

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

If you are in any doubt as to what action you should take arising from this Circular, please consult your CSDP, broker, nominee, banker, attorney, accountant or other professional advisor immediately.

ACTION REQUIRED

If you have disposed of all of your Nictus Shares, please forward this Circular to the purchaser of such Nictus Shares or to the CSDP, broker, nominee, banker, attorney or other agent through whom the disposal was effected.

Independent Nictus Shareholders are referred to page 2 of this Circular, which sets out the action required by them.



NICTUS LIMITED

Incorporated in the Republic of South Africa

Registration number: 1981/011858/06

JSE Share Code: NCS

ISIN Code: NA0009123481

("Nictus" or "the Company")

CIRCULAR TO NICTUS SHAREHOLDERS

Regarding:

- the proposed specific repurchase, in terms of sections 4, 48(8)(b) and 114 of the Companies Act, read together with sections 115 and 164, the Listings Requirements and Nictus' MOI, by Nictus of 12 826 440 (constituting 19,35% of the total Nictus Shares in issue) from Nictus Holdings, a related party, for a consideration of R7 471 401,30;

including:

- a notice convening a Special General Meeting of Independent Nictus Shareholders; and
- a form of proxy in respect of the Special General Meeting (for use by Certificated Nictus Shareholders and own-name Dematerialised Nictus Shareholders only).

Sponsor and legal advisor



KPMG Services
Proprietary Limited

Independent expert



BDO Corporate Finance
Proprietary Limited

Auditor and reporting accountant



KPMG Inc.

CORPORATE INFORMATION AND ADVISORS

COMPANY SECRETARY AND REGISTERED OFFICE OF NICTUS

Veritas Board of Executors Proprietary Limited
(Registration number 1984/007487/07)

Nictus Building
Corner of Dover and Pretoria Street
Randburg 2125

(PO Box 2878, Randburg 2125)

Nictus was incorporated on 1 December 1981 in the Republic of South Africa.

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)

Rosebank Towers
15 Biermann Avenue, Rosebank
Johannesburg 2196

(PO Box 61051, Marshalltown 2107)

AUDITOR AND REPORTING ACCOUNTANT

KPMG Inc.
(Registration number 1999/021543/21)

KPMG Crescent
85 Empire Road
Parktown 2193

(Private Bag 9, Parkview 2122)

SPONSOR AND LEGAL ADVISOR

KPMG Services Proprietary Limited
(Registration number 1999/012876/07)

KPMG Crescent
85 Empire Road
Parktown 2193

(Private Bag 9, Parkview 2122)

INDEPENDENT EXPERT

BDO Corporate Finance Proprietary Limited
(Registration number 1983/002903/07)

22 Wellington Road
Parktown 2193

(Private Bag X60500, Houghton 2041
Docex 574, Johannesburg)

CONTENTS

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

	Page
Corporate information and advisors	Inside cover
Action required by Independent Nictus Shareholders	2
Salient dates and times	3
Definitions and interpretations	4
Circular to Nictus Shareholders	6
1. Introduction and purpose of this Circular	6
2. Rationale for the Repurchase	6
3. Terms of the Repurchase	6
4. Financial information	8
5. Interests in securities	9
6. Major Nictus shareholders	9
7. Directors and management	10
8. Material changes	12
9. Material contracts	12
10. Litigation	12
11. Opinions and recommendations	13
12. Working capital statement	13
13. Irrevocable undertakings	13
14. Expenses relating to the Repurchase	14
15. Exchange control regulations	14
16. Consents	14
17. Special General Meeting	14
18. Documents available for inspection	15
Annexure 1 Independent Expert's report required in terms of the applicable provisions of section 114 of the Companies Act	16
Annexure 2 <i>Pro forma</i> financial information of Nictus	22
Annexure 3 Reporting accountant's report on the <i>pro forma</i> financial information of Nictus	24
Notice of Special General Meeting of Independent Nictus Shareholders	26
Annexure A Summary of rights established by section 58 of the Companies Act, 71 of 2008 ("Companies Act"), as required in terms of subsection 58(8)(b)(i)	30
Form of proxy (for use by Certificated Nictus Shareholders and Dematerialised Nictus Shareholders with own-name registration only)	31
Notes to proxy	32
Annexure B Section 115 – Required approval for transactions contemplated in Part A	33
Annexure C Section 164 – Dissenting Shareholders Appraisal Rights	35

ACTION REQUIRED BY INDEPENDENT NICTUS SHAREHOLDERS

The definitions and interpretations commencing on page 4 of this Circular apply *mutatis mutandis* to the following section on action required by Independent Nictus Shareholders:

Please take careful note of the following provisions regarding the action required by Nictus Shareholders:

1. If you have disposed of all of your Nictus Shares, this Circular should be handed to the purchaser of such Nictus Shares or to the CSDP, broker, nominee, banker, attorney or other agent through whom the disposal was effected.
2. If you are in any doubt as to what action to take, consult your CSDP, broker, nominee, banker, attorney, accountant or other professional advisor immediately.
3. This Circular contains information relating to the Repurchase. You should carefully read through this Circular and decide how you wish to vote on the Resolutions to be proposed at the Special General Meeting.

4. SPECIAL GENERAL MEETING

The Special General Meeting, convened in terms of the notice incorporated in this Circular, will be held in the boardroom, Nictus Building, Corner of Dover and Pretoria Street, Randburg on Wednesday, 24 October 2018 at 11:00.

Independent Nictus Shareholders are advised that they or their proxies may participate in the Special General Meeting by means of a teleconference facility and, if they wish to do so:

- must contact Willem Boshoff at the Company at telephone number +27 11 787 9019 before 11:00 on Monday, 22 October 2018 to receive dial-in instructions 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 in the Special General Meeting.

Please note that whilst it is possible to participate in the Special General Meeting through this medium, there is no facility for electronic voting and accordingly, Independent Nictus Shareholders are advised to follow the instructions set out in the action required by Independent Nictus Shareholders section of the Circular in respect of voting.

5. IF YOU ARE A CERTIFICATED NICTUS SHAREHOLDER

You are entitled to attend the Special General Meeting in person or electronically and may speak at and vote at the Special General Meeting. If you are unable to attend the Special General Meeting in person or electronically but wish to be represented thereat by proxy, you must complete and sign the attached form of proxy in accordance with the instructions contained therein and return it to the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196 (PO Box 61051, Marshalltown 2107). Forms of proxy must be received by the transfer secretaries by no later than 11:00 on Monday, 22 October 2018.

6. IF YOU ARE A DEMATERIALISED NICTUS SHAREHOLDER

6.1 Own-name registration

You are entitled to attend the Special General Meeting in person and may speak at and vote at the Special General Meeting. If you are unable to attend the Special General Meeting but wish to be represented thereat by proxy, you must complete and sign the attached form of proxy in accordance with the instructions contained therein and return it to the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196 (PO Box 61051, Marshalltown 2107). It is requested that forms of proxy be received by the transfer secretaries by no later than 11:00 on Monday, 22 October 2018.

6.2 Other than own-name registration

If you wish to attend or be represented at the Special General Meeting, you must advise your CSDP, broker or nominee timeously. Your CSDP, broker or nominee will then be required to issue the necessary letter of representation to you to enable you to attend, speak and vote at the Special General Meeting or to be represented thereat. You must, however, not complete the attached form of proxy.

If your CSDP, broker or nominee does not contact you, you are advised to contact your CSDP, broker or nominee and provide them with your voting instructions. If your CSDP, broker or nominee does not obtain instructions from you, they may act in accordance with the agreement between you and them.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 4 of this Circular apply *mutatis mutandis* to this salient dates and times section:

2018

Record date to be entitled to receive notice of the Special General Meeting	Friday, 14 September
Circular posted to Nictus Shareholders and announced on SENS on	Tuesday, 25 September
Last day to trade Nictus Shares in order to be eligible to participate and vote at the Special General Meeting	Tuesday, 16 October
Record date to be entitled to participate in and vote at the Special General Meeting	Friday, 19 October
Forms of proxy for the Special General Meeting must be received by 11:00 on	Monday, 22 October
Last date and time for Independent Nictus Shareholders to give notice to Nictus objecting to the special resolution approving the Repurchase if the Repurchase resolution was proposed or if proposed and not retracted or treated as a nullity by 11:00 on	Wednesday, 24 October
Special General Meeting to be held at 11:00 on	Wednesday, 24 October
Results of the Special General Meeting released on SENS on	Wednesday, 24 October

If the Repurchase is approved by Independent Nictus Shareholders at the Special General Meeting

Last date for Independent Nictus Shareholders who voted against the Repurchase to require the Company to seek Court approval for the Repurchase in terms of section 115(3) of the Companies Act, if at least 15% of the total votes of Nictus Shares at the Special General Meeting were exercised against the Repurchase	Wednesday, 31 October
Last day for the Company to send notice of adoption of the Repurchase resolution to Dissenting Shareholders, in accordance with section 164(4) of the Companies Act	Wednesday, 7 November
Last day for Independent Nictus Shareholders who voted against the Repurchase to apply to Court for leave to apply to the Court for a review of the Repurchase in terms of section 115(3)(b) of the Companies Act	Wednesday, 7 November
Expected unconditional date of the Repurchase	Thursday, 8 November
Finalisation announcement published on SENS	Thursday, 8 November
Expected Implementation Date of the Repurchase	Monday, 12 November
Expected cancellation date of the Repurchase Shares	Monday, 12 November

Notes

1. These dates and times are subject to amendment. Any such amendment will be released on SENS.
2. Copies of this Circular may be obtained in English only at the Company's registered office and KPMG's offices during normal business hours from Tuesday, 25 September 2018 until Wednesday, 24 October 2018. Details of Nictus and KPMG are set out in the corporate information and advisors section of the Circular.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless otherwise stated or the context otherwise indicates, the words in the first column below shall have the meaning assigned to them in the second column. Words in the singular shall include the plural and *vice versa*, words and expressions denoting one gender shall include the other gender, and an expression denoting natural persons shall include juristic persons and associations of persons:

