharge its responsibilities. The appointments are subject to confirmation by the shareholders at the Annual General Meeting. They are free from any dominance of any one particular shareholder.

Any new incoming directors will be taken through a formal orientation programme which enables them to familiarise themselves with the Company's operations, senior management and its business environment, and to induct them in their fiduciary duties and responsibilities. New directors with no or limited Board experience would receive development and education to inform them of their duties, responsibilities, powers and potential liabilities.

All non-executive directors will be subject to retirement by rotation and re-election by shareholders at least once every three years in accordance with the Memorandum of Incorporation.

### Directors' Personal interests and conflict of interest

The Board has determined a policy for detailing the manner in which a director's interest in transactions is declared and the interested director's involvement in the decision-making process is followed by all directors. A full list of directors' interests is maintained and reconfirmed annually with directors. Directors are required to recuse themselves from any discussion and decision in which they may have a material financial interest.

### Dealing in Securities by the Directors

The Group has adopted a policy that regulates dealings in the Group's securities by directors, group officials and their associates in closed periods and with price-sensitive information, as required by and in line with the JSE Listings Requirements. In addition, Trellidor maintains a closed period from the end of a financial reporting period to the date of publication of the financial results, any period while the Company is trading under cautionary announcement and at any other time deemed necessary by the Board.

The policy is managed by the Company Secretary with the persons authorised to clear directors for trading in open periods being the Chairman and in his absence (or in the case of any potential conflict) the lead independent director.

### Board Committees and delegation of authority

The Board delegates certain functions to well-structured committees. These committees assist the Board by giving detailed attention to certain of the Board's responsibilities and they operate within defined written terms of reference/charters, as well as within the delegation of authority framework.

The Board has approved a delegation of authority framework, which delegates certain responsibilities or decisions to the Executive and the Board committees while retaining authority, where appropriate, at Board level.

The framework in addition to delegating authority, also defines authority limits. The delegated responsibilities in terms of certain functions to the Audit, Risk and Compliance Committee, the Remuneration and Nomination Committee and the Social and Ethics Committee remain unchanged. The Board is conscious of the fact that such delegation of duties is

not an abdication of the Board members' responsibilities. The Board continues to maintain effective control. The various committees' terms of reference/charters and the authority framework are reviewed at least annually.

External advisers and executive directors who are not members of specific committees are invited to attend committee meetings by invitation, if deemed appropriate by the relevant committee. These invitees are not entitled to any fees for their attendance at the meetings.

<sup>#</sup> The Board approved and adopted Diversity Policy covers both gender and race diversity. A copy is available on the Company's website [www.trellidor.co.za](http://www.trellidor.co.za)



## AUDIT, RISK AND COMPLIANCE COMMITTEE

<b>Composition</b>	Three members Ralph Patmore (Chairman), John Winship and Mark Olivier, all of whom are independent non-executive directors. Members contribute extensive financial expertise and experience and knowledge of Trelidor.
<b>Frequency of meetings</b>	Committee meetings are held at least quarterly, with additional meetings convened when circumstances necessitate. The Committee met four times prior to the end of the financial year.
<b>Responsibilities</b>	The committee's primary objective is the provision to the Board of additional assurance regarding the efficacy and reliability of the financial information used by the directors to assist them in the discharge of their duties. The committee has and will continue to provide satisfaction to the Board that adequate and appropriate financial and operating controls are in place, that significant business, financial and other risks have been identified and are being suitably managed, and that satisfactory standards of governance, reporting and compliance are in operation.  Refer further detail in the Committee Report on page 52.  The Committee operates according to a Charter, which is available at <a href="http://www.trelidor.co.za">www.trelidor.co.za</a> .

## REMUNERATION COMMITTEE<sup>#</sup>

<b>Composition</b>	Three members John Winship (Chairman), Ralph Patmore and Mark Olivier, all of whom are independent non-executive directors. Members contribute extensive expertise and experience and knowledge of Trelidor.
<b>Frequency of meetings</b>	Committee meetings are held at least quarterly, with additional meetings convened when circumstances necessitate. The Committee met four times prior to the end of the financial year.
<b>Responsibilities</b>	The Remuneration Committee is constituted as a committee of the Board for the purposes of considering executive and non-executive director's remuneration. It also appraises the performance of the CEO and CFO at least annually. The committee further has the responsibility and authority to consider and make recommendations to the Board on, <i>inter alia</i> , the Remuneration Policy of the Company, the payment of performance bonuses, executive remuneration, short, medium and long-term incentive schemes and employee retention schemes. The committee uses external market surveys and benchmarks to determine executive directors' remuneration and benefits as well as non-executive directors' fees.  Refer further detail in the Remuneration Committee Report on page 44.  The Committee operates according to a Charter, which is available at <a href="http://www.trelidor.co.za">www.trelidor.co.za</a> .

<sup>#</sup> The Remuneration and Nominations Committees meet jointly, the Chairmanship changes to address Nominations and Remuneration matters separately.



## NOMINATIONS COMMITTEE<sup>#</sup>

<b>Composition</b>	<p>Three members Mark Olivier (Chairman), John Winship and Ralph Patmore, all of whom are independent non-executive directors.</p> <p>Members contribute extensive expertise and experience and knowledge of Trelldor.</p>
<b>Frequency of meetings</b>	<p>Committee meetings are held at least quarterly, with additional meetings convened when circumstances necessitate. The Committee met four times prior to the end of the financial year.</p>
<b>Responsibilities</b>	<p>The Nomination Committee is responsible for assisting the Board with the appointment of directors by making appropriate recommendations in this regard. It is responsible for reviewing the Board composition and structures, including the size and composition of the various Board committees and considering whether there is an appropriate split between executive, non-executive and independent directors.</p> <p>Is responsible for the appropriate induction and training of directors and conducting performance reviews of the Board and various Board committees.</p> <p>It is also responsible for ensuring the proper and effective functioning of the Board and assists the Chairman in this regard. This includes the consideration of succession planning in respect of the non-executive and executive directors and senior management. A formal succession plan has been presented to, and has been approved by, the Committee.</p> <p>In the event of a vacancy the Committee will consider candidates, in line with the Group's previously adopted Diversity Policy, on merit against objective criteria and with due regard for the potential benefits of diversity at Board level. The Committee will continue to discuss and annually agree all measurable targets for achieving diversity on the Board</p> <p>The Committee operates according to a Charter, which is available at <a href="http://www.trelldor.co.za">www.trelldor.co.za</a>.</p>

<sup>#</sup> The Remuneration and Nominations Committees meet jointly, the Chairmanship changes to address Nominations and Remuneration matters separately.

## SOCIAL AND ETHICS COMMITTEE

<b>Composition</b>	<p>Six members, Mark Olivier (chairman), Ralph Patmore, John Winship, Terry Dennison, Craig Cunningham and Peter Rawson which comprise three independent non-executive directors, two executive directors, and a prescribed officer. Members contribute extensive expertise and experience and knowledge of Trelldor.</p>
<b>Frequency of meetings</b>	<p>Committee meetings are held at least bi-annually, with additional meetings convened when circumstances necessitate. The committee met twice prior to the end of the financial year.</p>
<b>Responsibilities</b>	<p>The Social and Ethics Committee's responsibilities encompass monitoring, measuring and regulating the impacts of the Group on its material stakeholders and environments, having regard to any relevant legislation, other legal requirements and prevailing codes of best practice, in respect of social and economic development, good corporate citizenship (including the promotion of equality, prevention of unfair discrimination, the environment, health and public safety, and the impact of the Company's activities and of its products or services), consumer relationships and labour and employment issues. Ethical standards, in dealings with all stakeholder groups, including suppliers, customers, business partners, government, communities and society at large, are in place and their ongoing implementation is monitored by the committee. Although management is tasked with overseeing the day-to-day operational sustainability of their respective areas of business, and reporting thereon to the committee, the Board retains ultimate responsibility.</p> <p>The committee also takes responsibility for advising the Board on all relevant aspects that may have a significant impact on the long-term sustainability of the Group and which influence the Group's triple bottom-line reporting. The Committee will also draw to the Board's attention any other matters within its mandate and also reports to the shareholders at the Company's Annual General Meeting.</p> <p>In order to carry out its functions, the committee is entitled to request information from any directors or employees of the Company, attend and be heard at shareholders' meetings, and receives notices in respect of such meetings.</p> <p>Refer further detail in the Committee Report on page 41.</p> <p>The Committee operates according to a Charter, which is available at <a href="http://www.trelldor.co.za">www.trelldor.co.za</a>.</p>

Attendance at meetings during the financial year

Attendees	Board meetings	Audit, Risk and Compliance Committee meetings	Remuneration and Nomination Committee meetings	Social and Ethics Committee meetings
Mark Olivier	4(4)	4(4)	4(4)	2(2)
Ralph Patmore	4(4)	4(4)	4(4)	2(2)
John Winship	4(4)	4(4)	4(4)	2(2)
Terry Dennison	4(4)	4(4) <sup>#</sup>	4(4) <sup>#</sup>	2(2)
Craig Cunningham	4(4)	4(4) <sup>#</sup>	–	2(2)
Peter Rawson	3(4) <sup>#</sup>	1(4) <sup>#</sup>	–	2(2)

<sup>#</sup> Invitee to the committee/board

## Independent Advice

All independent non-executive directors have unrestricted access to management and all Company information and resources, as well as to the Group's external auditors. Further, all directors are entitled to seek independent professional advice, at the Group's expense, on any matters pertaining to the Group as they deem necessary. The information needs of the Board are reviewed annually.

## Company Secretary

The Company Secretary advises the Board of any relevant regulatory changes and/or updates. In addition, she provides a central source of guidance to the Board, individual directors and sub-committees on how to discharge their responsibilities in the best interests of the Company as well as on matters of ethics and good corporate governance. The Company Secretary attends all Board and committee meetings and is responsible for overseeing the preparation in advance of comprehensive agendas and meeting packs. Further, responsibility lies with her for overseeing the accurate recording and dissemination of the minutes of these meetings. This includes any meetings at which appointment of directors is discussed and/or confirmed.

Whenever deemed necessary she also reviews the rules and procedures applicable to the conduct of the affairs of the Board. If necessary, she involves the sponsor and other experts in this regard to ensure that the directors have adequate information to discharge their responsibilities efficiently.

The Board is comfortable that the Company Secretary, Paula Nel, a suitably qualified, competent and experienced Company Secretary, has been appointed and appropriately empowered to fulfil duties and provide assistance to the Board. The Company Secretary is an independent contractor and not a director or employee of the Company. She has an arm's length relationship with the Board, who can also remove her from office.

The Company Secretary is subject to an annual evaluation by the Board. Having completed the evaluation process, the Board is satisfied with the expertise, experience, competence and qualifications of the Company Secretary and confirms that the relationship between the Board and the Company Secretary remains arm's length.

## Information and Technology Governance

The Board is ultimately responsible for information and technology governance. The risks and controls over information and technology assets and data are reviewed and monitored by the Audit, Risk and Compliance Committee.

The Information and Technology functions of the Group are outsourced where appropriate to approved external service providers. The risks regarding the security, back-up, conversion and update of the information and technology systems are continually assessed, reviewed and monitored by the Audit, Risk and

Compliance Committee. Disaster recovery plans are regularly reviewed as disruptions to critical management information could have an impact on continuing operations.

## Promotion of Access to Information Act

There were no requests for information lodged with the Group in terms of the Promotion of Access to Information Act, No 2 of 2000.

## Internal Control Framework

The Board is responsible for the Group's systems of internal control and risk management. The Audit, Risk and Compliance Committee assist in this regard. Together they evaluate the adequacy and effectiveness of internal control systems and processes, and monitor whether internal control recommendations have been implemented. The internal control framework together with the required assurance is formally documented and annually reviewed by the Audit, Risk and Compliance Committee.

The systems are designed in such a way as to manage rather than eliminate risk and to safeguard and maintain accountability of the Group's assets. This will assist in identifying and curtailing significant fraud, potential liability, loss and material misstatement while ensuring compliance with applicable statutory laws and regulations.

## External Audit

The external auditors are responsible for reporting on whether the financial statements are fairly presented in compliance with IFRS, and their audit to this end includes an assessment of internal controls. The preparation of the annual financial statements remains the responsibility of the directors.

The Audit, Risk and Compliance Committee meets regularly with the external auditors and in this way ascertains their efficacy and independence.

Recommendations thereon are then made to the Board. The responsible audit partners rotate in accordance with legislation and audit firm requirements. As a rule, the Board does not engage the external auditors for any tax compliance or for assistance with company secretarial duties. Where the external auditors are appointed for non-audit services, the Board assisted by the Audit, Risk and Compliance Committee ensures that there is a strict separation of divisions in order to maintain independence.