“Appraisal Rights”	the rights afforded to Independent Nictus Shareholders in terms of section 164 of the Companies Act as set out in Annexure C to the notice of Special General Meeting that forms part of this Circular;
“the Board” or “Directors”	the current board of directors of Nictus whose names are reflected on page 6 of the Circular;
“Business Day(s)”	a day other than a Saturday, Sunday or official public holiday in South Africa;
“Certificated Nictus Shares”	Nictus Shares, represented by a share certificate(s) or other physical Document(s) of Title, which have not been surrendered for dematerialisation in terms of the requirements of Strate;
“Certificated Nictus Shareholder(s)”	Independent Nictus Shareholder(s) who hold Certificated Nictus Share(s);
“Circular”	this Circular, dated Tuesday, 25 September 2018, including the notice of Special General Meeting and the form of proxy contained herein;
“Companies Act”	the Companies Act, No. 71 of 2008, as amended;
“CSDP”	a Central Securities Depository Participant registered in terms of the Financial Markets Act, No. 19 of 2012, as amended;
“Dematerialised Nictus Share(s)”	Nictus Shares that have been incorporated into the Strate system, the title to which is no longer represented by share certificates or other physical Document(s) of Title;
“Dematerialised Nictus Shareholders”	Independent Nictus Shareholders who hold Dematerialised Nictus Shares;
“Dissenting Shareholders”	Independent Nictus Shareholders who validly exercise their Appraisal Rights by demanding, in terms of section 164 of the Companies Act, that the Company pay them the fair value of all of such number of Nictus Shares as may form the subject matter of their demand under section 164 of the Companies Act;
“Document(s) of Title”	share certificate(s), transfer deed(s) or forms, balance receipts or any other document(s) of title acceptable to Nictus in respect of Certificated Nictus Share(s);
“Implementation Date”	date on which the Repurchase is undertaken and the Repurchase Shares are cancelled and delisted on the JSE;
“Independent Board”	the independent directors of the Board who are required in terms of the Regulations to recommend the Repurchase, comprising Prof. Barend Johannes Willemse, Gerard Swart and John Day Mandy;
“Independent Expert” or “BDO”	BDO Corporate Finance Proprietary Limited (Registration number 1983/002903/07) a private company duly registered and incorporated in South Africa;
“Independent Nictus Shareholders”	holders of Nictus Shares other than those held by the Tromp Family;
“JSE”	JSE Limited (Registration number 2005/022939/06), a public company registered and incorporated in South Africa and licensed as an exchange under the Financial Markets Act, No. 19 of 2012, as amended;
“Last Practicable Date”	the last practicable date prior to the finalisation of the Circular, being Monday, 17 September 2018;
“Listings Requirements”	the JSE Listings Requirements, as amended from time to time;
“MOI”	Memorandum of Incorporation;
“Nictus” or “the Company”	Nictus Limited (Registration number 1981/011858/06), a public company registered and incorporated in South Africa, all the issued Nictus Shares are listed on the JSE;
“Nictus Group”	Nictus and its subsidiaries from time to time;

“Nictus Holdings”	Nictus Holdings Limited (1962/1735), a public company registered and incorporated in Namibia and listed on the Namibian Stock Exchange. Nictus Holdings is a shareholder (holds in excess of 10%) of Nictus and has common directors and shareholders as detailed in section 7 of this Circular. As at the Last Practicable Date the directors of Nictus Holdings were as follows: <ul style="list-style-type: none"> • Gerard Rochelle de Villiers Tromp (Non-executive); • Nicolaas Cornelius Tromp (Non-executive); • Philippus Johannes de Witt Tromp (Executive, Managing Director); • Gerard Swart (Independent Non-executive Chairman); • John Day Mandy (Independent Non-executive); • Frans Richard van Staden (Executive); and • Wilmar Opperman Fourie (Executive, Financial Director);
“Nictus Shares”	ordinary shares having no par value;
“Nictus Shareholders”	holders of Nictus Shares;
“Repurchase”	the proposed repurchase in terms of the Repurchase Agreement, delisting and cancellation by Nictus of the Repurchase Shares as set out in this Circular and in terms of section 48 of the Companies Act and paragraph 5.69 of the Listings Requirements;
“Repurchase Agreement”	the agreement, dated 27 August 2018, entered into between Nictus and Nictus Holdings, which sets out the terms of the Repurchase;
“Repurchase Consideration”	the amount of R7 471 401,30 that will be paid by Nictus to Nictus Holdings in terms of the Repurchase as the purchase consideration for the 12 826 440 Repurchase Shares at 58,25 cents per Repurchase Share;
“Repurchase Shares”	the 12 826 440 Nictus Shares, held by Nictus Holdings and which are the subject of the Repurchase;
“Resolutions”	the special and ordinary resolutions, to be considered and, if deemed fit, approved by the requisite majority of Independent Nictus Shareholders at the Special General Meeting, which Resolutions will, if passed, authorise the effecting of the Repurchase;
“SENS”	the Stock Exchange News Service of the JSE;
“Special General Meeting”	the special general meeting of Independent Nictus Shareholders to be held in the boardroom, Nictus Building, Corner of Dover and Pretoria Street, Randburg 2125 on Wednesday, 24 October 2018 at 11:00 to consider and, if deemed appropriate, pass with or without modification the Resolutions set out in the notice of Special General Meeting, and including any adjournment of such meeting;
“Strate”	Strate Proprietary Limited (Registration number 1998/022242/07), a private company registered and incorporated in South Africa and a registered CSDP responsible for the electronic clearing and settlement system for transactions that take place on the JSE;
“Takeover Regulations”	the takeover regulations as defined in section 1 of the Companies Act;
“Transfer Secretaries”	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private for profit company duly registered and incorporated in South Africa;
“Tromp Family”	Nicolaas Cornelius Tromp (ID: 4904135016086), Gerard Rochelle de Villiers Tromp (ID: 8107295098086) and Philippus Johannes de Witt Tromp (ID: 7512055008087) and their associates, as defined in the Listings Requirements, who control 80,96% of Nictus through their controlling beneficial interests/voting rights in the following legal entities/person(s): <ul style="list-style-type: none"> • Landswyd Beleggings Proprietary Limited; • Trocor Proprietary Limited; • Namprop Proprietary Limited; • PC Trust; • Nictus Holdings; • Nictus Trust; • Ultra Investments Proprietary Limited; • Corporate Guarantee and Insurance Company of Namibia Limited; and • Gerard Rochelle de Villiers Tromp; and
“TRP”	the Takeover Regulation Panel as established in terms of section 196 of the Companies Act.



NICTUS LIMITED

Incorporated in the Republic of South Africa

Registration number: 1981/011858/06

JSE Share Code: NCS

ISIN Code: NA0009123481

("Nictus" or "the Company")

Directors

Prof. Barend Johannes Willemse – Independent Non-executive Chairman

Gerard Rochelle de Villiers Tromp – Executive Group Managing Director and Executive Management

Hartman Eckhart Prozesky – Executive Group Financial Director and Executive Management

Nicolaas Cornelius Tromp – Non-executive Director

Philippus Johannes de Witt Tromp – Non-executive Director

Gerard Swart – Independent Non-executive Director

John Day Mandy – Independent Non-executive Director

CIRCULAR TO NICTUS SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THE CIRCULAR

Nictus has entered into the Repurchase Agreement with Nictus Holdings, a related party, in terms of which Nictus will, in accordance with section 48 of the Companies Act and paragraph 5.69 of the Listings Requirements, repurchase the Repurchase Shares from Nictus Holdings, at the Repurchase Consideration.

The Independent Board has resolved to recommend the Repurchase to the Independent Nictus Shareholders.

This Circular has been prepared in compliance with the Takeover Regulations and the Listings Requirements in order to provide Nictus Shareholders with information regarding the Repurchase, including the Independent Board's view on the Repurchase and the Repurchase Consideration, and to convene the Special General Meeting at which Independent Nictus Shareholders can vote on the Resolutions required to implement the Repurchase.

2. RATIONALE FOR THE REPURCHASE

During 2012, an unbundling transaction took place whereby Nictus Holdings was unbundled from Nictus. As a result of the unbundling, Nictus Holdings acquired a 19,35% shareholding in Nictus. Since 2015, Nictus has been profitable on an annual basis and maintained a consistent annual dividend distribution to Nictus Shareholders. Nictus formulated a long-term strategy to become a sought-after wealth creator for all stakeholders. The Repurchase is one of the steps Nictus is taking as part of the execution of this strategy with the direct result being the creation of additional Nictus Shareholder value, as illustrated in the *pro forma* financial information presented in section 4 of this Circular.

At the Last Practicable Date, the Repurchase Shares constituted 19,35% of the entire issued ordinary share capital of Nictus constituting 12 826 440 Nictus Shares. Subsequent to the Repurchase, the Repurchase Shares will be delisted and cancelled with the result that they will be restored to the status of authorised ordinary shares.

3. TERMS OF THE REPURCHASE

The Repurchase will be undertaken at a price of 58,25 cents per Repurchase Share on the Implementation Date. The Repurchase Price represents a discount of 4,32% to the weighted average traded price of the Nictus Shares measured over the 30 (thirty) business days prior to and including 27 August 2018, the date on which the Repurchase price was agreed in writing between Nictus and Nictus Holdings in terms of the Repurchase Agreement, of 60,88 cents per Nictus Share. The Repurchase Consideration will amount to R7 471 401,30.

On the Implementation Date and against settlement of the Repurchase Consideration, Nictus Holdings will remit the 12 826 440 Certificated Nictus Shares to Nictus, whereupon Nictus will cancel such Certificated Nictus Shares and have its securities register updated accordingly.

The payment of the Repurchase Consideration by Nictus will be from contributed tax capital (defined as stated capital or share capital/premium before 1 January 2011, less any deemed dividend, tainted stated capital or share capital/premium, before that date, plus the consideration received for the issue of shares on or after 1 January 2011 and less any distribution from contributed tax capital on or after 1 January 2011. Refer to section 1 of the Income Tax Act, No. 58 of 1962 for the full definition). Nictus will call for a cash amount equal to the Repurchase Consideration, and the expenses relating to the Repurchase, from a loan granted to Nictus Holdings.

On the Implementation Date, the Repurchased Shares will be delisted from the JSE and cancelled.

3.1 Conditions precedent

The Repurchase is subject to the fulfilment or waiver by Nictus of the following conditions precedent by 8 November 2018:

- the passing of a special resolution, in accordance with the requirements of sections 4, 48(8), 114 and 115 of the Companies Act and paragraph 5.69(c) of the Listings Requirements at the Special General Meeting, by the requisite majority of Independent Nictus Shareholders;
- in the event where the provisions of section 115(2)(c) of the Companies Act become applicable, the High Court of South Africa approving the Repurchase, providing the Company has not treated the Repurchase resolution as a nullity in terms of section 115(5)(b) of the Companies Act;
- the Board not having resolved at the time of the Special General Meeting to revoke the Repurchase resolution in circumstances where more than 5% of the Independent Nictus Shareholders have, in terms of section 164(3) of the Companies Act, objected to the Repurchase;
- the Board not having resolved at the time of the Special General Meeting to revoke the Repurchase resolution in circumstances where more than 5% of the Independent Nictus Shareholders have exercised their Appraisal Rights in terms of, and in compliance with, section 164(5) of the Companies Act;
- the Board not having resolved to treat the Repurchase resolution as a nullity in terms of section 115(5)(b), in the circumstances where the Repurchase resolution was opposed by at least 15% of the voting rights that were exercised at the Special General Meeting and, within 5 (five) Business Days of the Special General Meeting, any Independent Nictus Shareholder who voted against the Repurchase resolution requiring the Company to seek Court approval; and
- the issuance of a compliance certificate by the TRP in terms of section 119(4)(b) of the Companies Act read together with regulation 102(13) in relation to the Repurchase.