## Legal Compliance

The Company Secretary, together with the Group's Sponsor, monitors compliance with the recommendations set out in King IV, the JSE Listings Requirements and the Companies Act.

Legal and legislation-related matters are addressed at each Board meeting and, specifically, new legislation which affects the Company is discussed in detail. The process of compliance with relevant legislation is managed by the Company and is monitored by the Audit, Risk and Compliance Committee. During the past financial year, no instances of material non-compliance were noted and no judgments, damages, penalties or fines were recorded or levied against Trelidor, its directors or employees for non-compliance with any legislation.

## Employment Equity

The Group is compliant with the requirements of the Employment Equity Act. A summary of the Employment Equity Plan submitted to the Department of Labour is tabled below.

	Male (%)	Female (%)
African	22	12
Indian	17	4
Coloured	18	15
White	8	4

*The Employment Equity Reports have a different cut off period to the year under review.*

## Broad-based Black Economic Empowerment Annual Compliance Report

The JSE requires a listed company to publish its report on its compliance with section 13(G)(2) of the South African Broad-Based Black Economic Empowerment Act 53 of 2003, as amended (the "B-BBEE Act"), that it provides to the B-BBEE Commission, in the prescribed form, a report on its compliance with broad-based black economic empowerment. Trelidor is in the process of complying with both the JSE requirements and section 13(G)(2) of the B-BBEE Act. A copy of the relevant documents will be made available on the Company's website, [www.trelidor.co.za](http://www.trelidor.co.za) in due course.

The Group continues with its strategy to improve its B-BBEE scorecard.

## King IV Compliance Review and Application Register

The Board endorses the Code of Corporate Practices and Conduct as contained and recommended in King IV and the JSE Listings Requirements. As reported in the prior year, a King III/IV gap analysis was completed. The details are

recorded in the application register, which is included on the Trelidor website, [www.trelidor.co.za](http://www.trelidor.co.za).

The Board is comfortable that all the gaps have either been addressed or are in the process of being addressed.

For the 2018 financial year, the Board hereby confirms that the Company has applied the principles of King IV and explained the application of all principles.

The Board continues to strive to ensure that the interests of all the Company's stakeholders are protected and that adherence to the principles of good corporate governance espoused by King IV remains a commitment of the Group. It is the intention of all directors that the principles of integrity and the highest ethical standards are upheld by all who serve the Company and its stakeholders.

The Board is satisfied that appropriate governance structures exist and are operational within the Company, and it has implemented the procedural recommendations that have emanated from the King IV Report as well as appropriate legislation.

Governance documents available on the Company's website:

- Board and committee charters.
- Chairman's charter.
- Lead independent director charter.
- Director trading, external communication confidentiality policy.
- Declaration of interest policy.
- King IV application register.
- Ethics and code of conduct policy.
- Board appointment policy.
- Diversity policy.
- Form B-BBEE 1 lodged with B-BBEE Commission.
- SENS announcements.

# Social and Ethics Committee report

Trellidor believes in assisting in improving the livelihood of all individuals through corporate initiatives such as access to education, employment equity, enterprise development and preferential procurement.

The information below constitutes the report of the Social and Ethics Committee ("Committee") in accordance with the requirements of the Companies Act, in respect of the 2018 financial year of Trellidor Holdings Limited.

As reported on page 38, the Committee is chaired by Mark Olivier and further comprises John Winship, Ralph Patmore, Terry Dennison (CEO), Craig Cunningham (CFO) and Peter Rawson. Mark Olivier representing the Committee, attends the Annual General Meeting to answer any questions relating to matters within the committee's ambit and to deliver the Committee's report to the shareholders.

The Social and Ethics Committee's responsibilities in respect of the Group encompass monitoring, measuring and regulating its social and economic development, its corporate citizenship, labour relations and impacts of the group on its material stakeholders and environments. The committee also takes responsibility for advising the Board on all relevant aspects that may have a significant impact on the long-term sustainability of the Group and which influence the Group's triple bottom-line reporting.

Although management is tasked with overseeing the day-to-day operational sustainability of their respective areas of business, and reporting thereon to the committee, the Board retains ultimate responsibility.

The Committee Charter sets out the committee's scope and responsibilities and it is reviewed annually to confirm compliance with King IV and the Companies Act and to ensure the incorporation of further best practice developments.

The effectiveness of the Committee is assessed formally every two years by the Board. On completion of this assessment it was found that the Committee had duly completed its responsibilities during the year in accordance with its Charter.

**The Committee has agreed that its Strategic focus areas, in addition to its statutory responsibilities, are:**

1. Workplace and employment: Employment Equity/B-BBEE Transformation, employee education and development, protocols on decent work and working conditions, prevention of unfair discrimination;
2. Social: Corporate Social Investment ("CSI"), Social Economic Development ("SED"), Community development, donations and sponsorship, reduction of corruption, consumer protection;
3. Procurement;
4. Enterprise Development;
5. Ethics;
6. Safety and environment: Public Health and Safety, environmental, sustainability and green issues;
7. Preference will be given to projects where the major beneficiaries are black youth (10 to 25 years), black women and previously disadvantaged communities; and
8. CSI initiatives which focus on education and welfare and skills transfer and job creations.

## Workplace and employment

### Transformation and Employment Equity

At Board level, in respect of Board appointments, the Group has adopted a Diversity Policy which will be followed when considering any future appointments.

From an employee perspective, the Group is compliant with the Employment Equity Act and the detail is set out on page 40 of this report.

### Employee education and development

A work place skills plan ensures that all employees receive the skills training required to fulfil their roles and refresher training ensures that industry quality and safety standards are maintained. Regular teambuilding events are held for staff. Staff are offered support in studying in order to improve their qualifications. The business meets with its shop stewards and union representatives to ensure that good relations with employees are maintained.

### Protocols on decent work and working conditions

An energetic and knowledgeable Safety Health Environment Risk & Quality team ("SHERQ") dedicated to ensuring all SHERQ requirements are met and annual audits are successfully completed. The Trellidor Durban production processes are ISO 9001:2015 certified.

## Safety and environment

Installed rainwater tanks at the factory in Durban, have reduced the impact on the environment. The modern effluent plant processes waste water into useable water that can be released safely back into the environment; the quality of the which is monitored and verified against set municipal standards. The business makes use of recycling facilities for waste generated within the business model – this includes the recycling of aluminium, steel, card and paper.

### Prevention of unfair discrimination

The Committee regularly reviews the various policies and procedures that management have put in place which ensure the prevention of unfair discrimination. The Board, the Committee and management do not support and/or tolerate any behaviour that is deemed or perceived to be discriminatory.

## Procurement

The group encourages business relationships with suppliers, who actively pursue sound employment equity and black economic and empowerment programmes. The Group promotes the development of black-owned businesses and is actively seeking to better its B-BBEE scoring on an ongoing basis. We continue to seek opportunities to sustainably increase our participation in enterprise development. The business model has assisted in the development of some 72 franchises in South Africa and 21 in Africa.

## Ethics

As reported in the Governance section of this report, the adopted Code of Ethics underpins the Board and employees conduct and behaviour so as to ensure that they all uphold the highest standard of ethics.



## Social and economic development

During the year, the Trellidor Group responded to its social and economic development responsibilities by participating in several community development initiatives:

- Ingane Yami Children's Village is home to children left destitute by the AIDS pandemic and is located near the peaceful Shongweni Dam outside Durban. Trellidor secured a total of five homes in the village, with each house having burglar proofing on the windows and security gates on the doors.
- Supported Young Bafana, which is a non-governmental organization in Cape Town, offering a holistic development programme for children from historically and socially disadvantaged backgrounds in South Africa by means of soccer and education, by making monthly cash donations.

- Continues to donate to Boystown, which is a national non-profit organisation that runs proven and successful programmes to strengthen vulnerable youth.
- Made smaller donations to a number of organisations, including Noluthando School for the Deaf, The Sunflower Fund, East Coast Radio's Toy Story and the Mr Price Foundation.

In accordance with its mandate, the Committee met twice during the year under review. Attendance at Committee meetings is set out on page 39. In general, it was satisfied that Trellidor is fulfilling its social and ethical obligations as a good corporate citizen as well as having fulfilled its statutory duties.



# Remuneration report

## PART 1: BACKGROUND STATEMENT

This remuneration report outlines the background, philosophy and policy and implementation details of the remuneration of executive directors, executive management and non-executive directors, and at a high level, other employees of Trellidor Holdings as proposed by the King IV report. Its development has considered appropriate and recommended practices from stakeholders including feedback from shareholders in relation to past AGMs in the non-binding advisory vote by shareholders, and in line with good corporate governance, the principles set out in this report have now been aligned as far as practical to King IV.

Trellidor presented its Remuneration Policy to shareholders for a non-binding advisory vote thereon at its previous AGM on 16 November 2017. Shareholders representing 62,03% of the votes exercisable attended the meeting in person or by way of proxy, of which 80,41% voted in favour of the resolution tabled. The main concerns raised by shareholders were noted and the Remuneration Committee ("Remco") believes they have been addressed, where possible.

Remco is satisfied with the company's application of the requirements of King IV and the JSE Listings Requirements. Ongoing enhancements to the company's remuneration policy and practices will continue to be assessed in future reporting periods.

Trellidor Holdings regularly conducts benchmarking studies to establish appropriate remuneration levels and practices to ensure fair, transparent and responsible remuneration for all staff including management. Trellidor makes use of market surveys to conduct remuneration benchmarking for all staff. The benchmarking concluded that there is a high degree of internal equity, with employees being paid within acceptable salary ranges.

## Summary of Remuneration Activities by the Remuneration Committee during the 2017/18 Reporting Period

### Main Focus Areas 2017/18

The following issues were considered, engaged on, recommended or approved by the Remco and the Board for the 2017/18 reporting period:

- The amendment of the remuneration policy to align with the recommendations of King IV
- Increases for the CEO and executives
- Short-term incentive bonus for the CEO and executives and senior managers
- Performance conditions and performance targets for STI and LTI schemes
- Proposal to shareholders on fees payable to non-executive directors

### Focus Areas 2018/19

- To introduce a new STI scheme
- To review the LTI scheme
- To ensure further alignment with King IV

## PART 2: OVERVIEW OF THE REMUNERATION POLICY

### Non-binding Advisory Vote on Remuneration Policy

This remuneration policy is subject to an advisory vote by shareholders at the forthcoming AGM.

### Remuneration philosophy

The objective of the remuneration philosophy is to align with the strategy, mission, vision and values of the Group by applying a total reward philosophy and approach to pay. The intent is to attract, motivate and retain the right skills and talent for the Group to meet its desired outcomes whilst considering various stakeholders' perspectives. The policy aims to establish a balance between fixed and variable pay (short-and long-term incentives) which rewards and motivates superior performance. The policy aims to ensure an appropriate level of equity, transparency and consistency across the Group.

### The Remuneration Committee

#### Committee responsibilities

The roles and responsibilities of the Remco are determined and approved by the Board, as explained in the corporate governance section of this integrated annual report, which deals with Board Committee structures and responsibilities.

The Remuneration Committee ("Committee") comprises three independent non-executive directors: John Winship (Committee Chairman), Ralph Patmore and Mark Olivier. The CEO attends meetings by invitation.

The Committee's Charter requires the Committee to meet twice annually, with additional meetings if required. The Committee, however, schedules a meeting to take place prior to each quarterly Board meeting. Attendance at Committee meetings is set out on page 39 of the Corporate Governance Report. The formal Remuneration Committee Charter sets out the Committee's responsibilities. The Charter is reviewed annually to ensure compliance with King IV, JSE Listings Requirements and the Companies Act, and to incorporate relevant best practice developments.

The Board assesses the effectiveness of the Committee annually. It was found that the Remuneration Committee has duly completed its responsibilities during the year in accordance with its Charter.

The Committee is an independent and objective body, which is responsible for advising on, and then on the Board's behalf overseeing and monitoring the implementation of the Group's remuneration policy. It is tasked with ensuring that directors and executives are remunerated fairly and responsibly and to this end the Committee reviews the mix of remuneration, bonuses and incentives (both short-and long-term), thereby ensuring alignment of total remuneration with the needs of the business's short-and longer-term objectives.