3.2 Repurchase in terms of section 48(8)(b) and section 114 read with sections 115 and 164 of the Companies Act

The Repurchase will be undertaken in compliance with section 48(8)(b) and section 114, read with sections 115 and 164 of the Companies Act. A copy of the necessary Independent Expert's report, prepared by BDO and provided to the Independent Board, is attached as Annexure 1 to this Circular.

3.3 Dissenting Shareholders

Extracts of sections 115 and 164 of the Companies Act, containing details of the remedies available for aggrieved shareholders, is set out in Annexures B and C of the notice of Special General Meeting, which is attached to and forms part of this Circular.

The Repurchase resolution will only be proposed to Independent Nictus Shareholders at the Special General Meeting, if 5% or less of Independent Nictus Shareholders objected thereto in terms of section 164(3) of the Companies Act, or if more than 5% of Independent Nictus Shareholders objected as aforesaid and the Directors have not resolved at the time of the Special General Meeting to retract the proposal of the Repurchase resolution.

Independent Nictus Shareholders will be requested to specifically approve an authority for the Directors to revoke the Repurchase resolution, in the event that more than 5% of the Independent Nictus Shareholders exercise their Appraisal Rights in respect of the Repurchase and the Directors are of the opinion that it would be in the best interest of Nictus to do so.

In addition, Independent Nictus Shareholders will be requested to approve an authority for the Directors to treat the Repurchase resolution as a nullity, in terms of section 115(5)(b) of the Companies Act, if the Repurchase is opposed by at least 15% of the voting rights that were exercised in respect of the Repurchase resolution or to revoke the Repurchase resolution if, within 5 (five) Business Days after the vote, any person who voted against the Repurchase requires the Company to seek court approval in terms of section 115(3) of the Companies Act. The Directors will only utilise this authority if they are of the view that it is in the best interest of the Company to do so.

3.4 Repurchase in terms of paragraph 5.69 of the Listings Requirements

The Repurchase is considered to be a specific repurchase by Nictus from Nictus Holdings of its own shares as it is not being executed through the order book operated by the JSE and there is a prior arrangement between Nictus and Nictus Holdings to implement the Repurchase. Subsequent to the Repurchase, Nictus Holdings will not hold any Nictus Shares.

Nictus may undertake the Repurchase in terms of its MOI.

3.5 Approval of the Repurchase

In terms of section 48(8) of the Companies Act, the Repurchase may only be implemented if approved in terms of section 115 of the Companies Act by the adoption of the Repurchase resolution by persons entitled to exercise voting rights on such matter (being those Independent Nictus Shareholders registered as such on the voting record date) at the Special General Meeting and at which meeting sufficient persons are present to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised on that matter.

Although not an acquiring party, or persons relating to an acquiring party, or a person acting in concert with either of them, the Nictus Shares held by the Tromp Family will not be included in calculating the percentage of voting rights:

- required to be present, or actually present, in determining whether the applicable quorum requirements for the Special General Meeting are satisfied; or
- required to be voted in support of a resolution, or actually voted in support of the resolution.

In terms of paragraph 5.69(b) of the Listings Requirements, a special resolution by Nictus Shareholder is required to approve the Repurchase, excluding the votes of any Nictus Shareholder and its associates that are participating in the Repurchase. The Nictus Shares held by Nictus Holdings and the Nictus Shares held by the Tromp Family will be excluded from voting in respect of the Resolutions.

The special resolution in respect of the Repurchase is contained in the notice of Special General Meeting which is attached to and forms part of this Circular.

The Independent Board has passed a resolution acknowledging that it has applied the solvency and liquidity test, as set out in section 4 of the Companies Act, and has reasonably concluded that Nictus and its subsidiaries will satisfy the solvency and liquidity test immediately after completing the proposed Repurchase.

4. FINANCIAL INFORMATION

4.1 Stated capital of Nictus

The table below sets out the stated capital of Nictus prior to the Repurchase:

	Nictus Shares	R
<i>Authorised</i>		
Ordinary shares of no par value	250 000 000	
Redeemable cumulative preference shares of no par value	10 000 000	
Total	260 000 000	
<i>Issued</i>		
Ordinary shares of no par value	66 269 940	48 668 000
Total	66 269 940	48 668 000

The table below sets out the stated capital of Nictus subsequent to the Repurchase:

	Nictus Shares	R
<i>Authorised</i>		
Ordinary shares of no par value	250 000 000	
Redeemable cumulative preference shares of no par value	10 000 000	
Total	260 000 000	
<i>Issued</i>		
Ordinary shares of no par value	53 443 500	25 927 000
Total	53 443 500	25 927 000

Nictus has no treasury shares.

4.2 Pro forma financial effects

The *pro forma* financial effects of the Repurchase are provided for illustrative purposes only and, because of their nature, may not fairly present the Group's financial position or results of operations.

The *pro forma* financial information has been prepared to illustrate the impact of the Repurchase on the assumption that the Repurchase took place on 1 April 2017 for statement of profit or loss and other comprehensive income purposes and 31 March 2018 for statement of financial position purposes.

The *pro forma* financial information has been prepared using the accounting policies of Nictus, which comply with IFRS and are consistent with those applied in Nictus' annual financial statements for the year ended 31 March 2018.

The *pro forma* financial information is the responsibility of the Directors.

	Before the Repurchase	After the Repurchase	% change
Basic earnings and diluted basic earnings per Nictus Share (cents)	8,17	8,98	10
Headline and diluted headline earnings per Nictus Share (cents)	8,17	8,98	10
Net asset value per Nictus Share (cents)	155	177	14
Net tangible asset value per Nictus Share (cents)	155	177	14
Number of Nictus Shares in issue	66 269 940	53 443 500	(19)
Weighted average number of Nictus Shares in issue	66 269 940	53 443 500	(19)

The notes to the *pro forma* financial information are set out in Annexure 2 to this Circular. The reporting accountant's report thereon is set out in Annexure 3 to this Circular.

4.3 Annual financial statements

The Integrated report of Nictus for the years ended 31 March 2018, 2017 and 2016 is available at the Company's website: <https://www.nictuslimited.co.za/annual-report/>.

The Integrated report of Nictus Holdings for the years ended 31 March 2018, 2017 and 2016 is available at the company's website: <https://www.nictusholdings.com/index.php/investors/financials>.

5. INTERESTS IN SECURITIES

At the Last Practicable Date, Nictus Holdings held 12 826 440 (19,35%) Nictus Shares. Subsequent to the Repurchase, Nictus Holdings will not hold any Nictus Shares.

At the Last Practicable Date, Nictus did not hold any shares in Nictus Holdings.

6. MAJOR NICTUS SHAREHOLDERS

Insofar as is known to Nictus, the major Nictus Shareholders who, directly or indirectly, beneficially held 5% or more of the issued Nictus Shares at the Last Practicable Date, are as follows:

Shareholder	Number of Nictus Shares	%
Landswyd Beleggings Proprietary Limited	24 063 092	36,31
Trocor Proprietary Limited	5 683 103	8,58
Namprop Proprietary Limited	5 719 875	8,63
PC Trust	4 070 109	6,14
Nictus Holdings	12 826 440	19,35
Total	52 362 619	79,01

After the Repurchase:

Shareholder	Number of Nictus Shares	%
Landswyd Beleggings Proprietary Limited	24 063 092	45,03
Trocor Proprietary Limited	5 683 103	10,63
Namprop Proprietary Limited	5 719 875	10,70
PC Trust	4 070 109	7,62
Nictus Holdings	–	0,00
Total	39 536 179	73,98

7. DIRECTORS AND MANAGEMENT

7.1 Directors

The Board will not change following the Repurchase as a result of the Repurchase. The Directors' remuneration and benefits are set out in the Remuneration Report which forms part of the Integrated report of Nictus for the year ended 31 March 2018 which is available at the Company's website: <https://www.nictuslimited.co.za/annual-report/>. There will be no change to remuneration of the Directors or the directors of Nictus Holdings as a result of the Repurchase.

Details relating to the Directors are set out below:

Name of Director	Business address	Designation
Prof. Barend Johannes Willemse	Nictus Building, Corner of Dover and Pretoria Street, Randburg 2125	Chairman
Gerard Rochelle de Villiers Tromp	Nictus Building, Corner of Dover and Pretoria Street, Randburg 2125	Group Managing Director
Hartman Eckhart Prozesky	Nictus Building, Corner of Dover and Pretoria Street, Randburg 2125	Group Financial Director
Nicolaas Cornelius Tromp	Nictus Building, Corner of Dover and Pretoria Street, Randburg 2125	Non-executive Director
Philippus Johannes de Witt Tromp	Nictus Building, Corner of Dover and Pretoria Street, Randburg 2125	Non-executive Director
Gerard Swart	Nictus Building, Corner of Dover and Pretoria Street, Randburg 2125	Independent Non-executive Director
John Day Mandy	Nictus Building, Corner of Dover and Pretoria Street, Randburg 2125	Independent Non-executive Director

Details of service contracts of Directors and directors of Nictus Holdings are set out below:

Nictus

Executive directors have service agreements with notice periods of 30 days. The retirement age is set at 60 years, whilst directors may negotiate further terms past the age of 60 on an individual basis. No contractual entitlements on termination of employment exist, but compliance to the relevant Labour Acts is ensured.

Nictus Holdings

Executive directors have consultation agreements with reciprocal termination periods of 90 days. The current retirement age is set at 60 years. No contractual entitlements on termination of employment exist, but compliance to the relevant Labour Acts is ensured.