Key responsibilities of the Committee are to:

- review the Group's remuneration policy, which is presented annually for a non-binding advisory shareholder vote at the Annual General Meeting;
- oversee the implementation of the remuneration policy;
- review and approve the annual remuneration packages of the executive directors and senior executives, including annual cash-settled incentive schemes, ensuring they are appropriate and in line with the remuneration policy;
- recommend fees for the non-executive directors to the shareholders;
- issue guidelines for general salary increases across the Group;
- to make recommendations to the Trustees of the Share Incentive Trust with regard to the long-term incentive and the resultant allocation of share options;
- review the human capital management practices in place with reference to key focus areas and those specifically required by the South African labour legislation;
- annually review the Committee's Charter and recommend amendments thereto as required;
- undertake an annual assessment of the effectiveness of the Committee and report these findings to the Committee and the Board; and
- review the remuneration report and disclosure of directors' remuneration that appears in the Group's integrated report.

To fulfil its remuneration responsibilities, the Committee has unrestricted access to any information required from any employee and, if necessary, to obtain external legal or other independent professional advice. The Group's remuneration policy is tabled at the Annual General Meeting for a non-binding advisory vote by shareholders.

## Shareholder Engagement

Where practical, the Remco continues to constructively engage with dissenting as well as other shareholders on matters related to disclosure, performance conditions and the structuring of remuneration packages.

In the event that Trelidor Holdings remuneration policy (as contained in Part 2 of this report) or the remuneration implementation report (as contained in Part 3 of this report) is voted against by 25% or more of voting rights exercised by shareholders, the Remco will take the following steps as a minimum:

- An engagement process to ascertain the reasons for dissenting votes.
- Appropriately address legitimate and reasonable objections raised, which may include amending the remuneration policy or clarifying or adjusting the remuneration governance and/or processes.

## Key Principles of the Remuneration Policy

In designing a remuneration policy which is fair, transparent and responsible, Trelidor Holdings considered the following factors:

- remuneration which motivates executive management to achieve the business strategy and targets;
- remuneration which creates a strong, performance-oriented environment for executive management and all employees;
- remuneration which drives and rewards executives and all employees fairly based on their performance and which ensures alignment between executive management and shareholder interests to create shareholder value;
- remuneration of executive management which is fair and reasonable in the context of overall employees;
- remuneration which attracts, motivates and aims to retain high-calibre talent while keeping within market benchmark pay levels; and
- remuneration which promotes an ethical culture and responsible corporate citizenship.

## Elements of Remuneration

The remuneration structure for the executives and selected managers consists of the following elements:

### 1. Guaranteed Remuneration

Guaranteed pay on a cost-to-company basis consisting of, inter alia, a base salary, contributions to pension and provident funds, medical aid, group life and income disability. Travel allowances form part of agreed cost to company remuneration where justified.

### 2. Variable pay

- **Short-Term Incentive (Annual Incentive)** – Participation is for executives and selected managers. The incentive is linked to the financial performance of the company and individual performance. The committee retains the overall discretion to review and moderate any calculated STI to avoid unintended outcomes, as well as to modify and amend the design of the scheme from time to time as it sees fit.
- **Long-Term Incentive (Share Scheme)** – In the form of share options for selected key employees. The Share Incentive Scheme is governed by the Share Incentive Trust, whose trustees are two of the non-executive directors, currently Ralph Patmore and John Winship. Shareholders have approved a maximum share option allocation of 10 000 000 shares and with the maximum to any individual of 5 000 000 shares.

The following table sets out the elements of Trellidor Holdings remuneration design and how they link to company performance and strategy:

Remuneration element	Key features	Eligibility	Link to strategy
<b>Guaranteed Pay</b>	Guaranteed pay is the fixed remuneration which comprises both a cash element and benefits. These benefits are inclusive of pension and provident funds, medical aid, group life and income disability. Where justified a travel allowance may be structured as part of the remuneration.	All employees	Attraction, retention and recruitment of talented executives and competent employees to drive business performance.
<b>Short-Term Incentive Scheme</b>	<p>The primary objective of the bonus scheme is to serve as a short-term incentive designed to provide executives and senior managers with the opportunity to earn an annual bonus.</p> <p>The factors taken into consideration when making payments are:</p> <ul style="list-style-type: none"> <li>a) annual financial results relative to target;</li> <li>b) strategic achievements;</li> <li>c) performance against key result areas; and</li> <li>d) prevailing market conditions.</li> </ul> <p>STIs will be capped as follows:</p> <ul style="list-style-type: none"> <li>• 50% of the aggregate guaranteed remuneration of the approved participants, or</li> <li>• 6% of earnings before interest and tax after being adjusted for any core headline adjustments made to earnings per share to determine core headline earnings per share.</li> </ul> <p>In addition, each individual participant will have a maximum short-term incentive payment based on the following:</p> <ul style="list-style-type: none"> <li>• CEO – 100 % of GP</li> <li>• CFO and senior executives – 50% of GP</li> <li>• Other participants – 30% of GP</li> </ul> <p>The STI payment will be calculated and approved annually based on:</p> <ul style="list-style-type: none"> <li>• 50% based on annually approved (by the Board in advance) Group financial measures designed to drive shareholder wealth;</li> <li>• 25% on individual KPAs; and</li> <li>• 25% at the discretion of the Remuneration Committee.</li> </ul>	Executives and selected managers	<p>To reward successful achievement of company targets and personal performance.</p> <p>The financial measure used is Earnings before Interest and Tax (EBIT) after being adjusted for any core headline adjustments made to earnings per share to determine core headline earnings per share. A percentage of the excess achieved above a hurdle set using a target ROE (with caps or maximums) is used to determine the size of the financial pool.</p> <p>EBIT is directly related to the growth strategy and sharing an amount in excess of the hurdle set using a minimum required ROE ensures only above target performance is rewarded.</p> <p>The individual component links to strategic KPAs for each executive and selected manager.</p> <p>The Remco discretionary 25% is only used to adjust specific individual's incentives up or down in line with special circumstances.</p> <p>A new STI will be designed for the next financial year.</p>



Remuneration element	Key features	Eligibility	Link to strategy
<b>Long-Term Incentive Scheme</b> <b>(Share Options Scheme)</b>	<p>The primary objective of the Share Incentive Scheme is to incentivise and retain key employees by awarding options in Trellidor shares.</p> <p>These options vest in four equal tranches on the second, third, fourth and fifth anniversaries of the option award date, with each tranche having to be exercised by the participant within a 30-day period (unless extended at the discretion of the Board), thereafter, failing which such options lapse.</p>	Executives and key employees	<p>To drive the long-term strategic business priorities of the Group.</p> <p>The Share Incentive Scheme will have its first vesting in October 2018, whereafter no further awards will be made under this scheme.</p> <p>A new scheme will be implemented in due course and the existing scheme will be phased out.</p>

### Executive and Prescribed Officers Contracts

Employment agreements are in place for the executive directors Terry Dennison and Craig Cunningham. These employment agreements include standard termination and other provisions for contracts of this nature. Similar employment contracts are in place for the other senior executives.

### Termination policy

In the event of a termination, the company has the discretion to allow the relevant employee to either work out their notice or to pay the guaranteed pay for the stipulated notice period in lieu of notice. Furthermore, the various plan rules clearly outline termination provisions under different circumstances, as set out below.

Plan	Voluntary, resignation, dismissal	Retirement, ill-health disability	Retrenchment and death
STI	Automatic forfeiture of award for current year.	Award is pro rated.	Award is pro rated.
Share Incentive Scheme	All unvested awards shall be forfeited in their entirety and will lapse immediately on the date of termination.	If the participant retires, falls ill or is disabled prior to the vesting date, they shall remain entitled to the same rights and obligations as if they remained employed by the company.	If the participant is retrenched or dies prior to the vesting date, they or the executor/legal representative shall remain entitled to the same rights and obligations as if they remained employed by the company.

### Non-executive directors' remuneration

In reviewing the fees for non-executive directors, the Board, assisted by the Committee, makes recommendations, taking into consideration fees payable to non-executive directors of comparable companies and the importance attached to the retention and attraction of high-calibre individuals as non-executive directors. Fees are reviewed annually.

As required by the Companies Act the remuneration of non-executive directors will be authorised by special resolution at the AGM.

Since the Company listed on 4 October 2015 the non-executive director fees have been paid as a flat rate. The fees for FY2018 were R253 200 per annum. The Remuneration Committee has reviewed these fees and in line with industry practice is proposing a revised fee structure to shareholders.

Proposed non-executive director fees:

Position	Annual retainer R	Per meeting fee R
Board Chairman	45 000	35 000
Director	40 000	25 000
<b>Audit, Risk and Compliance Committee</b>		
Chairman	–	30 000
Member	–	20 000
<b>Nomination and Remuneration Committee</b>		
Chairman	–	15 000
Member	–	10 000
<b>Social and Ethics Committee</b>		
Chairman	–	10 000
Member	–	7 500

*Fee excludes Value Added Tax (VAT)*

## PART 3: IMPLEMENTATION REPORT

Shareholders will be requested to cast an advisory vote on the remuneration implementation report as contained in part 3 of this remuneration report.

In this part of the report, details are provided of the remuneration paid to executive and non-executive directors for the financial year ended 30 June 2018. The Remco considers these payments are in line with company's remuneration policy.

### Guaranteed package increases

In determining the guaranteed package increases for the CEO, CFO and Prescribed Officers for 2017/18, the Remco considered relevant market survey data from an independent consultancy company. The remuneration for executives is benchmarked against companies of comparable size and complexity with reference to market capitalisation, revenue, profitability and number of employees.

In 2017/18 the Remco approved an increase for the CEO, CFO and Prescribed Officers of 6%. In 2018/19 the committee approved an increase of 5.5%.

### Single figure of remuneration

The total remuneration of executive directors and prescribed officers on a single figure basis, as required by King IV is shown below:

	Guaranteed package R	STI <sup>2</sup>	LTI <sup>1</sup>	Total remuneration R
<b>2018</b>				
TM Dennison	3 198 335	465 378	–	3 663 713
CG Cunningham	1 138 204	82 792	–	1 220 996
PWE Rawson	2 255 924	194 788	–	2 450 712
	6 592 463	742 958	–	7 335 421

Note:

<sup>1</sup> The first tranche of share options is due to vest in October 2018, and will be reported on in the 2019 Integrated Annual Report.

<sup>2</sup> The STI figures reported on in the table above are for the achievement of targets in the financial year 2017/18. These amounts were paid in October 2018.

	Guaranteed package R	STI <sup>2</sup>	LTI <sup>1</sup>	Total remuneration R
<b>2017</b>				
TM Dennison	3 017 297	800 000	–	3 817 297
CG Cunningham	1 073 568	180 000	–	1 253 568
PWE Rawson	2 128 023	290 000	–	2 418 023
	6 218 888	1 270 000	–	7 488 888

Note:

<sup>1</sup> The first tranche of share options is due to vest in October 2018, and will be reported on in the 2019 Integrated Annual Report.

<sup>2</sup> The STI figures reported on in the table above are for the achievement of targets in the financial year 2016/17. These amounts were paid in September 2017.

#### Non-executive director fees<sup>1</sup>

	Directors' fees R	Total R
<b>2018</b>		
MC Olivier	246 100	246 100
JB Winship	246 100	246 100
RB Patmore	246 100	246 100
	<b>738 300</b>	<b>738 300</b>
<b>2017</b>		
MC Olivier	235 500	235 500
JB Winship	235 500	235 500
RB Patmore	235 500	235 500
	<b>706 500</b>	<b>706 500</b>

<sup>1</sup> These fees are approved at the AGM and the increased fee is paid from the quarter following the AGM.

#### Short-term incentive payments for 2017/18

In 2017/18 bonuses were paid to the CEO, CFO and Prescribed Officers of the Group as per the single figure tables disclosed above. The amounts were determined as follows:

The STI has three elements: Financial (50%), Individual KPA (25%) and discretionary (25%). The total incentive pool is less than 6% of the EBIT and less than 50% of the aggregate guaranteed packages for all participants. EBIT is defined as earnings before interest and tax and STI provision after being adjusted for any core headline adjustments made to earnings per share to determine core headline earnings per share gross of tax.

The EBIT hurdle is calculated using a minimum required ROCE (cost of capital) of 23.7%. The minimum required ROCE means that a hurdle of EBIT of R81.2 million was established. The actual EBIT achieved was R96.8 million. The excess was therefore R15.6 million. 15% of R15.6 million determined the size of the total pool which was R2.33 million. This was less than the cap of 6% of EBIT being R5.8 million and less than 50% of the total guaranteed packages of the participants which was R10.7 million.

50% of the total incentive pool of R2.33 million is used for the financial element. The financial element is therefore R1.166 million. This amount is distributed between the participants in proportion to their percentage of the initial maximum incentive pool.

The KPA portion of up to 25% of the individuals capped maximum STI is distributed in proportion to the KPA rating achieved. The maximum KPA score is 15. The actual achieved by each individual is divided by the maximum score to determine a percentage with a maximum of 100% i.e. 15 out of 15.

The final 25% Remco discretionary element is only used for specific individuals where adjustments are recommended by the CEO or members of the Remco and approved by the Remco. The number of adjustments was limited to five participants. The net result of the adjustments was an increase of R0.11 million.

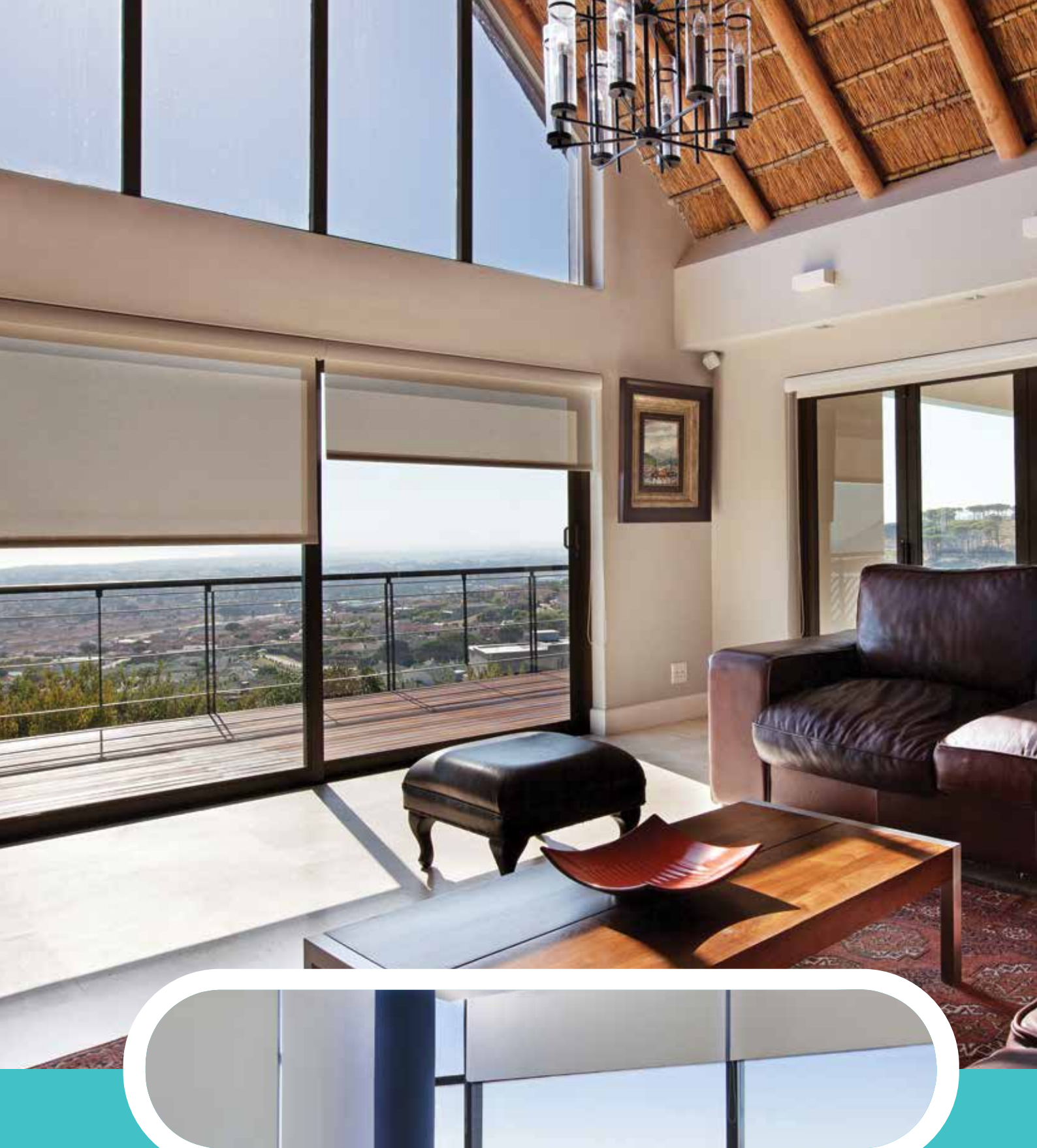
The total of the three elements distributed was R1.91 million.

#### Long-term incentive payments for 2017/18

There were no share options that vested in the 2018 financial year. The first vesting is in October 2018 and will be reported on in the next annual report.

- On 18 October 2016, 5 060 984 options were awarded to key employees of the Group. For further details please refer to the annual financial statements on the website [www.trellidor.co.za](http://www.trellidor.co.za).
- Further options totalling 1 830 920 have been approved for award on 18 October 2017 to key employees in Taylor, which will bring the total options awarded and not vested to 6 891 904.
- Shareholders have approved a maximum share option allocation of 10 000 000 shares and with the maximum to any individual of 5 000 000 shares.





# ANNUAL FINANCIAL RESULTS

# Audit, Risk and Compliance Committee report

The information below constitutes the report of the Audit, Risk and Compliance Committee ("committee") in respect of the year under review, as required by the Companies Act, for the Trellidor Holdings Limited Group.

## Membership

The committee is chaired by Ralph Patmore and further comprises John Winship and Mark Olivier, all of whom are independent non-executive directors and who have served on the committee throughout the period. The CEO, CFO and representatives from the external auditors attend the committee meetings by invitation only. The external auditors have unrestricted access to the committee.

The Nomination Committee and the Board are satisfied that these members have the required knowledge and experience as set out in section 94(5) of the Companies Act and Regulation 42 of the Companies Regulations, 2011. The Nominations Committee has also applied its mind to the King IV recommendations that the Chairman of the Board not be a member of this committee and is comfortable that Mark Olivier remain on this committee given the Board's current composition and structure of the Group. The Nomination Committee will continued to assess this matter. The re-appointment of committee members will be a matter for consideration by shareholders at the forthcoming Annual General Meeting. The Company Secretary is the secretary of this committee.

Ralph Patmore, representing the committee, attends the Annual General Meeting to answer any questions relating to matters within the committee's ambit.

## Meetings

The committee performs the duties required of it by section 94(7) of the Companies Act by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditor.

Four scheduled meetings of the committee were held during the financial year, this being in accordance with its charter, King IV and the Companies Act. Attendance at committee meetings is set out on page 39.

The formal committee Charter sets out the committee's responsibilities and it is reviewed annually to confirm compliance with King IV and the Companies Act, and to ensure the incorporation of further best practice developments.

The committee meets with external audit and the Chairman with internal audit without the presence of management at least once per annum.

The effectiveness of the committee is assessed annually by the Board. It was found that the committee has duly completed and discharged all its responsibilities during the year in accordance with its written terms of reference/charter.

## Responsibilities

The overall responsibilities of the committee are as follows:

- To review the principles, policies and practices adopted in the preparation of the financial statements of the Group and to ensure that the financial statements of the Group and any other formal announcements relating to the financial performance comply with all statutory and regulatory requirements as may be required.
- To ensure that both the consolidated interim and consolidated final financial statements of the Group, in respect of the first six-month period and the full financial period respectively, comply with all statutory and regulatory requirements.
- To annually assess the appointment of the external auditors and confirm their independence, recommend their appointment to the Annual General Meeting and approve their fees.
- To review the Group's compliance with applicable legislation and requirements of regulatory authorities.
- To review the reports of the Group's external and internal auditors to ensure the adequacy and effectiveness of the Group's financial, operating compliance and risk management controls.
- To set the principles for recommending the use of external auditors for non-audit services and monitoring that these be kept to a minimum.
- To review the management of risk and the monitoring of compliance effectiveness within the Group.
- To review the effectiveness of the Group's information systems and internal controls.
- To review the appropriateness, expertise and experience of the CFO.
- To review the Group's going-concern status.
- To perform duties that are attributed to it by its mandate from the Board, the Companies Act, the JSE Limited and regulatory requirements.
- To consider the JSE's proactive monitoring report as issued in February 2017 and the possible impact on the annual financial statements.

## Risk management

The committee, is responsible for ensuring that management's processes and procedures are adequate to identify, assess, manage and monitor group-wide risks.

The committee has performed the following duties:

- Oversight of risk management by reviewing and approving the key risks facing the Group.
- Reviewed the scope and report provided by the internal auditors.
- Reviewed the effectiveness of the internal financial controls.
- Assisted the Board in its review of the Group's risk management and compliance policies.
- Monitored compliance with the JSE Listings Requirements.

The committee is satisfied that the appropriate risk management processes and policies are in place.

## External audit

In the execution of its statutory duties relating to the financial year under review, the committee has:

- nominated and recommended Mazars for re-election as the independent external auditor of the Company under section 94(8) of the Companies Act and Tertius Erasmus as the designated audit partner, who is a registered independent auditor, for the 2019 audit. The committee satisfied itself through enquiry that the external auditors are independent as defined by the Companies Act and as per the standards stipulated by the auditing profession;
- taken into consideration such factors as the timing of the audit, the extent of the work required and the scope and in consultation with executive management agreed the engagement letter, terms; audit plan and budgeted audit fees for the financial year ended 30 June 2018. The committee considered the fee to be fair and appropriate;
- considered and approved the external audit fee;
- ensured that the appointment of the auditors complied with the provision of the Companies Act, and any other legislation relating to the appointment of auditors;
- satisfied itself that the external auditor is suitable for reappointment by considering, *inter alia* the information stated in paragraph 22.15(h) of the JSE Listings Requirements;
- determined the nature and extent of any non-audit services that the auditors may provide to the Company or Group and pre-approved any proposed agreement with the auditors for the provision of non-audit services to the Company or Group; so as to ensure the independence of the external auditor is maintained;
- prepared a report, which has been included in the annual financial statements of the Company for the financial year under review; received and dealt appropriately with any concerns or complaints, whether from within or outside the Company, or on its own initiative, in relation to the matters as set out in the Companies Act; and
- made submissions to the Board on any matter concerning the Company's accounting policies, financial control, records and reporting.

The committee has requested that they be provided with any decision letters/explanations issued by IRBA or any other regulator and any summaries relating to monitoring procedures/deficiencies issued by the audit firm. There were no matters pertaining to Trellidor that were raised by IRBA or any other regulator.

Where non-audit services have been provided by the appointed external auditors of the Company, the information relating to these services has been disclosed to the committee. Review and agreed upon procedures amounting to less than 3% of the audit fee have been performed during the year under review.

## Internal audit

Due to the size of the Group, the Board does not consider it to be cost-effective to maintain a full-time internal audit function and therefore outsources the internal audit function to KPMG. The Group's situation and needs in terms of an internal audit function will be reassessed on an annual basis.

## Annual financial statements

The committee has reviewed the consolidated and separate financial statements of the Group for the financial year ended 30 June 2018, and is satisfied that they comply, in all material aspects, with the requirements of the Companies Act and with International Financial Reporting Standards.

These financial statements, have been reviewed and recommended by the committee to the Board for approval. The Board subsequently approved the annual financial statements and they will be open for discussion at the forthcoming Annual General Meeting.

### Chief Financial Officer and finance function

The external auditor has expressed an unqualified opinion on the financial statements for the year ended 30 June 2018.

The committee on an annual basis obtains feedback from the external auditors and considers and satisfies itself as to the appropriateness of the expertise and experience of the CFO, as well as the Group finance function and must confirm this by reporting to shareholders in its annual report that the committee has executed this responsibility.

In this regard, the committee is satisfied that after assessing the competence and performance of the CFO, they believe he possesses the appropriate expertise and experience to meet his responsibilities in that position. The committee is also satisfied with the expertise of the financial staff and the adequacy of resources within the finance function. The committee in making these assessments has satisfied itself in terms of paragraph 3.84(g)(i) of the JSE Listings Requirements.

Based on the processes and assurances obtained the committee is of the view that the accounting practices are effective and that appropriate financial reporting procedures exist and are working.

### Regulatory compliance

The Group has completed its King IV gap analysis review in terms of the revised governance requirements of King IV and is in the process of ensuring that all its obligations are being fulfilled.

The committee has complied with any other applicable regulatory and legal responsibilities.

### Going concern

The committee through its review of the 2019 budget, cash flows, and discussions with executive management reported to the Board that it supports management's view that the Company will continue to operate as a going concern for the foreseeable future.