7.2 Directors' interests

As at the Last Practicable Date, the aggregate beneficial interests of the Directors in the share capital of Nictus were as follows:

Nictus Shares

	Beneficial		Total	% held
	Direct	Indirect		
Landswyd Beleggings Proprietary Limited	–	24 063 092	24 063 092	36,31
Trocor Proprietary Limited	–	5 683 103	5 683 103	8,58
Namprop Proprietary Limited	–	5 719 875	5 719 875	8,63
PC Trust	–	4 070 109	4 070 109	6,14
Nictus Holdings	–	12 826 440	12 826 440	19,35
Nictus Trust	–	1 125 000	1 125 000	1,70
Ultra Investments Proprietary Limited	–	137 089	137 089	0,21
Corporate Guarantee and Insurance Company of Namibia Limited	–	27 252	27 252	0,04
Gerard Rochelle de Villiers Tromp	2 531	–	2 531	0,00
Prof. Barend Johannes Willemse	50 000	33 665	83 665	0,13
Hartman Eckhart Prozesky	172 000	–	172 000	0,26
Total	224 531	53 685 625	53 910 156	81,35

As at the Last Practicable Date, the aggregate beneficial interests of the Directors in the share capital of Nictus Holdings were as follows:

Nictus Holdings shares

	Beneficial		Total	% held
	Direct	Indirect		
Tromp Family	–	30 492 171	30 492 171	57,05
Total	–	30 492 171	30 492 171	57,05

7.3 Directors of Nictus Holdings' interest

As at the Last Practicable Date, the aggregate beneficial interests of the directors of Nictus Holdings in the share capital of Nictus were as follows:

Nictus Shares

	Beneficial		Total	% held
	Direct	Indirect		
Franke Trust	–	1 304 190	1 304 190	1,97
Haida Investments Proprietary Limited	–	941 144	941 144	1,42
Landswyd Beleggings Proprietary Limited	–	24 063 092	24 063 092	36,31
Trocor Proprietary Limited	–	5 683 103	5 683 103	8,58
Namprop Proprietary Limited	–	5 719 875	5 719 875	8,63
PC Trust	–	4 070 109	4 070 109	6,14
Nictus Holdings	–	12 826 440	12 826 440	19,35
Nictus Trust	–	1 125 000	1 125 000	1,70
Ultra Investments Proprietary Limited	–	137 089	137 089	0,21
Corporate Guarantee and Insurance Company of Namibia Limited	–	27 252	27 252	0,04
Gerard Rochelle de Villiers Tromp	2 531	–	2 531	0,00
Total	2 531	55 897 294	55 899 825	84,35

As at the Last Practicable Date, the aggregate beneficial interests of the directors of Nictus Holdings in the share capital of Nictus Holdings were as follows:

Nictus Holdings shares

	Beneficial		Total	% held
	Direct	Indirect		
Tromp Family	–	30 492 171	30 492 171	57,05
Haida Investments Proprietary Limited	–	1 655 055	1 655 055	3,10
Franke Trust	–	1 439 427	1 439 427	2,69
Total	–	33 586 653	33 586 653	62,84

7.4 Directors' interests in transactions

Gerard Rochelle de Villiers Tromp is the Executive Group Managing Director and a shareholder of Nictus as well as a Non-executive Director and shareholder of Nictus Holdings.

Philippus Johannes de Witt Tromp is a Non-executive Director and shareholder of Nictus as well as the Group Managing Director and shareholder of Nictus Holdings.

Nicolaas Cornelius Tromp is a Non-executive Director and shareholder of Nictus and a Non-executive Director and shareholder of Nictus Holdings.

Other than the three Directors detailed above, no Directors of Nictus have a material beneficial interest, whether direct or indirect, in the Repurchase.

No Directors, including a director who resigned in the last 18 months, has or had any material beneficial interest, direct or indirect, in any transaction that was effected by the Company during the current or immediately preceding financial year or during any earlier financial year, and which remain in any respect outstanding or unperformed.

7.5 Directors' responsibility statement

The Independent Board:

- has considered all statements of fact and opinion in this Circular;
- collectively and individually, accepts full responsibility for the accuracy of the information given;
- certifies that, to the best of its knowledge and belief, there are no other facts, the omission of which would make any statement false or misleading;
- has made all reasonable enquiries in this regard; and
- certifies that, to the best of its knowledge and belief, the Circular contains all information required in terms of the Companies Act and the Listings Requirements.

8. MATERIAL CHANGES

There have been no material changes in the affairs or financial position of Nictus between the publication of Nictus' annual financial statements for the year ended 31 March 2018 and the Last Practicable Date.

9. MATERIAL CONTRACTS

There are no material agreements between Nictus or the Directors or any Nictus Shareholders and Nictus Holdings, other than in the ordinary course of business.

10. LITIGATION

The Directors are not aware of any legal or arbitration proceedings (including any such proceedings that are pending or threatened), involving Nictus and/or its subsidiaries which may have, or have had, a significant effect on the Nictus Group's financial position during the last 12 months preceding the date of this Circular.

11. OPINIONS AND RECOMMENDATIONS

11.1 Role of the Independent Board

The Independent Board has considered the terms and conditions of the Repurchase and, taking into account the opinion of the Independent Expert in respect of the Repurchase, is of the opinion that the terms and conditions thereof are fair and reasonable to Independent Nictus Shareholders and recommends that Independent Nictus Shareholders vote in favour of the Resolutions at the Special General Meeting.

11.2 Opinion of the Independent Expert

BDO, acting as Independent Expert to the Independent Board, has advised the Independent Board that it has considered the terms and conditions of the Repurchase and is of the opinion that these terms and conditions are fair and reasonable to Independent Nictus Shareholders. The text of the letter from BDO is included as Annexure 1 to this Circular and such letter has not been withdrawn prior to the publication of this Circular.

11.3 Role of KPMG

KPMG Inc. is the independent auditor to Nictus and has issued the necessary reporting accountant's report on the *pro forma* financial information of Nictus presented in Annexure 2 to this Circular. KPMG Services Proprietary Limited is the Sponsor to Nictus. The role of the sponsor included preparing the necessary circular to Independent Nictus Shareholders and advising the Independent Board on the application of the Listings Requirements and the Companies Act. KPMG Services Proprietary Limited also provided selected legal advice with regard to the application of the Companies Act as it relates to section 4, 48(8)(b), 114, 115 and 164 and prepared the Repurchase Agreement. KPMG did not provide any advice or opinion to the Independent Board in respect of the fairness and reasonableness of the Repurchase nor any recommendations with regard to its implementation.

12. WORKING CAPITAL STATEMENT

The Directors are of the opinion that the working capital available to Nictus, subsequent to the Repurchase, is adequate for the requirements of the Nictus Group for a period of 12 months from the date of issue of this Circular.

Having considered the effect of the Repurchase, the Directors are of the opinion that:

- the Company and the Nictus Group will be able in the ordinary course of business to pay its debts for a period of twelve months after the date of issue of this Circular;
- the assets of the Company and the Nictus Group will be in excess of the liabilities of the Company and the Nictus Group for a period of 12 months after the date of issue of this Circular. For this purpose, the assets and liabilities have been recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements of the Nictus Group;
- the stated capital and reserves of the Company and the Nictus Group will be adequate for ordinary business purposes for a period of 12 months after the date of issue of this Circular; and
- the working capital of the Company and the Nictus Group will be adequate for ordinary business purposes for a period of 12 months after the date of issue of this Circular.

13. IRREVOCABLE UNDERTAKINGS

Nictus has secured irrevocable undertakings from the parties listed below, representing approximately 30,37% of Independent Nictus Shareholders, to vote in favour of the Resolutions at the Special General Meeting. The Tromp Family and Nictus Holdings will not vote their respective Nictus Shares in respect of the Resolutions.

Nictus Shareholder	Number of Nictus Shares as the Last Practicable Date	% held
Franke Trust	1 304 190	10,34
Oreon Place Investments Proprietary Limited	1 000 000	7,93
Haida Investments Proprietary Limited	941 144	7,46
Wilbur Okkie Izaaks	413 586	3,28
Hartman Eckhart Prozesky	172 000	1,36
Total	3 830 920	30,37

None of the Tromp Family or Nictus Holdings have dealt in any Nictus Shares between Friday, 16 February 2018 and the Last Practicable Date.

14. EXPENSES RELATING TO THE REPURCHASE

The expenses, excluding VAT, relating to the Repurchase are set out below:

Description	Payable to	R
Sponsor	KPMG Services Proprietary Limited	350 000
JSE fees	JSE	50 000
TRP inspection fees	TRP	50 000
Other (printing, posting, transfer secretaries, securities transfer tax)	Various suppliers	125 000
Reporting accountant	KPMG Inc.	50 000
Legal fees	KPMG Services Proprietary Limited	50 000
Independent Expert	BDO Corporate Finance Proprietary Limited	120 000
Total		795 000

Nictus has not incurred any preliminary expenses during the three-year period prior to the issue of this Circular.

15. EXCHANGE CONTROL REGULATIONS

As Namibia is part of the Common Monetary Area Countries, the transfer of South African Rand to Namibia does not require exchange control approval.

16. CONSENTS

KPMG Services Proprietary Limited, the Transfer Secretaries, KPMG Inc. and BDO have provided their written consents to the inclusion of their names, and where applicable their reports in the form and context in which they appear in this Circular, and have not withdrawn their consents prior to the publication of this Circular.

17. SPECIAL GENERAL MEETING

A Special General Meeting of Independent Nictus Shareholders will be held in the boardroom, Nictus Building, Corner of Dover and Pretoria Street, Randburg on Wednesday, 24 October 2018 at 11:00 to consider the Resolutions.

A notice convening the Special General Meeting is attached to and forms part of this Circular.

Independent Nictus Shareholders are advised that they or their proxies may participate in the Special General Meeting by means of a teleconference facility and, if they wish to do so:

- must contact Willem Boshoff at the Company at telephone number +27 11 787 9019 before 11:00 on Monday, 22 October 2018 to receive dial-in instructions 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 in the Special General Meeting.

Please note that whilst it is possible to participate in the Special General Meeting through this medium, there is no facility for electronic voting and accordingly, Independent Nictus Shareholders are advised to follow the instructions set out in the action required by Independent Nictus Shareholders section of the Circular in respect of voting.

18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of this Circular will be available in English, along with the following documents, or copies thereof, which will be available for inspection, during normal business hours at the registered office of Nictus, from the date of this Circular up to and including the date of the Special General Meeting:

- the MOI;
- a signed copy of this Circular;
- the Repurchase Agreement;
- the original Independent Expert's Opinion as set out in Annexure 1 to this Circular;
- the original Reporting Accountant's Report as set out in Annexure 3 to this Circular;
- copies of service contracts with Directors;
- Integrated report including the audited annual financial statements of Nictus for the three financial years ended 31 March 2016, 2017 and 2018;
- letter of approval from the TRP in respect of the Circular; and
- written consents from the advisors detailed in paragraph 16 above.

This Circular was signed at Johannesburg on behalf of all the Directors in terms of powers of attorney granted on Monday, 17 September 2018



Prof. Barend Johannes Willemse

Randburg
25 September 2018



Hartman Eckhart Prozesky

Registered office

Nictus Building
Corner of Dover and Pretoria Street
Randburg 2125

Transfer secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Ave
Rosebank
Johannesburg 2196

INDEPENDENT EXPERT'S REPORT REQUIRED IN TERMS OF THE APPLICABLE PROVISIONS OF SECTION 114 OF THE COMPANIES ACT

Private and confidential

Independent Board
Nictus Limited
Nictus Building
Cnr. Pretoria and Dover Street
Randburg

18 September 2018

Dear Sirs

REPORT OF THE INDEPENDENT PROFESSIONAL EXPERT TO THE DIRECTORS OF NICTUS LIMITED REGARDING THE SPECIFIC REPURCHASE OF 12 826 440 ORDINARY SHARES IN THE ISSUED SHARE CAPITAL OF NICTUS LIMITED

Introduction

BDO Corporate Finance Proprietary Limited ("BDO Corporate Finance") has been appointed by the independent board of directors ("Independent Board") of Nictus Limited ("Nictus" or the "Company" or the "Group") to provide an independent opinion to the shareholders of Nictus with regard to the agreements whereby Nictus will repurchase 12 826 440 ordinary shares ("Repurchase Shares") of no par value in the share capital of Nictus ("Nictus Shares") from Nictus Holdings Limited ("Nictus Holdings") for a consideration of 58,25 cents per Repurchase Share ("Repurchase Consideration"), subject to the provisions of the Companies Act (No. 71 of 2008), as amended ("Companies Act") and the Memorandum of Incorporation ("MOI") ("Repurchase").