### Integrated annual report

The committee has evaluated the integrated annual report for its consistency with operational and other information known to the committee. It has recommended the approval of the integrated annual report, to the Board, which report the Board has formally approved.



**Ralph Patmore**

*Audit, Risk and Compliance Committee Chairman*

6 September 2018

Durban



## Directors' approval

The directors are required in terms of the Companies Act to maintain adequate accounting records and are responsible for the content and integrity of the financial results and related financial information included in this report. It is their responsibility to ensure that the financial results fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the Companies Act and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee. The external auditor is engaged to express an independent opinion on the annual financial statements.



TM Dennison



CG Cunningham

## Company Secretary's certification

### Declaration by the Company Secretary

In terms of section 88(2)(e) of the Companies Act, I certify that, as far as I am aware, the Group has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.



**Paula Nel**  
Company Secretary

6 September 2018

## Independent auditor's report

The unmodified independent auditor's report can be found on page 5 of the annual financial statements on Trellidor's website [www.trellidor.co.za](http://www.trellidor.co.za). Dave Bates is the designated audit partner responsible for the audit.

# Directors' report

The directors have pleasure in submitting their report on the annual financial statements of Trellidor Holdings Limited and the Group for the year ended 30 June 2018.

## 1. Nature of business

Trellidor Holdings Limited is an investment entity incorporated in South Africa. The Company's subsidiaries are engaged in the manufacture and sale of custom-made barrier security products, blinds, decorative and security shutters and cornicing/skirting products.

The Group operates principally in South Africa and Ghana.

## 2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, the requirements of the Companies Act and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee.

Full details of the financial position, results of operations and cash flows of the Group are set out in these annual financial statements, and in our view require no further comment.

## 3. Stated capital

Refer to note 6 for detail of the movement in authorised and issued share capital.

## 4. Dividends

Dividends already declared and paid to the shareholders during the year, after the appropriate approval was granted by the Board, are R32 928 459 (2017: R28 493 451), as reflected in the Statements of changes in equity.

Final dividend of 16.2 cents (2017: 19.5 cents) per ordinary share was approved by the Board of Directors on 06 September 2018 in respect of the year ended 30 June 2018, which brings the total interim and final dividend declared for the year to 27.2 cents (2017: 30 cents) per ordinary share.

The local dividends tax rate is 20%.

## 5. Directorate

There have been no changes to the directorate for the year under review.

The directors in office at the date of this report are as follows:

Directors	Office	Designation
TM Dennison	Chief Executive Officer	Executive
CG Cunningham	Chief Financial Officer	Executive
MC Olivier	Chairperson	Non-Executive Independent
JB Winship	Director	Non-Executive Independent
RB Patmore	Director	Non-Executive Independent

## 6. Directors' interests in shares

As at 30 June 2018, the directors of the Company held direct and indirect beneficial interests in its issued ordinary shares, as set out below.

Interests in shares	2018 Direct	2017 Direct	2018 Indirect	2017 Indirect
<b>Directors</b>				
TM Dennison	8 719 342	8 719 342	–	–
CG Cunningham	–	–	13 940	13 940
MC Olivier	–	–	2 887 572	2 887 572
JB Winship	1 642 039	1 642 039	–	–
	<b>10 361 381</b>	<b>10 361 381</b>	<b>2 901 512</b>	<b>2 901 512</b>

There have been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

## 7. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the Group had an interest and which significantly affected the business of the Group.

## 8. Interests in subsidiaries

There were no acquisitions or divestitures during the year ended 30 June 2018.

## 9. Borrowing powers

In terms of the Memorandum of Incorporation, the borrowing powers of the Group are unlimited. However, all borrowings by the Group are subject to Board approval.

## 10. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

## 11. Litigation statement

The Group becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business.

A claim has been instituted by former employees of the Group who were dismissed.

Except as recorded above, the directors are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have a material effect on the financial position of the Group.

## 12. Auditors

Mazars continued in office as auditors for the Company and its subsidiaries for 2018.

At the AGM, the shareholders will be requested to re-appoint Mazars as the independent external auditor of the Company and to confirm T Erasmus as the designated lead audit partner for the 2019 financial year.

## 13. Secretary

The Company Secretary is P Nel.

### Postal address

71 Cotswold Drive  
Westville  
3629

### Business address

71 Cotswold Drive  
Westville  
3629

## 14. Date of authorisation for issue of financial statements

The annual financial statements have been authorised for issue by the directors on 6 September 2018. No authority was given to anyone to amend the annual financial statements after the date of issue. The annual financial statements are available on the website [www.trellidor.co.za](http://www.trellidor.co.za)

## 15. Liquidity and solvency

The directors have performed the liquidity and solvency tests required by the Companies Act and are satisfied that the Group is sufficiently liquid and solvent.

# Summarised consolidated statement of financial position

at 30 June 2018

	Note	Audited 30 June 2018 R'000	Audited 30 June 2017 R'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		61 175	51 500
Goodwill		74 401	74 401
Intangible assets		42 363	46 741
Other financial assets		693	287
Deferred tax assets		3 443	3 687
		<b>182 075</b>	<b>176 616</b>
<b>Current assets</b>			
Inventories	5	106 374	94 724
Trade and other receivables		61 377	61 779
Other financial assets		1 565	794
Current tax receivable		2 202	–
Cash and cash equivalents		27 128	55 103
		<b>198 646</b>	<b>212 400</b>
<b>Total assets</b>		<b>380 721</b>	<b>389 016</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Stated capital	6	43 188	45 759
Reserves		4 253	2 031
Retained income		165 107	139 273
<b>Equity attributable to owners of the company</b>		<b>212 548</b>	<b>187 063</b>
Non-controlling interests		5 626	4 827
<b>Total equity</b>		<b>218 174</b>	<b>191 890</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Other financial liabilities	7	71 364	86 090
Deferred tax liabilities		2 610	4 439
		<b>73 974</b>	<b>90 529</b>
<b>Current liabilities</b>			
Trade and other payables	8	65 681	52 617
Other financial liabilities	7	21 687	49 886
Current tax payables		894	3 647
Warranty provisions		311	447
		<b>88 573</b>	<b>106 597</b>
<b>Total liabilities</b>		<b>162 547</b>	<b>197 126</b>
<b>Total equity and liabilities</b>		<b>380 721</b>	<b>389 016</b>



# Summarised consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2018

	Note	<b>Audited 30 June 2018 R'000</b>	Audited 30 June 2017 R'000
Revenue		<b>538 984</b>	525 384
Cost of sales		<b>(293 070)</b>	(274 878)
<b>Gross profit</b>		<b>245 914</b>	250 506
Other income		<b>7 395</b>	6 711
Operating expenses		<b>(161 409)</b>	(154 917)
<b>Operating profit before interest and tax</b>	3	<b>91 900</b>	102 300
Investment revenue		<b>1 302</b>	3 107
Finance costs		<b>(9 595)</b>	(12 183)
<b>Profit before tax</b>		<b>83 607</b>	93 224
Taxation		<b>(24 029)</b>	(27 234)
<b>Profit for the year</b>		<b>59 578</b>	65 990
Other comprehensive income:			
<b>Items that may be reclassified to profit or loss</b>			
Exchange differences on translating foreign operations		<b>(108)</b>	(710)
Reclassification of hedging reserves to profit and loss		–	662
Income tax related to items that may be reclassified		–	–
<b>Other comprehensive income for the year net of taxation</b>		<b>(108)</b>	(48)
<b>Total comprehensive income for the year</b>		<b>59 470</b>	65 942
<b>Profit attributable to:</b>			
Owners of the company		<b>58 763</b>	64 265
Non-controlling interests		<b>815</b>	1 725
		<b>59 578</b>	65 990
<b>Total comprehensive income attributable to:</b>			
Owners of the company		<b>58 671</b>	64,323
Non-controlling interests		<b>799</b>	1 619
		<b>59 470</b>	65 942
<b>Earnings per share for profit for the period attributable to the owners of the company during the year</b>			
Earnings and diluted earnings per share	(cents) 4	<b>54.4</b>	59.3

# Summarised consolidated statement of changes in equity

for the year ended 30 June 2018

	Stated capital R'000	Total reserves R'000	Retained income R'000	Total attributable to owners of the company R'000	Non-controlling interests R'000	Total equity R'000
<b>Balance at 1 July 2016</b>	45 759	582	103 501	149 842	(846)	148 996
Total comprehensive income for the period	–	58	64 265	64 323	1 619	65 942
Employee share option	–	1 391	–	1 391	–	1 391
Dividends	–	–	(28 493)	(28 493)	–	(28 493)
Sale of shares in subsidiary to non-controlling interest	–	–	–	–	4 054	4 054
<b>Balance at 30 June 2017</b>	45 759	2 031	139 273	187 063	4 827	191 890
Total comprehensive income for the period	–	(92)	58 763	58 671	799	59 470
Employees share option	–	2 314	–	2 314	–	2 314
Dividend	–	–	(32 929)	(32 929)	–	(32 929)
Treasury/own shares	(2 571)	–	–	(2 571)	–	(2 571)
<b>Balance at 30 June 2018</b>	43 188	4 253	165 107	212 548	5 626	218 174

# Summarised consolidated statement of cash flows

for the year ended 30 June 2018

	<b>Audited 30 June 2018 R'000</b>	<b>Audited 30 June 2017 R'000</b>
<b>Cash flows from operating activities</b>		
Cash generated from operations	<b>106 947</b>	104 626
Interest income	<b>1 302</b>	3 107
Finance costs	<b>(9 537)</b>	(12 183)
Tax paid	<b>(30 569)</b>	(33 230)
<b>Net cash from operating activities</b>	<b>68 143</b>	62 320
<b>Cash flows from investing activities</b>		
Business combinations	<b>–</b>	(124 005)
Purchase of property, plant and equipment	<b>(16 416)</b>	(9 071)
Other	<b>(1 504)</b>	1 041
<b>Net cash used in investing activities</b>	<b>(17 920)</b>	(132 035)
<b>Cash flows from financing activities</b>		
Purchase of own shares	<b>(2 571)</b>	–
Net proceeds from other financial liabilities	<b>(42 983)</b>	59 865
Dividends paid	<b>(32 929)</b>	(28 493)
Proceeds on sale of shares to non-controlling interest	<b>–</b>	4 054
<b>Net cash from financing activities</b>	<b>(78 483)</b>	35 426
<b>Total cash movement for the year</b>	<b>(28 260)</b>	(34 289)
Cash at the beginning of the year	<b>55 103</b>	89 388
Effect of exchange rate movement on cash balances	<b>285</b>	4
<b>Cash and cash equivalents at the end of the period</b>	<b>27 128</b>	55 103

# Notes to the summarised consolidated financial results

for the year ended 30 June 2018

## 1. Basis of preparation

The summarised audited consolidated annual financial results do not include all the information and disclosures required for the audited consolidated annual financial statements and should be read in conjunction with the audited consolidated annual financial statements. The audited consolidated annual financial statements as at and for the year ended 30 June 2018 were prepared on the going concern basis, and are available for inspection at the Company's registered office and will be available on the Trellidor website at [www.trellidor.co.za](http://www.trellidor.co.za).

The directors take full responsibility for the preparation of these summarised audited consolidated annual financial results and confirm that the financial information has been correctly extracted from the full audited consolidated annual financial statements. This report was compiled under the supervision of the CFO, Craig Cunningham CA(SA).

## 2. Segmental information

	<b>Audited 30 June 2018 R'000</b>	Audited 30 June 2017 R'000
<b>Revenue</b>		
Trellidor	<b>331 576</b>	315 903
Taylor	<b>208 820</b>	209 481
Inter-segment	<b>(1 412)</b>	–
	<b>538 984</b>	525 384
<b>Operating profit before interest and tax</b>		
Trellidor	<b>64 956</b>	66 086
Taylor	<b>31 835</b>	46 307
	<b>96 791</b>	112 393
<b>Reconciling items</b>		
Net finance costs	<b>(8 293)</b>	(9 076)
Acquisition costs	<b>–</b>	(2 474)
Amortisation of the client database	<b>(4 891)</b>	(4 891)
Fair value adjustment on deferred consideration	<b>–</b>	(2 728)
Profit before tax	<b>83 607</b>	93 224
<b>Total assets</b>		
Trellidor	<b>141 356</b>	125 725
Taylor	<b>209 112</b>	204 501
Inter-segment	<b>(318)</b>	–
	<b>350 150</b>	330 226
<b>Reconciling items</b>		
Cash and cash equivalents	<b>27 128</b>	55 103
Deferred tax	<b>3 443</b>	3 687
Total as per statement of financial position	<b>380 721</b>	389 016
<b>Revenue by location of customer – geographical information</b>		
South Africa	<b>475 431</b>	470 019
Foreign	<b>63 553</b>	55 365
	<b>538 984</b>	525 384

	<b>Audited 30 June 2018 R'000</b>	Audited 30 June 2017 R'000
<b>3. Operating profit</b>		
Operating profit before interest for the year is stated after accounting for the following, amongst others:		
Operating lease charge – premises	<b>7 728</b>	7 270
Depreciation	<b>6 471</b>	6 448
Amortisation of intangible assets	<b>5 104</b>	5 108
Employee benefits	<b>125 885</b>	116 886
Advertising	<b>25 555</b>	23 429
Cartage	<b>7 307</b>	6 842
Gas, electricity and water	<b>7 075</b>	7 034
<b>4. Earnings per share</b>		
Profit attributable to ordinary shareholders	<b>58 763</b>	64 265
Adjusted for:		
Profit on disposal of property, plant and equipment	<b>(100)</b>	(86)
Gross amount	<b>(150)</b>	(120)
Non-controlling interest	<b>8</b>	–
Tax effect	<b>42</b>	34
Headline earnings	<b>58 663</b>	64 179
Adjusted for:		
Amortisation client database	<b>4 891</b>	4 891
Acquisition costs – Taylor	<b>–</b>	2 474
Fair value adjustment on contingent consideration	<b>–</b>	2 728
Tax effect	<b>(1 369)</b>	(2 134)
Non-controlling interest	<b>(264)</b>	(597)
Core headline earnings	<b>61 921</b>	71 541
	<b>Number '000</b>	Number '000
Number of shares issued	<b>108 340</b>	108 340
Weighted average number of ordinary shares in issue during the period	<b>108 021</b>	108 340
Diluted weighted average number of shares	<b>108 021</b>	108 340
Earnings and diluted earnings per share (cents)	<b>54.4</b>	59.3
Headline and diluted headline earnings per share (cents)	<b>54.3</b>	59.2
Core headline and diluted core headline earnings per share (cents)	<b>57.3</b>	66.0



	<b>Audited 30 June 2018 R'000</b>	Audited 30 June 2017 R'000
<b>5. Inventories</b>		
Raw materials, components	101 053	80 544
Work in progress	1 805	3 222
Finished goods	1 335	1 772
Goods in transit	3 276	9 650
	107 469	95 188
Provision for obsolescence	(1 095)	(464)
	106 374	94 724

	<b>NUMBER OF SHARES</b>	
	2018 '000	2017 '000
<b>6. Stated capital</b>		
<b>Authorised</b>		
No par value shares	5 000 000	5 000 000
<b>Reconciliation of number of shares issued:</b>		
Reported as at 1 July 2017	108 340	108 340
<b>Issued</b>		
Ordinary no par value shares	45 759	45 759
Treasury/own shares	(2 571)	–
	43 188	45 759

Subsequent to year-end the 446 535 shares, acquired at a weighted average of R5.70, held in treasury were cancelled. The cancellation will reduce issued share equity to 107 893 583 and stated capital to R43 188 374.

	<b>Audited 30 June 2018 R'000</b>	Audited 30 June 2017 R'000
<b>7. Other financial liabilities</b>		
Nedbank	25 000	22 264
First National Bank term loans	61 057	77 166
Wesbank Corporate	693	1 634
Novaspectacular Investments Proprietary Limited	6 301	4 912
Deferred purchase consideration	–	30 000
	93 051	135 976

	<b>Audited 30 June 2018 R'000</b>	Audited 30 June 2017 R'000
<b>8. Trade and other payables</b>		
Trade payables	<b>37 587</b>	25 592
Amounts received in advance	<b>9 486</b>	6 292
Accrued leave pay and bonus	<b>9 853</b>	9 425
Accrued expenses	<b>6 586</b>	8 835
Other payroll accruals	<b>2 169</b>	2 473
	<b>65 681</b>	52 617

	<b>Emoluments R'000</b>	<b>Pension fund contributions R'000</b>	<b>Total R'000</b>
<b>9. Directors' and prescribed officers' emoluments</b>			
<b>Executive 2018</b>			
TM Dennison	<b>3 834</b>	<b>165</b>	<b>3 999</b>
PWE Rawson	<b>2 397</b>	<b>149</b>	<b>2 546</b>
CG Cunningham	<b>1 255</b>	<b>63</b>	<b>1 318</b>
	<b>7 486</b>	<b>377</b>	<b>7 863</b>
<b>2017</b>			
TM Dennison	4 662	155	4 817
PWE Rawson	2 576	139	2 715
CG Cunningham	1 416	60	1 476
	8 654	354	9 008

	<b>Directors' fees R'000</b>	<b>Total R'000</b>
<b>Non-executive 2018</b>		
MC Olivier	<b>246</b>	<b>246</b>
JB Winship	<b>246</b>	<b>246</b>
RB Patmore	<b>246</b>	<b>246</b>
	<b>738</b>	<b>738</b>
<b>2017</b>		
MC Olivier	236	236
JB Winship	236	236
RB Patmore	236	236
	708	708

#### Executive directors' and prescribed officers' contracts

The terms of executive directors' and prescribed officers' contracts are in line with all other employees.

Share options were granted and accepted, during 2017 financial year, in terms of the Trellidor Share Incentive Scheme.



# SHAREHOLDER INFORMATION

# Shareholder analysis

Shareholder type	Number	Shareholding	%
<b>Non-public shareholders</b>	<b>10</b>	<b>30 539 776</b>	<b>28.19</b>
Directors and associates of the Company (direct holding)	5	13 851 563	12.79
Directors and associates of the Company (indirect holding)	3	2 901 512	2.68
Own holdings	1	446 535	0.41
<b>Shareholders (excluding Fund Managers) holding more than 10%</b>			
The LMO Trust	1	13 340 166	12.31
<b>Public shareholders</b>	<b>699</b>	<b>77 800 342</b>	<b>71.81</b>
	<b>709</b>	<b>108 340 118</b>	<b>100.00</b>
<b>Fund managers with a shareholding greater than 5% of issued shares</b>			
Mazi Capital Proprietary Limited	42	18 048 778	16.66
Sanlam	3	6 076 195	5.61
	<b>45</b>	<b>24 124 973</b>	<b>22.27</b>
<b>Beneficial shareholders with a holding greater than 5% of the issued shares</b>			
Government Employees Pension Fund	1	7 494 296	6.92
Peregrine Equities Proprietary Limited	1	9 000 000	8.31
	<b>2</b>	<b>16 494 296</b>	<b>15.23</b>

# Shareholder diary

Financial year-end	30 June 2018
Announcement of annual results	11 September 2018
Integrated annual report posted	16 October 2018
Annual general meeting	15 November 2018
Announcement of interim results	Mid to end March 2019



# Notice of Annual General Meeting

## TRELLIDOR HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1970/015401/06)

(Share code: TRL)

(ISIN code: ZAE000209342)

("Trellidor" or "the Company")

Notice is hereby given of the Annual General Meeting of shareholders of Trellidor to be held at the Company's registered office, 20 Aberdare Drive, Phoenix Industrial Park, Durban, on 15 November 2018 at 09:30 ("AGM").

### Purpose

The purpose of the AGM is to transact the business set out in the agenda below.

### Agenda

- To receive the audited annual financial statements of the Company, including the reports of the directors and the Audit, Risk and Compliance Committee for the year ended 30 June 2018. The integrated annual report, of which this notice forms part, contains the summarised condensed consolidated annual financial statements and the aforementioned reports. The integrated annual report is available on the Company's website at [www.trellidor.co.za](http://www.trellidor.co.za), or may be requested and obtained in person, at no charge, at the registered office of Trellidor during office hours.
- To receive the report of the Social and Ethics Committee for the financial year ended 30 June 2018, as required in terms of Regulation 43 of the Companies Regulations, 2011 ("the Regulations"), as set out on page 41 of the Integrated Report.
- To consider and, if deemed fit, approve, with or without modification, the following ordinary and special resolutions:

### Note:

For any of the ordinary resolutions numbers 1 to 7 and 9 (inclusive) to be adopted, more than 50% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof. For ordinary resolution number 8 as well as special resolutions numbers 1 to 4 to be adopted, at least 75% of the voting rights exercised on such resolutions must be exercised in favour thereof.

## ORDINARY RESOLUTIONS

### 1. RETIREMENT AND RE-ELECTION OF DIRECTOR

In accordance with the Company's Memorandum of Incorporation ("MOI"), the Listings Requirements of the JSE Limited ("JSE") and, to the extent applicable, the South African Companies Act, 71 of 2008, as amended ("the Companies Act"), require that a component of the non-executive directors rotate at every AGM of the Company and, being eligible, may offer themselves for re-election as directors.

A brief curriculum vitae of Ralph Patmore appears on page 7 of the integrated annual report of which this notice forms part.

#### ORDINARY RESOLUTION NUMBER 1

"Resolved that Ralph Patmore, who retires by rotation in terms of the Company's MOI and who, being eligible offers himself for re-election, be and is hereby re-elected as a director of the Company."

### 2. RE-APPOINTMENT OF AUDITOR

In terms of section 90 of the Companies Act, the auditors of a public company are required to be appointed at the Company's AGM. The purpose of ordinary resolution 2 is to confirm the re-appointment of Mazars as independent auditors to the Company, as nominated by the Audit, Risk and Compliance Committee as required under section 90 of the Companies Act, for the ensuing financial year, and to confirm that the directors shall be empowered to ratify their remuneration, as determined by the committee in terms of the committee charter, which amount shall be approved and endorsed by the directors.

#### ORDINARY RESOLUTION NUMBER 2

"Resolved that Mazars be and is hereby re-appointed as auditors to the Company, and Tertius Erasmus as the designated audit partner, until the conclusion of the next AGM be confirmed, and that their remuneration be determined by the Audit, Risk and Compliance Committee in terms of the committee charter, which amount the directors shall be empowered to ratify."

### **3. RE-APPOINTMENT OF THE MEMBERS OF THE AUDIT, RISK AND COMPLIANCE COMMITTEE OF THE COMPANY**

In terms of section 94 of the Companies Act, the Audit Committee must constitute three members who must be appointed by shareholders at the Company's AGM, all of whom must, in terms of the King IV Report on Corporate Governance™ for South Africa 2016 ("King IV™"), be independent non-executive directors. It is accordingly proposed to re-appoint the members of the Audit, Risk and Compliance Committee, proposed by the Nomination and Remuneration Committee and as set out below.

A brief curriculum vitae of each of the Audit, Risk and Compliance Committee members appears on page 7 of the integrated annual report of which this notice forms part.

#### **ORDINARY RESOLUTION NUMBER 3**

"Resolved that, subject to the passing of ordinary resolution 1, Ralph Patmore, being eligible, be and is hereby re-appointed as a member of the Audit, Risk and Compliance Committee of the Company, as recommended by the Nomination and Remuneration Committee of the Company, until the next AGM of the Company."

#### **ORDINARY RESOLUTION NUMBER 4**

"Resolved that Mark Olivier, being eligible, be and is hereby re-appointed as a member of the Audit, Risk and Compliance Committee of the Company, as recommended by the Nomination and Remuneration Committee of the Company, until the next AGM of the Company."

#### **ORDINARY RESOLUTION NUMBER 5**

"Resolved that John Winship, being eligible, be and is hereby re-appointed as a member of the Audit, Risk and Compliance Committee of the Company, as recommended by the Nomination and Remuneration Committee of the Company, until the next AGM of the Company."

### **4. NON-BINDING ADVISORY VOTE ON THE REMUNERATION POLICY AND ON THE IMPLEMENTATION REPORT ON THE REMUNERATION POLICY OF TRELLIDOR**

In terms of King IV™, shareholders should (a) approve the Company's Remuneration Policy and (b) approve the implementation report on this policy, through separate non-binding advisory votes. The purpose of ordinary resolutions 6 and 7 is therefore to indicate to the Board, shareholders' approval of the Company's remuneration policy and its implementation report on the policy. Ordinary resolutions 6 and 7 are of an advisory nature only and failure to pass these resolutions will therefore not have any legal consequences relating to existing remuneration policy and on the implementation report. However, the Board will take the outcome of the vote into consideration when considering amendments to the Company's remuneration policy and its implementation report on the policy.