As at the date of this opinion, the share capital of the Company comprises:

	Stated capital (R'000)
<hr/>	
Authorised share capital	
250 000 000 Nictus Shares	
10 000 000 redeemable cumulative preference shares of no par value	
Issued share capital	
66 269 940 Nictus Shares	48 668

As at the last practicable date prior to the finalisation of this opinion, being Monday, 17 September 2018 (the "Last Practicable Date"), the aggregate beneficial interests of the directors of Nictus ("Directors") in the share capital of Nictus were as follows:

	Beneficial		Total	% held
	Direct	Indirect		
Landswyd Beleggings Proprietary Limited	–	24 063 092	24 063 092	36,31
Trocor Proprietary Limited	–	5 683 103	5 683 103	8,58
Namprop Proprietary Limited	–	5 719 875	5 719 875	8,63
PC Trust	–	4 070 109	4 070 109	6,14
Nictus Holdings	–	12 826 440	12 826 440	19,35
Nictus Trust	–	1 125 000	1 125 000	1,70
Ultra Investments Proprietary Limited	–	137 089	137 089	0,21
Corporate Guarantee and Insurance Company of Namibia Limited	–	27 252	27 252	0,04
Gerard Rochelle de Villiers Tromp	2 531	–	2 531	0,00
Prof. Barend Johannes Willemse	50 000	33 665	83 665	0,13
Hartman Eckhart Prozesky	172 000	–	172 000	0,26
Total	224 531	53 685 625	53 910 156	81,35

Copies of sections 115 and 164 of the Companies Act are included as Annexure B and C to the Circular.

Independent expert report required in terms of the Companies Act

As the Repurchase involves the acquisition by the Company of more than 5% of the Company's ordinary shares in issue, section 48(8)(b) of the Companies Act specifies that the Repurchase is subject to the requirements of section 114 and 115 of the Companies Act. In terms of section 114(2) of the Companies Act, the Independent Board must retain an independent expert to compile a report on the Repurchase (the "Independent Expert Report").

The Independent Expert Report is referred to as the "Opinion".

Section 114(3) requirements

As required in terms of section 114(3) of the Companies Act (read together with section 48 of the Companies Act), this report deals with the following:

- a. state all prescribed information relevant to the value of the securities affected by the proposed arrangement;
The Repurchase Shares will be repurchased at the Repurchase Consideration. The annualised share liquidity of Nictus is shown in the table below:

	Volume traded	Average shares in issue over period	Annualised liquidity %
Past 30 days	91 707	66 269 940	1,68
Past 60 days	111 957	66 269 940	1,03
Past 90 days	118 407	66 269 940	0,72
Past 6 months	219 134	66 269 940	0,66
Past year	772 974	66 269 940	1,17

Note: All data relevant up to 26 August 2018.

Source: IRESS Expert and BDO Corporate Finance workings

The shares show a low level of liquidity. Nictus's free float pre-Repurchase amounts to 18,65%.

- b. identify every type and class of holders of the Company's securities affected by the proposed arrangement;
Due to the fact that holders of Nictus Shares ("Nictus Shareholders") only hold ordinary Shares in Nictus, the Repurchase will only have an effect on the voting power of holders of ordinary shares of no par value.
- c. describe the material effects that the proposed arrangement will have on the rights and interests of the persons mentioned in paragraph (b);
The Repurchase will not vary the rights of Nictus Shareholders other than reducing the number of Nictus Shares held by Nictus Holdings.
In view of the MOI, the Repurchase will have no material effect on the rights and interests of Nictus Shareholders.
We are not aware of any other impact on the rights and interests of Nictus Shareholders.
- d. evaluate any material adverse effects of the proposed arrangement against:
- the compensation that any of those persons will receive in terms of that arrangement; and
The Repurchase Consideration falls below a fair market valuation range for the Repurchase Shares. As this is below the valuation range no material adverse effects are noted.
 - any reasonably probable beneficial and significant effect of that arrangement on the business and prospects of the Company;
It is understood that the Company is unlikely to be affected adversely by the Repurchase.
- e. state any material interest of any director of the Company or trustee for security holders;
Material direct and indirect interests by Directors disclosed above.
- f. state the effect of the proposed arrangement on the interest and person contemplated in paragraph (e);
The number of direct and indirect Nictus Shares held by Directors will not change during the Repurchase and therefore their shareholding percentage will increase in proportion to the reduction in share capital ultimately effected by the Repurchase.
- g. and include a copy of sections 115 and 164
Copies of sections 115 and 164 of the Companies Act are included as Annexures B and C of the Circular.

Responsibility

Compliance with the Companies Act and Companies Regulations is the responsibility of the Independent Board. Our responsibility is to report to the Independent Board on whether the terms and conditions of the Repurchase are fair and reasonable to Nictus Shareholders.

Definition of the terms “Fair” and “Reasonable” apply in the context of the Repurchase

The “fairness” of a transaction is based on quantitative issues. A transaction may be said to be fair if the benefits received, as a result of the transaction, are equal to or greater than the value given up.

The Repurchase, may be said to be fair to Nictus Shareholders if the Repurchase Consideration is equal to or less than the fair value of a Nictus Share, or unfair if the Repurchase Consideration is more than the fair value of a Nictus Share.

The assessment of reasonableness of the Repurchase is based on qualitative factors.

Details and sources of information

In arriving at our opinion we have relied upon the following principal sources of information:

- the agreement, dated 27 August 2018, entered into between Nictus and Nictus Holdings, which sets out the terms of the Repurchase (“Repurchase Agreement”);
- letter from Nictus to Nictus Holdings dated 6 February 2018 titled “Aanbod vir die Koop van Nictus Beperk Aandele” setting out the terms and conditions of the Repurchase;
- letter from Nictus Holdings to Nictus dated 26 February 2018 titled “Aanvaarding van die aanbod vir die koop van Nictus Beperk Aandele gehou deur Nictus Holdings Limited” setting out the acceptance of the terms and conditions of the Repurchase;
- the Circular to be issued on or about Tuesday, 25 September 2018;
- integrated annual report for Nictus and its subsidiaries for the years ended 31 March 2016, 2017 and 2018;
- audited annual financial statements for Corporate Guarantee (South Africa) Limited (“CGSA”), Kruben Holdings Proprietary Limited (“Kruben”) and Nictus Meubels Proprietary Limited (“Nictus Furniture”) for the years ended 31 March 2016, 2017 and 2018;
- unaudited management accounts for the year-to-date period ended 30 June 2018 for CGSA, Kruben, Nictus Furniture and Nictus;
- budget financial information for the financial year ending 31 March 2019 for CGSA, Kruben, Nictus Furniture and Nictus;
- independent property valuers’ reports on the fair market value of the property held by Kruben as at 31 March 2017 (“Independent Property Valuation”) prepared by Johannes SF Wessels (Professional Associated Valuer registered with the South African Council for the Property Valuers Profession, (Registration number.: 7316/3)) of Enviro Dimensions Proprietary Limited (“Enviro”), whom we have satisfied ourselves is an independent external registered professional valuer in terms of the Property Valuers Profession Act, No. 47 of 2000;
- discussions with management of the Company regarding the rationale for the Repurchase;
- discussions with management of the Company regarding the historical financial information of the Company;
- discussions with management of the Company on prevailing market, economic, legal and other conditions which may affect underlying value;
- Thomson Reuters and IRESS Expert; and
- publicly available information relating to Nictus that we deemed to be relevant, including company announcements and media articles.

The information above was secured from:

- management of the Company; and
- third party sources, including information related to publicly available economic, market and other data, which we considered applicable to, or potentially influencing the Company.

Procedures

In arriving at our opinion, we have undertaken the following procedures and taken into account the following factors:

- reviewed the terms and conditions of the Repurchase as contained in the Circular and Repurchase Agreement;
- reviewed the financial and other information relating to the Group, as detailed above;
- obtained the 30, 60, 90-day VWAP and quoted closing market price per share up to the acceptance of the offer;
- performed a “sum of the parts” (“SOTP”) valuation of Nictus;
- performed a sensitivity analysis on key assumptions included in the valuation;
- assessed the long-term potential of Nictus and its underlying businesses;
- evaluated the relative risks associated with Nictus and the furniture retail and short-term insurance industries;

- reviewed the Independent Property Valuation and considered the valuation methodologies and assumptions applied. Based on our review of the Independent Property Valuation we are satisfied that the valuation approach adopted is consistent with standard valuation practice and the valuation assumptions are consistent with market parameters. Consequently, we are satisfied with the valuation and are placing reliance on the valuations;
- held discussions with the directors and management of the Group as to the long-term strategy and the rationale for the Repurchase and considered such other matters as we considered necessary, including assessing the prevailing economic and market conditions and trends in the industries in which the Group operates;
- reviewed certain publicly available information relating to Nictus and the furniture retail and short-term insurance industries generally that we deemed relevant, including company announcements and media articles; and
- performed such other studies and analyses as we considered appropriate and have taken into account our assessment of general economic, market and financial conditions and our experience in other transactions, as well as our experience in securities valuation and knowledge of the furniture retail and short-term insurance industries generally.

Assumptions

We arrived at our findings based on the following assumptions:

- that all agreements that are to be entered into in terms of the Repurchase will be legally enforceable;
- that the Repurchase will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives of the Group; and
- that reliance can be placed on the financial information of the Group.

Appropriateness and reasonableness of underlying information and assumptions

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our findings by:

- determining the extent to which representations from management were confirmed by documentary evidence as well as our understanding of the Group and the economic environment in which the Group operates.

Limiting conditions

The Opinion is provided in connection with and for the purposes of the Repurchase. This Opinion does not purport to cater for each individual shareholder's perspective, but rather that of the general body of Nictus Shareholders. Should a Nictus shareholder be in doubt as to what action to take, he or she should consult an independent advisor.

Individual shareholders' decisions regarding the Repurchase may be influenced by such shareholders' particular circumstances and accordingly individual shareholders should consult an independent advisor if in any doubt as to the merits or otherwise of the Repurchase.

We have relied upon and assumed the accuracy of the information provided to us in deriving our conclusions. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of this report, whether in writing or obtained in discussion with management of Nictus, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

Where relevant, forward-looking information of Nictus and its underlying businesses relates to future events and is based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of Nictus will correspond to those projected. We have however compared the forecast financial information to past trends as well as discussing the assumptions inherent therein with management of Nictus.

We have also assumed that the Repurchase will have the legal consequences described in discussions with, and materials furnished to us by representatives and advisors of Nictus and we express no opinion on such consequences.

Our opinion is based on current economic, regulatory and market as well as other conditions. Subsequent developments may affect the opinion, and we are under no obligation to update, review or re-affirm our opinion based on such developments.

Independence, competence and fees

We confirm that neither we nor any related person to us have a direct or indirect interest in Nictus Shares nor the Repurchase nor any relationship as contemplated in section 114(2)(b) of the Companies Act, and generally declare that we are independent in relation to the Repurchase and will reasonably be perceived to be independent taking into account other existing relationships and appointments. We also confirm that we have the necessary competence to provide the Opinion on the Repurchase and meet the criteria set out in section 114(2)(a) of the Companies Act.

Furthermore, we confirm that our professional fees of R120 000 (excluding VAT), payable in cash, are not contingent upon the success of the Repurchase. Our fees are not payable in shares.

Valuation approach and results

BDO Corporate Finance performed a valuation of Nictus on a SOTP basis to determine whether the Repurchase is fair to Nictus Shareholders, excluding the related parties.

The valuation was based on the following principal approach:

- Nictus Furniture – BDO Corporate Finance compiled forecast free cash flows for Nictus Furniture by using the historical and forecast financial information as detailed above. We applied our assumptions of cost of capital to the forecast cash flows to produce a discounted cash flow (“DCF”) valuation for Nictus Furniture. In determining the terminal value of Nictus Furniture, we considered market ranges for earnings before interest, taxation, depreciation and amortisation (“EBITDA”) multiples based on the cyclical nature of each business and defensive qualities;
- CGSA – The valuation of CGSA was performed by applying the DCF methodology;
- Nictus – The valuation of Nictus was performed by applying the net asset value (“NAV”) approach (excluding investments in subsidiaries which have been separately valued). The NAV of Nictus was adjusted for the unallocated head office and administration costs which were valued on a DCF basis;
- Kruben – The valuation of Kruben, a property holding company, was performed by applying the NAV approach, taking into account the indicative fair market value of the property determined by the independent property valuer using the income capitalisation method.

BDO Corporate Finance aggregated the valuations of Nictus Furniture, CGSA, Nictus and Kruben to determine a SOTP valuation of the Group.

Key external value drivers include key macro-economic parameters such as: GDP growth, interest rates, headline inflation rates and prevailing market and industry conditions in the furniture retail and short-term insurance industry were considered in assessing the forecast cash flows and risk profile of the operating companies.

Key internal value drivers to the DCF valuations of the operating companies included the discount rate, revenue growth and the terminal growth rate.

In addition, we performed a sensitivity analysis on key assumptions included in the DCF valuation, specifically related to cost of capital and terminal growth rates.

The sensitivity analysis was performed by considering key value drivers, including the discount rate and revenue growth rate.

These sensitivity analyses did not indicate a sufficient effect to alter our opinion in respect of the Repurchase.

Valuation results

In undertaking the valuation exercise above, we determined a fair market value range for Nictus of R0,64 to R0,76 per Nictus Share with a most likely value of R0,70 per Nictus Share.

The valuation range above is provided solely in respect of this Opinion and should not be used for any other purposes.

Reasonableness of the transaction

We have assessed the terms of the Repurchase with reference to normal market-related practice. We have found no indication that the Repurchase will have any material adverse effect on the Company or its shareholders and have identified no transaction parameters which could be considered unreasonable to the Company or its shareholders.

Opinion

BDO Corporate Finance has considered the terms and conditions of the Repurchase and, based on and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Repurchase (including, without limitation, the Repurchase Consideration, provided that it is within the valuation range set out in the paragraph headed “Valuation results” or below such range), based on quantitative considerations, are fair to Nictus Shareholders.

Based on qualitative factors, we are of the opinion that the terms and conditions of the Repurchase (including, without limitation, the Repurchase Consideration, provided that same is within the valuation range set out in the paragraph headed “Valuation Results” or below such range) are reasonable from the perspective of Nictus Shareholders.

Our opinion is necessarily based upon the information available to us up to Tuesday, 11 September 2018, including in respect of the financial, market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory and other approvals or consents required in connection with the Repurchase, have been fulfilled or obtained.

Accordingly, it should be understood that subsequent developments may affect this Opinion, which we are under no obligation to update, revise or re-affirm.

Consent

We hereby consent to the inclusion of this Opinion, in whole or in part, and references thereto in the Circular and any other announcement or document pertaining to the Repurchase, in the form and context in which they appear.

Yours faithfully

A handwritten signature in black ink, appearing to be 'N. Lazanakis', written in a cursive style.

N Lazanakis CA(SA)

Director

BDO Corporate Finance Proprietary Limited

22 Wellington Road

Parktown

2193

PRO FORMA FINANCIAL INFORMATION OF NICTUS

The definitions and interpretations commencing on page 4 of the Circular to which this Annexure is attached apply *mutatis mutandis* to the *pro forma* financial information of Nictus.

The *pro forma* financial effects of the Repurchase are provided for illustrative purposes only and, because of their nature, may not fairly present the Group's financial position or results of operations.

The *pro forma* financial information has been prepared to illustrate the impact of the Repurchase on the assumption that the Repurchase took place on 1 April 2017 for statement of profit or loss and other comprehensive income purposes and 31 March 2018 for statement of financial position purposes.

The *pro forma* financial information has been prepared using the accounting policies of Nictus which comply with IFRS and are consistent with those applied in Nictus' financial statements for the year ended 31 March 2018.

The *pro forma* financial information is the responsibility of the Directors.

	Before the Repurchase	<i>Pro forma</i> adjustments	After the Repurchase
Figures in R'000	Audited 2018	<i>Pro forma</i> 2018	<i>Pro forma</i> 2018
Revenue	47 361	–	47 361
Cost of sales	(26 470)	–	(26 470)
Gross profit	20 891	–	20 891
Other income	2 259	–	2 259
Investment income from operations	42 505	–	42 505
Operating expenses	(48 258)	–	(48 258)
Administrative expenses	(17 128)	–	(17 128)
Results from operating activities	269	–	269
Investment income	4 601	(853)	3 748
Profit/(loss) before taxation	4 870	(853)	4 017
Taxation credit	542	239	781
Profit/(loss) for the year	5 412	(614)	4 798
Other comprehensive income	–	–	–
Total comprehensive income for the year	5 412	(614)	4 798
Profit attributable to:			
Owners	5 412	(614)	4 798
	5 412	(614)	4 798
Total comprehensive income attributable to:			
Owners	5 412	(614)	4 798
	5 412	(614)	4 798
Basic earnings and diluted basic earnings per Nictus Share (cents)	8,17		8,98
Headline and diluted headline earnings per Nictus Share (cents)	8,17		8,98
Shares in issue	66 269 940	(12 826 440)	53 443 500

Notes

The "Before the Repurchase" financial information has been extracted, without adjustment, from the audited financial information of Nictus for the year ended 31 March 2018.

Investment income has been adjusted for the reduction in interest earned by Nictus due to Nictus calling for a cash amount equal to the Repurchase Consideration, and the amount required to settle the expenses relating to the Repurchase, from the loan granted to Nictus Holdings. The interest adjustment has been calculated using an interest rate of 10,32%, being the average South African prime interest rate for the period from 1 April 2017 to 31 March 2018. This adjustment, and the related taxation adjustment described below, will have a continuous effect on Nictus' statement of profit or loss and other comprehensive income.

Taxation credit has been adjusted for the taxation effect of the interest reduction.

Weighted average number of Nictus Shares in issue has been adjusted for the repurchase of the 12 826 440 Nictus Shares in terms of the Repurchase.

Pro forma statement of financial position as at 31 March 2018

	Before the Repurchase	Pro forma adjustments	After the Repurchase
Figures in R'000	2018	2018	2018
Assets			
Non-current assets			
Property, plant and equipment	18 051	–	18 051
Intangible assets	118	–	118
Investments	11 340	–	11 340
Deferred tax assets	3 020	–	3 020
Loans and receivables	5 387	–	5 387
	37 916	–	37 916
Current assets			
Inventories	10 993	–	10 993
Loans and receivables	44 226	(8 266)	35 960
Trade and other receivables	358 645	–	358 645
Investments	98 809	–	98 809
Cash and cash equivalents	89 717	–	89 717
	602 390	(8 266)	594 124
Total assets	640 306	(8 266)	632 040
Equity and liabilities			
Equity			
Stated capital	48 668	(22 741)	25 927
Revaluation reserve	7 983	–	7 983
Retained earnings	46 076	14 475	60 551
	102 727	(8 266)	94 461
Liabilities			
Non-current liabilities			
Deferred tax liabilities	2 400	–	2 400
	2 400	–	2 400
Current liabilities			
Trade and other payables	10 974	–	10 974
Insurance contract liability	524 193	–	524 193
Current tax payable	12	–	12
	535 179	–	535 179
Total liabilities	537 579	–	537 579
Total equity and liabilities	640 306	(8 266)	632 040
Net asset value per Nictus Share (cents)	155		177
Net tangible asset value per Nictus Share (cents)	155		177
Nictus Shares in issue	66 269 940	(12 826 440)	53 443 500

Notes

The “Before the Repurchase” financial information has been extracted, without adjustment, from the audited financial information of Nictus for the year ended 31 March 2018.

Cash and cash equivalents has been increased for a cash amount of R8,266 million called by Nictus from Nictus Holdings. This cash call by Nictus has reduced the operational loan, included in loans and receivables, granted by Nictus to Nictus Holdings by the same amount. The operational loan facility was initially granted during the 2014 financial year, is repayable on demand and bears interest at the South African prime interest rate.

Cash and cash equivalents has been decreased for the settlement of the Repurchase Consideration amounting to R7,471 million and the expenses relating to the Repurchase, amounting to R0,795 million.

The net effect on cash and cash equivalents is, therefore, Rnil.

Stated capital has been decreased by an amount of R21,946 million, which is the original amount paid by Nictus Holdings for the Repurchase Shares, and the expenses relating to the Repurchase, amounting to R0,795 million, which have been capitalised in terms of IAS 32: *Financial Instruments Presentation*.

Retained earnings has been increased for the gain on the Repurchase amounting to R14,475 million.

Number of Nictus Shares in issue has been adjusted for the repurchase of the 12 826 440 Nictus Shares in terms of the Repurchase.

REPORTING ACCOUNTANT'S REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF NICTUS

The Directors
Nictus Limited
Nictus Building
Corner of Dover and Pretoria Street
Randburg
2125

18 September 2018

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE COMPILATION OF THE *PRO FORMA* FINANCIAL INFORMATION OF NICTUS

The definitions and interpretations commencing on page 4 of the Circular to which this letter is attached apply *mutatis mutandis* to this report.

Introduction

We have completed our assurance engagement to report on the compilation of the *pro forma* financial information of Nictus by the directors of the Company ("**Directors**"). The *pro forma* financial information consists of the *pro forma* basic earnings and diluted basic earnings, headline and diluted headline earnings, net asset value and net tangible asset value per share of Nictus, the *pro forma* statement of financial position of Nictus, the *pro forma* statement of profit or loss and other comprehensive income of Nictus and the related notes, including a reconciliation showing all of the *pro forma* adjustments to the stated capital, reserves and other equity items relating to Nictus, subsequent to the Repurchase, detailed below (collectively "**Pro forma Financial Information**"). The *Pro forma* Financial Information is set out in Annexure 2 of the Circular. The *pro forma* Financial Information has been compiled on the basis of the applicable criteria specified in the Listings Requirements.