#### **ORDINARY RESOLUTION NUMBER 6: NON-BINDING ADVISORY VOTE ON TRELLIDOR'S REMUNERATION POLICY**

"Resolved that, by way of a non-binding advisory vote, the Company's Remuneration Policy, as set out on pages 44 to 48 of this integrated annual report, be and is hereby approved."

#### **ORDINARY RESOLUTION NUMBER 7: NON-BINDING ADVISORY VOTE ON TRELLIDOR'S IMPLEMENTATION REPORT ON THE REMUNERATION POLICY**

"Resolved that, by way of a non-binding advisory vote, the Implementation Report on the remuneration policy, as set out on pages 49 and 50 in the implementation section of the integrated annual report, be and is hereby approved."

### **5. GENERAL AUTHORITY TO ISSUE ORDINARY SHARES FOR CASH**

In terms of the Company's MOI, the Company may only issue unissued shares for cash if such shares have first been offered to existing shareholders in proportion to their shareholding, unless otherwise authorised by shareholders. The purpose of ordinary resolution number 8 is therefore to authorise the directors of the Company to issue shares for cash on a non *pro-rata* basis, as and when they in their discretion deem fit when appropriate opportunities arise. The Board has no current plans to exercise this authority but wishes to ensure that by having it in place, the Company will have the flexibility to take advantage of any business opportunity that may arise in future. The authority will be subject to the Companies Act and the JSE Listings Requirements.

For this resolution to be adopted at least 75% of the shareholders present in person or by proxy and entitled to vote on this resolution at the AGM must cast their vote in favour of this resolution.

#### **ORDINARY RESOLUTION NUMBER 8**

"Resolved that the directors of the Company be and are hereby authorised, by way of a general authority, to allot and issue any of the Company's unissued shares for cash as they in their discretion may deem fit, without restriction, subject to the provisions of the Company's MOI, the Companies Act and the Listings Requirements of the JSE ("Listings Requirements"), provided that:

- the approval shall be valid until the date of the next AGM of the Company, provided it shall not extend beyond fifteen months from the date of this resolution;
- the general issues of shares for cash under this authority may not exceed, in the aggregate, 5% of the Company's issued share capital (number of securities) of that class as at the date of this notice of AGM, it being recorded that ordinary shares issued pursuant to a rights offer to shareholders, shares issued pursuant to an acquisition, shares issued to the Company's Share Incentive Trust ("the Trust") or options granted by the trust in accordance with the Listings Requirements shall not diminish the number of ordinary shares that comprise the 5% of the ordinary shares that can be issued in terms of this ordinary resolution. As at the date of this notice of AGM, 5% of the Company's issued ordinary share capital (net of treasury shares) amounts to 5 394 679 ordinary shares;
- 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 such shares, as determined over the 30 business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the securities. The JSE will be consulted for a ruling if the securities have not traded in such 30 business day period;
- any such issue will only be made to public shareholders as defined in paragraphs 4.25 to 4.27 of the Listings Requirements and not to related parties;
- any such issue will only be comprised of securities of a class already in issue or, if this is not the case, will be limited to such securities or rights that are convertible into a class already in issue; and
- in the event that the securities issued represent, on a cumulative basis, 5% or more of the number of securities in issue prior to that issue, an announcement containing the full details of such issue shall be published on SENS."

## 6. AUTHORITY TO ACTION ALL ORDINARY AND SPECIAL RESOLUTIONS

### ORDINARY RESOLUTION NUMBER 9

"Resolved that any one director of the Company or the Company Secretary be and is hereby authorised to do all such things as are necessary and to sign all such documents issued by the Company so as to give effect to all ordinary resolutions and special resolutions passed at the Annual General Meeting with or without amendment."

## SPECIAL RESOLUTIONS

### 7. REMUNERATION OF NON-EXECUTIVE DIRECTORS

#### SPECIAL RESOLUTION NUMBER 1: APPROVAL OF NON-EXECUTIVE DIRECTORS' REMUNERATION FOR THEIR SERVICES AS DIRECTORS

Noted that since the Company listed in October 2015 the non-executive director fees have been paid as a flat fee. The fees for FY2018 were R253 200 per annum. The Remuneration Committee has reviewed these fees and in line with industry practice is proposing a revised fee structure to shareholders.

"Resolved that the fees payable by the Company to the non-executive directors for their services as directors (in terms of section 66 of the Companies Act) be and are hereby approved for the financial year ending 30 June 2019 and for a period of two years from the passing of this resolution or until its renewal, whichever is the earliest, as follows:<sup>1</sup>

Proposed new non-executive director fees

		Annual retainer Rs	Per meeting fee Rs
1.1	<b>Board Chairman</b>	45 000	35 000
1.2	<b>Director</b>	40 000	25 000
1.3	<b>Audit, Risk and Compliance committee</b>		
1.3.1	Chairman	–	30 000
1.3.2	Member	–	20 000
1.4	<b>Nomination and Remuneration committee</b>		
1.4.1	Chairman	–	15 000
1.4.2	Member	–	10 000
1.5	<b>Social and ethics committee</b>		
1.5.1	Chairman	–	10 000
1.5.2	Member	–	7 500

<sup>1</sup> Fee excludes Value Added Tax (VAT).

**The reason for and effect of special resolution 1:**

The reason for special resolution number 1 is for the Company to obtain the approval of shareholders by way of a special resolution for the payment of remuneration to its non-executive directors in accordance with the requirements of the Companies Act.

The effect of special resolution number 1 is that the Company will be able to pay its non-executive directors for the services they render to the Company as directors without requiring further shareholder approval until the next AGM of the Company.

**8. SHARE REPURCHASES BY THE COMPANY AND ITS SUBSIDIARIES**

**SPECIAL RESOLUTION NUMBER 2: SHARE REPURCHASES BY TRELLIDOR AND ITS SUBSIDIARIES**

“Resolved that the directors be authorised in terms of the Company’s MOI, until this authority lapses at the next AGM of the Company or unless it is then renewed at the next AGM of the Company and provided that this authority shall not extend beyond 15 months, to enable the Company or any subsidiary of the Company (if applicable) to acquire shares of the Company subject to the JSE Listings Requirements and the Companies Act, on the following bases:

- a) the repurchase of shares must be implemented through the order book operated by the JSE trading system without any prior understanding or arrangement between the Company and the counterparty;
- b) the Company (or any subsidiary) must be authorised to do so in terms of its MOI;
- c) the number of shares which may be repurchased pursuant to this authority in any financial year (which commenced 1 July 2018) may not in the aggregate exceed 20% (or 10% where the repurchases are effected by a subsidiary) of the Company’s share capital as at the date of this notice;
- d) repurchases may not be made at a price more than 10% above the weighted average of the market value on the JSE of the shares in question for the five business days immediately preceding the repurchase;
- e) repurchases may not take place during a prohibited period (as defined in paragraph 3.67 of the JSE Listings Requirements) unless a repurchase programme is in place and the dates and quantities of shares to be repurchased during the prohibited period have been determined and full details thereof submitted to the JSE prior to commencement of the prohibited period;
- f) after the Company has repurchased shares which constitute, on a cumulative basis, 3% of the number of shares in issue (at the time that authority from shareholders for the repurchase is granted), the Company shall publish an announcement to such effect, or any other announcements that may be required in such regard in terms of the JSE Listings Requirements applicable from time to time;
- g) the Company (or any subsidiary) shall appoint only one agent to effect repurchases on its behalf; and
- h) a resolution has been passed by the Board of directors of the Company and its subsidiaries (the “Group”) authorising the repurchase, and the Company has passed the solvency and liquidity test as set out in section 4 of the Companies Act and that, since the application of the solvency and liquidity test by the Board, there have been no material changes to the financial position of the Company.”

**The reason for and effect of special resolution 2:**

The reason for special resolution number 2 is to afford directors of the Company a general authority for the Company (or a subsidiary of the Company) to effect a repurchase of the Company’s shares on the JSE. The directors are of the opinion that it would be in the best interests of the Company to approve this general authority and thereby allow the Company or any of its subsidiaries to be in a position to repurchase the shares issued by the Company through the order book of the JSE, should the market conditions, tax dispensation and price justify such an action. The effect of the resolution will be that the directors will have the authority, subject to the JSE Listings Requirements and the Companies Act to effect repurchases of the Company’s shares on the JSE.

In terms of section 48(2)(b)(i) of the Companies Act, subsidiaries may not hold more than 10%, in aggregate, of the number of the issued shares of a Company. For the avoidance of doubt, a *pro rata* repurchase by the Company from all its shareholders will not require shareholder approval, save to the extent as may be required by the Companies Act.

Certain information relating to the Company as required by the JSE Listings Requirements is set out in the attached Annexure which forms part of this notice.

## 9. APPROVAL OF FINANCIAL ASSISTANCE

### SPECIAL RESOLUTION NUMBER 3: INTER-COMPANY FINANCIAL ASSISTANCE

“Resolved, in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval, that the Board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance (“financial assistance” will herein have the meaning attributed to it in section 45(1) of the Companies Act) that the Board of the Company may deem fit to any company or corporation that is related or inter-related (“related” or “inter-related” will herein have the meaning attributed to it in section 2 of the Companies Act) to the Company, on the terms and conditions and for amounts that the Board of the Company may determine, provided that the aforementioned approval shall be valid until the date of the next AGM of the Company.”

#### Reason for and effect of special resolution 3

The reason for and effect of special resolution number 3 is to grant the directors of the Company the authority, until the next AGM of the Company, to provide direct or indirect financial assistance to any company or corporation which is related or inter-related to the Company. This means that the Company is, *inter alia*, authorised to grant loans to its subsidiaries and to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

### SPECIAL RESOLUTION NUMBER 4: FINANCIAL ASSISTANCE FOR THE SUBSCRIPTION AND/OR PURCHASE OF SHARES IN THE COMPANY OR A RELATED OR INTER-RELATED COMPANY

“Resolved, in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval, that the Board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance (“financial assistance” will herein have the meaning attributed to it in sections 44(1) and 44(2) of the Companies Act) that the Board of the Company may deem fit to any company or corporation that is related or inter-related to the Company (“related” or “inter-related” will herein have the meaning attributed to it in section 2 of the Companies Act) and/or to any financier who provides funding by subscribing for preference shares or other securities in the Company or any company or corporation that is related or inter-related to the Company, on the terms and conditions and for amounts that the Board of the Company may determine for the purpose of, or in connection with the subscription of any option, or any shares or other securities, issued or to be issued by the Company or a related or inter-related company or corporation, or for the purchase of any shares or securities of the Company or a related or inter-related company or corporation, provided that the aforementioned approval shall be valid until the date of the next AGM Meeting of the Company.”

#### Reason for and effect of special resolution 4

The reason for and effect of special resolution number 4 is to grant the directors the authority, until the next AGM of the Company, to provide financial assistance to any company or corporation which is related or inter-related to the Company and/or to any financier for the purpose of or in connection with the subscription or purchase of options, shares or other securities in the Company or any related or inter-related company or corporation. This means that the Company is authorised, *inter alia*, to grant loans to its subsidiaries and to guarantee and furnish security for the debt of its subsidiaries where any such financial assistance is directly or indirectly related to a party subscribing for or acquiring any options, shares or securities in the Company or its subsidiaries. A typical example of where the Company may rely on this authority is where a subsidiary raised funds by way of issuing preference shares and the third-party funder requires the Company to furnish security, by way of a guarantee or otherwise, for the obligations of its subsidiary to the third-party funder arising from the issue of the preference shares. The Company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

#### Additional disclosure in respect of Special Resolution number 3 and Special Resolution number 4.

In terms of and pursuant to the provisions of sections 44 and 45 of the Companies Act, the directors of the Company confirm that the Board will satisfy itself, after considering all reasonably foreseeable financial circumstances of the Company, that immediately after providing any financial assistance as contemplated in special resolution numbers 3 and 4 above:

- the assets of the Company (fairly valued) will equal or exceed the liabilities of the Company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the Company); and
- the Company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months; the terms under which any financial assistance is proposed to be provided, will be fair and reasonable to the Company; and all relevant conditions and restrictions (if any) relating to the granting of financial assistance by the Company as contained in the Company's MOI have been met.

## 10. ELECTRONIC PARTICIPATION

In terms of the Company's MOI and section 63(2) and 63(3) of the Companies Act, shareholders or their proxies may participate at the AGM by way of telephone conference call and, if they wish to do so:

- must contact the Company Secretary (email: paulanel@pnco.co.za) by no later than Monday, 12 November 2018 via email in order to obtain dial-in details for the conference call;
- will be required to provide reasonably satisfactory identification; and
- will be billed separately by their own telephone service providers for their telephone call to participate at the AGM.