The *Pro forma* Financial Information has been compiled by the Directors to illustrate the impact of the Repurchase on the *pro forma* statement of financial position of Nictus, the *pro forma* statement of profit or loss and other comprehensive income of Nictus and the related notes, including a reconciliation showing all of the *pro forma* adjustments to the stated capital, reserves and other equity items relating to Nictus.

As part of this process, the Company's basic earnings, diluted basic earnings, headline earnings and diluted headline earnings, net asset value and net tangible asset value per share, statement of profit or loss and other comprehensive income and statement of financial position have been extracted by the Directors from the Company's published financial information ("**Published Financial Information**").

Directors' responsibility for the *Pro forma* Financial Information

The Directors are responsible for compiling the *Pro forma* Financial Information on the basis of the applicable criteria as detailed in paragraphs 8.15 to 8.33 of the Listings Requirements and the SAICA Guide on *Pro forma* Financial Information, revised and issued in September 2014 ("**Applicable Criteria**").

Independent reporting accountant's independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors* issued by the Independent Regulatory Board for Auditors (IRBA), that is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Part A and B), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Control 1 and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent reporting accountant's responsibility

Our responsibility is to express an opinion about whether the *Pro forma* Financial Information of the Company has been compiled, in all material respects, by the Directors on the basis of the **Applicable Criteria**.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the *Pro forma* Financial Information of the Company on the basis of the Applicable Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on the Published Financial Information used in compiling the *Pro forma* Financial Information of the Company, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *Pro forma* Financial Information of the Company.

The purpose of the *Pro forma* Financial Information of the Company included in the Circular is solely to illustrate the impact of the Repurchase on the unadjusted Published Financial Information as if the Repurchase had been undertaken on 1 April 2017 for purposes of the *pro forma* basic earnings, diluted basic earnings and the *pro forma* statement of profit or loss and other comprehensive income and on 31 March 2018 for purposes of the *pro forma* net asset value and net tangible asset value per share and *pro forma* statement of financial position. Accordingly, we do not provide any assurance that the actual outcome of the Repurchase, subsequent to its implementation, will be as presented in the *Pro forma* Financial Information of the Company.

A reasonable assurance engagement to report on whether the *Pro forma* Financial Information of the Company has been properly compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the *Pro forma* Financial Information of the Company provide a reasonable basis for presenting the significant effects directly attributable to the Repurchase and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to the Applicable Criteria; and
- The *Pro forma* Financial Information of the Company reflects the proper application of those *pro forma* adjustments to the unadjusted Published Financial Information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the Company, the Repurchase in respect of which the *Pro forma* Financial Information of the Company has been compiled and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the *Pro forma* Financial Information of the Company.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *Pro forma* Financial Information of the Company has been compiled, in all material respects, on the basis of the Applicable Criteria.

KPMG Inc.

Registered Auditor



Riaan Kok

Chartered Accountant (SA)

Registered Auditor

Director

KPMG Crescent
85 Empire Road
Parktown
2193
(Private Bag 9, Parkview 2122)



NICTUS LIMITED

Incorporated in the Republic of South Africa

Registration number: 1981/011858/06

JSE Share Code: NCS

ISIN Code: NA0009123481

("Nictus" or "the Company")

NOTICE OF SPECIAL GENERAL MEETING OF INDEPENDENT NICTUS SHAREHOLDERS

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

Notice is hereby given that a Special General Meeting of the Independent Nictus Shareholders will be held in the boardroom, Nictus Building, Corner of Dover and Pretoria Street, Randburg on Wednesday, 24 October 2018 at 11:00, to deal with the business as set out below and to consider and, if deemed appropriate, pass the Resolutions set out in this notice.

1. RECORD DATE

The Board has determined that the record date in terms of section 59(1) of the Companies Act for the purpose of determining which Independent Nictus Shareholders are entitled to receive notice of the Special General Meeting is Friday, 14 September 2018 and the record date for purposes of determining which Independent Nictus Shareholders are entitled to participate in and vote at the Special General Meeting is Friday, 19 October 2018. Accordingly, only Independent Nictus Shareholders who are registered in the register of members of the Company on Friday, 19 October 2018 will be entitled to participate in the Special General Meeting.

2. GENERAL PURPOSE OF THE SPECIAL GENERAL MEETING

The general purpose of the Special General Meeting is to consider and, if deemed fit, pass with or without modification the Resolutions set out hereunder to the extent proposed by the Chairperson of the meeting.

3. RESOLUTIONS FOR CONSIDERATION AND APPROVAL

3.1 Special resolution number 1: Specific authority, in terms of the Companies Act and the JSE Listings Requirements, for the repurchase by the Company of 12 826 440 of its own Nictus Shares from Nictus Holdings for a purchase consideration amounting to R7 471 401,30.

"Resolved that the Company be and is hereby authorised, by way of a specific authority, in terms of sections 4, 48(8)(b) and 114 read together with section 115 of the Companies Act, the Listings Requirements and MOI of the Company, to acquire 12 826 440 Nictus Shares at a purchase consideration amounting to R7 471 401,30."

3.1.1 The Board is of the opinion that, after considering the effect of the Repurchase:

- 3.1.1.1 The Company and the Nictus Group will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months from the date of approval of the Circular;
- 3.1.1.2 The assets of the Company and the Nictus Group will be in excess of the liabilities of the Company and the Nictus Group for a period of 12 months from the date of approval of the Circular;
- 3.1.1.3 The stated capital and the reserves of the Company and the Nictus Group will be adequate for ordinary business purposes for a period of 12 months from the date of approval of the Circular;
- 3.1.1.4 The working capital of the Company and the Nictus Group will be adequate for ordinary business purposes for a period of 12 months from the date of approval of the Circular.

3.1.2 In addition, in terms of section 46(1) of the Companies Act it is stated as follows:

3.1.2.1 The Board has authorised the Repurchase by resolution; and

3.1.2.2 The Board has, by resolution, acknowledged that it has applied the solvency and liquidity test as set out in section 4 of the Companies Act, and reasonably concluded that the Company and its subsidiaries will satisfy the solvency and liquidity test immediately after completing the Repurchase.

3.1.3 if special resolution number 2 is passed and if the circumstances in special resolution number 2 are present and the Directors resolve to revoke this special resolution number 1, the Repurchase will not be undertaken; and/or

3.1.4 if:

3.1.4.1 this special resolution number 1 is opposed by at least 15% (fifteen per cent) of the voting rights that were exercised on that resolution and, within 5 (five) Business Days after the vote, any person who voted against special resolution number 1 requires the Company to seek Court approval in terms of section 115(3)(a) of the Companies Act, the Directors be and are hereby authorised, but not obliged, to treat this special resolution number 1 as a nullity, in terms of section 115(5)(b) of the Companies Act, if the Directors are of the view that it is in the best interest of the Company to do so; and/or

3.1.4.2 the court, on an application within 10 (ten) Business Days after the vote by any person who voted against this special resolution number 1, grants that person leave, in terms of section 115(3)(b) and section 115(6) of the Companies Act, to apply to a court for a review of the Repurchase in accordance with subsection 115(7) of the Companies Act, the Directors be and are hereby authorised, but not obliged, to revoke this special resolution number 1, if the Directors are of the view that it is in the best interest of the Company to do so,

and therefore, if the Directors resolve to treat this special resolution number 1 as a nullity or to revoke this special resolution number 1 as aforesaid, the Repurchase will not be undertaken.”

The effect of special resolution number 1, if adopted and if the resolution is not revoked or treated as nullity as contemplated above, will be the repurchase by the Company of 12 826 440 of its own Nictus Shares from Nictus Holdings for a purchase consideration amounting to R7 471 401,30.

In order for special resolution number 1 to be passed the support of at least 75% (seventy-five per cent) of the voting rights exercised on the resolution by the Independent Nictus Shareholders present in person, or represented by proxy, at the Special General Meeting is required.

The Repurchase resolution will only be proposed to Independent Nictus Shareholders at the Special General Meeting if 5% (five per cent) or less of the Nictus Shares held by Independent Nictus Shareholders objected thereto in terms of section 164(3) of the Companies Act or if more than 5% (five per cent) of the Nictus Shares held by Independent Nictus Shareholders objected as aforesaid and the Directors have not resolved at the time of the Special General Meeting to retract the proposal of the Repurchase resolution.

3.2 Special resolution number 2: Potential revocation of special resolution number 1 in the event of Independent Nictus Shareholders exercising their Appraisal Rights

“Resolved that, subject to the passing of special resolution number 1 and in the event that Independent Nictus Shareholders holding more than 5% (five per cent) of the Nictus Shares in issue exercise their Appraisal Rights (“Dissenting Shareholders”), the Directors be and are hereby authorised, but not obliged, to revoke special resolution number 1, in terms of section 164(9)(c) of the Companies Act, if the Directors are of the view that it is in the best interest of the Company to do so.”

The effect of special resolution number 2, if adopted will be to enable the Company to revoke special resolution number 1, in the event that the number of Dissenting Shareholders exceeds 5% (five per cent).

In order for special resolution number 2 to be passed the support of at least 75% (seventy-five per cent) of the voting rights exercised on the resolution by Independent Nictus Shareholders present in person, or represented by proxy, at the Special General Meeting is required.

3.3 Ordinary resolution number 1: Signing authority

“Resolved that each Director, or the secretary of the Company, be and is hereby authorised to do all such things and sign all such documents as may be necessary for, or incidental to the implementation of the Resolutions passed at the Special General Meeting of the Company and set out in this notice.”

In order for this ordinary resolution number 1 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by Independent Nictus Shareholders present in person, or represented by proxy, at the Special General Meeting is required.

4. REQUIREMENTS FOR THE PASSING OF RESOLUTIONS UNDER SECTION 114 AND SECTION 115 OF THE COMPANIES ACT AND APPLICATIONS TO COURT IN TERMS OF SECTION 115

Section 115 of the Companies Act sets out the requisite approval for undertaking transactions in terms of Chapter 5, Part A of the Companies Act.

Section 115 of the Companies Act provides, *inter alia*, that:

- (a) certain parties will be precluded from voting at a general meeting, in the event that such party is considered to be an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them; and
- (b) a resolution, despite having been adopted in terms of the Companies Act, may not be implemented, and would be subject to Court approval, if:
 - (i) the resolution was opposed by at least 15% (fifteen per cent) of the voting rights that were exercised on such resolution and within 5 (five) Business Days after the vote, any person who voted against the resolution requires the Company to seek Court approval; and
 - (ii) the Court, on an application within 10 (ten) Business Days after the vote by any person who voted against the resolution, grants that person leave, to apply to a Court for a review of the transaction,

and section 115 of the Companies Act provides for the process to be followed under these circumstances.

A copy of section 115 of the Companies Act is attached as Annexure B to this notice of Special General Meeting.