### VOTING AND PROXIES

The date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries of the Company ("the Share Register") for purposes of being entitled to receive this notice is Friday, 5 October 2018.

The date on which shareholders must be recorded in the Share Register for purposes of being entitled to attend and vote at this AGM is Friday, 9 November 2018 with the last day to trade being Tuesday, 6 November 2018.

Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the Chairman of the AGM and must accordingly bring a copy of their identity document, passport or driver's licence to the AGM. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.

Certificated and own-name dematerialised shareholders are advised that they must complete a form of proxy in order for their vote/s to be valid. The form of proxy for certificated and own-name dematerialised shareholders is included in this integrated annual report.

A shareholder of the Company entitled to attend, speak and vote at the AGM is entitled to appoint a proxy or proxies to attend, speak and to vote in his stead. The proxy need not be a shareholder of the Company.

On a show of hands, every shareholder of the Company present in person or represented by proxy shall have one vote only. On a poll, every shareholder of the Company present in person or represented by proxy shall have one vote for every share in the Company by such shareholder.

A form of proxy is attached for the convenience of certificated and own-name dematerialised shareholders holding shares in the Company who cannot attend the AGM but wish to be represented thereat.

Such shareholders must complete and return the attached form of proxy and lodge it with the transfer secretaries of the Company.

Dematerialised shareholders who have not elected own-name registration in the sub-register of the Company through a Central Securities Depository Participant ("CSDP") and who wish to attend the AGM, must instruct the CSDP or broker to provide them with the necessary authority to attend.

Dematerialised shareholders who have not elected own-name registration in the sub-register of the Company through a CSDP and who are unable to attend, but wish to vote at the AGM, must timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that shareholder and the CSDP or broker. Such shareholders are advised that they must provide their CSDP or broker with separate voting instructions in respect of the shares.

Forms of proxy may also be obtained on request from the Company's registered office. The completed forms of proxy must be deposited at, posted or faxed to the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107), to be received at least 48 hours prior to the AGM, which AGM is at 09:30 on 15 November 2018. Any form of proxy not delivered to the transfer secretaries by this time may be handed to the Chairman of the AGM prior to the commencement of the AGM, at any time before the appointed proxy exercises any shareholder rights at the AGM. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the AGM should the shareholder subsequently decide to do so.

By order of the Board



**Paula Nel** BCom ACIS  
*Company Secretary*

16 October 2018

**Registered office**

20 Aberdare Drive  
Phoenix Industrial Park  
Durban, 4001  
(PO Box 20173, Durban North, 4016)

**Transfer secretaries**

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

# Annexure to the notice of AGM

## GENERAL INFORMATION ON THE COMPANY TO SUPPORT THE RESOLUTIONS PROPOSED IN THE NOTICE OF AGM

The following information is required by the JSE Listings Requirements with regard to the resolution granting a general authority to the Company to repurchase its securities (special resolution 2).

The JSE Listings Requirements require the following disclosures, some of which are elsewhere in the integrated annual report of which this notice forms part as set out below:

- Major beneficial shareholders of the Company page 67
- Capital structure of the Company page 64

### Material change

Other than the facts and developments reported on in the integrated annual report of which this notice forms part, there have been no material changes in the affairs or financial position of the Company and the Group since the date of signature of the audit report for the financial year ended 30 June 2018 and up to the date of this notice.

The Board of directors has no immediate intention to use this authority to repurchase company shares. However, the Board of directors is of the opinion that this authority should be in place should it become apparent to undertake a share repurchase in the future.

### Directors' responsibility statement

The directors whose names are given on pages 6 and 7 of the integrated annual report, collectively and individually accept full responsibility for the accuracy of the information given in this notice of AGM 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 the notice contains all information required by law and the JSE Listings Requirements.

### Statement by the Company's Board of directors in respect of repurchases of shares

Pursuant to and in terms of the JSE Listings Requirements, the directors of the Company hereby state that the intention of the directors is to utilise the authority at their discretion during the course of the period so authorised as and when suitable opportunities present themselves, which may require immediate action.

The directors are of the opinion that, after considering the effect of the maximum repurchase permitted and for a period of 12 months after the date of this AGM:

- the Company and the Group will be able to pay their debts as they become due in the ordinary course of business;
- the consolidated assets of the Company and the Group, fairly valued in accordance with the accounting policies used in the Company's latest audited consolidated annual financial statements, will be in excess of the consolidated liabilities of the Company and the Group; and
- the share capital, reserves and working capital of the Company and the Group will be adequate for the purposes of the ordinary business of the Company and the Group.



# Form of proxy

## TRELLIDOR HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1970/015401/06)

(Share code: TRL)

(ISIN: ZAE000209342)

("Trellidor" or "the Company")



Certificated and own-name dematerialised shareholders are advised that they must complete a form of proxy for certificated and own-name dematerialised shareholders in order for their vote/s to be valid.

This form of proxy is for use by the holders of the Company's certificated shares ("certificated shareholders") and/or dematerialised shares held through a Central Securities Depository Participant ("CSDP") or broker who have selected own-name registration and who cannot attend but wish to be represented at the AGM of the Company on 15 November 2018 at 09:30 or any adjournment if required. Additional forms of proxy are available at the Company's registered office.

They are not for the use by holders of the Company's dematerialised shares who have not selected own-name registration. Such shareholders must contact their CSDP or broker timeously if they wish to attend and vote at the AGM and request that they be issued with the necessary authorisation to do so, or provide the CSDP or broker timeously with their voting instructions should they not wish to attend the AGM but wish to be represented thereat, in order for the CSDP or broker to vote in accordance with their instructions.

I/We \_\_\_\_\_ (full name in print)

of \_\_\_\_\_ (name/s in block letters)

being the registered holder of \_\_\_\_\_ ordinary shares in the capital of the Company, do hereby appoint (see note):

1. \_\_\_\_\_ or failing him/her,

2. \_\_\_\_\_ or failing him/her,

3. the Chairman of the meeting,

as my/our proxy to act for me/us at the AGM (and any adjournment thereof) convened for purposes of considering and, if deemed fit, passing, with or without modification, the resolutions ("resolutions") to be proposed thereat and at each adjournment thereof and to vote for and/or against the resolutions, and/or to abstain from voting for and/or against the resolutions, in respect of the shares registered in my/our name in accordance with the following instructions:

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. Unless this is done, the proxy will vote as he/she deems fit.

ORDINARY RESOLUTIONS		For	Against	Abstain
1.	To re-elect Ralph Patmore as an independent non-executive director			
2.	To re-appoint Mazars as independent auditors to the Company			
3.	To re-elect Ralph Patmore as a member of Company's Audit, Risk and Compliance Committee			
4.	To re-elect Mark Olivier as a member of the Company's Audit, Risk and Compliance Committee			
5.	To re-elect John Winship as a member of the Company's Audit, Risk and Compliance Committee			
6.	Non-binding advisory vote on Trellidor's Remuneration Policy			
7.	Non-binding advisory vote on Trellidor's Implementation Report on the Remuneration Policy			
8.	General authority to issue ordinary shares for cash			
9.	To authorise any one director or the Company Secretary to action all ordinary and special resolutions			
SPECIAL RESOLUTIONS		For	Against	Abstain
1	Remuneration of non-executive directors			
1.1	Chairman of the Board			
1.2	Board Director			
1.3	Audit, Risk and Compliance committee			
1.3.1	Committee Chairman			
1.3.2	Member			
1.4	Nomination and Remuneration committee			
1.4.1	Committee Chairman			
1.4.2	Member			
1.5	Social and ethics committee			
1.5.1	Committee Chairman			
1.5.2	Member			
2.	Share repurchases by Trellidor and its subsidiaries			
3.	Inter-company financial assistance			
4.	Financial assistance for acquisition of shares in a related or inter-related company			

Signed at \_\_\_\_\_ on the \_\_\_\_\_ of \_\_\_\_\_ 2018

Signature \_\_\_\_\_

Assisted by (where applicable) \_\_\_\_\_

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, speak and vote in place of that shareholder at the AGM.

**Please read notes on the reverse page**

# Notes to the form of proxy

Certificated and own-name dematerialised shareholders are advised that they must complete a form of proxy for certificated and own-name dematerialised shareholders in order for their vote/s to be valid.

1. The form of proxy must only be used by certificated ordinary shareholders or dematerialised ordinary shareholders who hold dematerialised shares with “own name” registration.
2. Dematerialised shareholders are reminded that the onus is on such shareholder to communicate with their CSDP.
3. A shareholder entitled to attend and vote at the AGM may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting “the chairman of the meeting”. The person whose name stands first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of such proxy(ies) whose names follow.
4. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each share held. A shareholder's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the shareholder in the appropriate box(es). Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he/she deems fit in respect of all the shareholder's votes.
5. A vote given in terms of an instrument of proxy shall be valid in relation to the AGM notwithstanding the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the shares in respect of which the proxy is given, unless notice as to any of the aforementioned matters shall have been received by the registrars not less than 48 hours before the commencement of the AGM.
6. If a shareholder does not indicate on this form that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the AGM be proposed, such proxy shall be entitled to vote as he/she thinks fit.
7. The chairman of the AGM may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
8. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
9. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the Company or unless this requirement is waived by the chairman of the AGM.
10. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered with the Company.
11. Where there are joint holders of shares:
  - any one holder may sign the form of proxy; and
  - the vote(s) of the senior shareholders (for that purpose seniority will be determined by the order in which the names of shareholders appear in the Company's register of shareholders) who tender a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).

The chairman of the AGM may reject or accept any form of proxy which is completed and/or received otherwise than in accordance with these notes, provided that, in respect of acceptances, the chairman is satisfied as to the manner in which the shareholder concerned wishes to vote.

12. Forms of proxy should be lodged with or mailed to Computershare Investor Services Proprietary Limited:

**Hand deliveries to:**

Computershare Investor Services Proprietary Limited  
Rosebank Towers, 15 Biermann Avenue  
Rosebank, 2196

**Postal deliveries to:**

Computershare Investor Services Proprietary Limited  
PO Box 61051  
Marshalltown, 2107

to be received by no later than 09:30 on 13 November 2018 (or 48 hours before any adjournment of the AGM which date, if necessary, will be notified on SENS). Any form of proxy not delivered to the transfer secretaries by this time may be handed to the Chairman of the Annual General Meeting prior to the commencement of the Annual General Meeting, at any time before the appointed proxy exercises any shareholder rights at the Annual General Meeting.

13. Any alteration or correction made to this form of proxy, other than the deletion of alternatives, must be initialed by the signatory(ies).



# Corporate information and advisors

Share code: TRL  
ISIN: ZAE000209342  
JSE sector: Industrials – Building material and fixtures  
Year-end: 30 June

**Company registration number**  
1970/015401/06

**Country of incorporation**  
South Africa

**Date of incorporation**  
23 November 1970

**Executive directors**  
TM Dennison (Chief Executive Officer)  
CG Cunningham (Chief Financial Officer)

**Independent non-executive directors**  
MC Olivier (Chairman)  
RB Patmore  
JB Winship

**Website**  
[www.trellidor.co.za](http://www.trellidor.co.za)

**Registered Office**  
20 Aberdare Drive  
Phoenix Industrial Park  
Durban, 4001  
(PO Box 20173, Durban North, 4016)

**Legal Advisor**  
Cliffe Dekker Hofmeyr Incorporated  
(Registration number 2008/018923/21)  
11 Buitengracht Street Cape Town, 8001  
(PO Box 695, Cape Town, 8000)

## **Transfer Secretaries**

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

## **Corporate Advisor and Sponsor**

PSG Capital Proprietary Limited  
(Registration number 2006/015817/07)  
1st Floor, Ou Kollege  
35 Kerk Street, Stellenbosch, 7600  
and  
Second Floor, Building 3, 11 Alice Lane, Sandhurst  
Sandton, 2196  
(PO Box 650957, Benmore, 2010)

## **Independent Reporting Accountants and Auditors**

Mazars  
Mazars House  
197 Peter Mokaba Road  
Morningside, Durban, 4001  
(PO Box 70584, Overport, 4067)

## **Bankers**

First National Bank  
(Registration number 1929/001225/06)  
Cranbrook Park  
14 Cranbrook Crescent  
La Lucia Ridge, Umhlanga, 4051  
(PO Box 1246, Umhlanga, 4320)

## **Company secretary**

Paula Nel  
BComm ACIS  
71 Cotswold Drive  
Westville 3629

## **Enquiries relating to the integrated annual report**

[Investor.relations@trellidor.co.za](mailto:Investor.relations@trellidor.co.za)