5. APPRAISAL RIGHTS FOR DISSENTING SHAREHOLDERS

In terms of section 164 of the Companies Act, at any time before special resolution number 1 as set out in this notice of Special General Meeting is to be voted on, a Dissenting Shareholder may give the Company a written notice objecting to special resolution number 1.

Within 10 (ten) business days after the Company has adopted special resolution number 1, the Company must send a notice that special resolution number 1 has been adopted to each Nictus Shareholder who:

- (a) gave the Company a written notice of objection; and
- (b) has neither:
 - (i) withdrawn that notice; or
 - (ii) voted in support of the resolution.

An Independent Nictus Shareholder may demand that the Company pay such Independent Nictus Shareholder the fair value for all the Nictus Shares held by that person if:

- (a) the Independent Nictus Shareholder has sent the Company a notice of objection;
- (b) the Company has adopted special resolution number 1; and
- (c) the Independent Nictus Shareholder voted against special resolution number 1 and has complied with all of the procedural requirements of section 164 of the Companies Act.

A copy of section 164 of the Companies Act is attached as Annexure C to this notice of Special General Meeting.

6. ATTENDANCE AND PROXIES

6.1 Please note that, in terms of section 62(3)(e) of the Companies Act:

6.1.1 an Independent Nictus Shareholder entitled to attend and vote at the Special General Meeting is entitled to appoint one or more proxies to attend, participate in and vote at the Special General Meeting in place of that Independent Nictus Shareholder; and

6.1.2 a proxy need not also be an Independent Nictus Shareholder.

6.2 Please note further that section 63(1) of the Companies Act requires that the Special General Meeting participants must provide satisfactory identification. In this regard, all Special General Meeting participants will be required to provide identification satisfactory to the Chairperson of the Special General Meeting.

- 6.3** All beneficial owners whose shares have been dematerialised through a CSDP, broker or nominee other than with “own-name” registration, must provide the CSDP, broker or nominee with their voting instructions in terms of their custody agreement should they wish to vote at the Special General Meeting. Alternatively, they may request the CSDP, broker or nominee to provide them with a letter of representation, in terms of their custody agreements, should they wish to attend the Special General Meeting.
- 6.4** Unless you advise your CSDP, broker or nominee, in terms of the agreement between you and your CSDP, broker or nominee by the cut-off time stipulated therein, that you wish to attend the Special General Meeting or send a proxy to represent you at this Special General Meeting, your CSDP, broker or nominee will assume that you do not wish to attend the Special General Meeting or send a proxy.
- 6.5** Forms of proxy (which form may be found enclosed) must be dated and signed by the shareholder appointing a proxy and must be received at the registered offices of the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196. Forms of proxy must be received by the Transfer Secretaries by no later than 11:00 on Monday, 22 October 2018. Before a proxy exercises any rights of a Nictus Shareholder at the Special General Meeting, such form of proxy must be so delivered.
- 6.6** Attention is drawn to the “Notes” to the form of proxy.
- 6.7** The completion of a form of proxy does not preclude any Independent Nictus Shareholder from attending the Special General Meeting.

7. VOTING

- 7.1** On a poll every Nictus Shareholder present in person or by proxy and, if the person is a body corporate, its representative, shall have one vote for every Nictus Share held or represented by him/her.
- 7.2** For the purpose of Resolutions proposed in terms of the Companies Act in respect of which any votes are to be excluded, any proxy given by a holder of securities to the holder of such an excluded vote shall also be excluded from voting for the purposes of that resolution.

8. ELECTRONIC PARTICIPATION AT THE SPECIAL GENERAL MEETING

- 8.1** Independent Nictus Shareholders are advised that they or their proxies may participate in the Special General Meeting by means of a teleconference facility and, if they wish to do so:
- 8.1.1 must contact Willem Boshoff at the Company at telephone number +27 11 787 9019 before 11:00 on Monday, 22 October 2018 to receive dial-in instructions for the conference call;
- 8.1.2 will be required to provide reasonably satisfactory identification; and
- 8.1.3 will be billed separately by their own telephone service providers for their telephone call to participate in the Special General Meeting.
- 8.2** Please note that whilst it is possible to participate in the Special General Meeting through this medium, there is no facility for electronic voting and accordingly, Nictus Shareholders are advised to follow the instructions set out in the action required by Independent Nictus Shareholders section of the Circular in respect of voting.
- 8.3** Independent Nictus Shareholders are encouraged to attend at the Special General Meeting.

By order of the Board

Nictus Limited



Willem Boshoff
Secretary
Veritas Board of Executors Proprietary Limited

Randburg
25 September 2018

SUMMARY OF RIGHTS ESTABLISHED BY SECTION 58 OF THE COMPANIES ACT, 71 OF 2008 (“COMPANIES ACT”), AS REQUIRED IN TERMS OF SUBSECTION 58(8)(B)(I)

1. A Nictus Shareholder may at any time appoint any individual, including a non-Nictus Shareholder of the Company, as a proxy to participate in, speak and vote at a Nictus Shareholders’ meeting on his or her behalf (section 58(1)(a)), or to give or withhold consent on behalf of the Nictus Shareholder to a decision in terms of section 60 (shareholders acting other than at a meeting) (section 58(1)(b)).
2. A proxy appointment must be in writing, dated and signed by the Nictus Shareholder, and remains valid for one year after the date on which it was signed or any longer or shorter period expressly set out in the appointment, unless it is revoked in terms of paragraph 6.3 or expires earlier in terms of paragraph 10.4 (section 58(2)).
3. A Nictus Shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the Nictus Shareholder (section 58(3)(a)).
4. A proxy may delegate his or her authority to act on behalf of the Nictus Shareholder to another person, subject to any restriction set out in the instrument appointing the proxy (“proxy instrument”) (section 58(3)(b)).
5. A copy of the proxy instrument must be delivered to the Company, or to any other person acting on behalf of the Company, before the proxy exercises any rights of the Nictus Shareholder at a Nictus Shareholders’ meeting (section 58(3)(c)) and in terms of the MOI of the Company at least 48 hours before the Special General Meeting commences.
6. Irrespective of the form of instrument used to appoint a proxy -
 - 6.1 the appointment is suspended at any time and to the extent that the Nictus Shareholder chooses to act directly and in person in the exercise of any rights as a shareholder (section 58(4)(a));
 - 6.2 the appointment is revocable unless the proxy appointment expressly states otherwise (section 58(4)(b)); and
 - 6.3 if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or by making a later, inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company (section 58(4)(c)).
7. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy’s authority to act on behalf of the Nictus Shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 6.3 (section 58(5)).
8. If the proxy instrument has been delivered to a Company, as long as that appointment remains in effect, any notice required by the Companies Act or the Company’s MOI to be delivered by the Company to the Nictus Shareholder must be delivered by the Company to the Nictus Shareholder (section 58(6)(a)), or the proxy or proxies, if the Nictus Shareholder has directed the Company to do so in writing and paid any reasonable fee charged by the Company for doing so (section 58(6)(b)).
9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the Nictus Shareholder without direction, except to the extent that the MOI or proxy instrument provides otherwise (section 58(7)).
10. If the Company issues an invitation to Nictus Shareholders to appoint one or more persons named by the Company as a proxy, or supplies a form of proxy instrument:
 - 10.1 the invitation must be sent to every Nictus Shareholder entitled to notice of the Special General Meeting at which the proxy is intended to be exercised (section 58(8)(a));
 - 10.2 the invitation or form of proxy instrument supplied by the Company must:
 - 10.2.1 bear a reasonably prominent summary of the rights established in section 58 of the Companies Act (section 58(8)(b)(i));
 - 10.2.2 contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a Nictus Shareholder to write the name, and if desired, an alternative name of a proxy chosen by the Nictus Shareholder (section 58(8)(b)(ii)); and
 - 10.2.3 provide adequate space for the Nictus Shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the Special General Meeting, or is to abstain from voting (section 58(8)(b)(iii));
 - 10.3 the Company must not require that the proxy appointment be made irrevocable (section 58(8)(c)); and
 - 10.4 the proxy appointment remains valid only until the end of the Special General Meeting at which it was intended to be used, subject to paragraph 7 (section 58(8)(d)).



NICTUS LIMITED

Incorporated in the Republic of South Africa
 Registration number: 1981/011858/06
 JSE Share Code: NCS
 ISIN Code: NA0009123481
 ("Nictus" or "the Company")

FORM OF PROXY

To be completed by Certificated Nictus Shareholders and Dematerialised Nictus Shareholders with "own-name" registration only

For completion by registered members of Nictus unable to attend the Special General Meeting of the Company to be held in the boardroom, Nictus Building, Corner of Dover and Pretoria Street, Randburg on Wednesday, 24 October 2018 at 11:00, or at any adjournment thereof.

I/We (please print full names) _____

of (address) _____

Telephone number _____

Cellphone number _____

E-mail address _____

being the holder/s of _____ Nictus Shares, do hereby appoint:

1. _____ or, failing him/her
2. _____ or, failing him/her

the Chairperson of the Special General Meeting, as my/our proxy to attend, speak and, on a poll, vote on my/our behalf at the abovementioned Special General Meeting of Nictus Shareholders or at any adjournment thereof, and to vote or abstain from voting as follows on the ordinary and special resolutions to be proposed at such meeting:

		For	Against	Abstain	Precluded from voting in terms of the Companies Act/Listings Requirements
1.	Special resolution number 1: Repurchase				
2.	Special resolution. number 2: Potential revocation of special resolution number 1 in the event of Nictus Shareholders exercising their Appraisal Rights				
3.	Ordinary resolution number 1: Signing authority				

Please indicate with an "X" in the appropriate spaces provided above how you wish your vote to be cast. However, if you wish not to cast your votes in respect of less than all of the Nictus Shares that you own in the Company, insert the number of Nictus Shares held in respect of which you desire to vote.

Signed at _____ on _____ 2018

Signature: _____

Assisted by me, where applicable (name and signature) _____

NOTES TO PROXY

1. Each Independent Nictus Shareholder is entitled to appoint one or more proxies (who need not be Nictus Shareholder(s) of the Company) to attend, speak and, on a poll or by show of hands, vote in place of that Nictus Shareholder at the Special General Meeting.
2. An Independent Nictus Shareholder may insert the name of a proxy or the names of two alternative proxies of the Independent Nictus Shareholder's choice in the space provided, with or without deleting 'the Chairperson of the Special General Meeting'. The person whose name stands first on the form of proxy and who is present at the Special General Meeting shall be entitled to act as proxy to the exclusion of the persons whose names follow.
3. An Independent Nictus Shareholder's instructions to the proxy have to be indicated by the insertion of an "X" or the relevant number of votes exercisable by that Independent Nictus Shareholder in the appropriate box provided. Failure to comply with the above shall be deemed to authorise the Chairperson of the Special General Meeting, if the Chairperson is the authorised proxy, to vote in favour of the ordinary and special resolutions at the Special General Meeting, or any other proxy to vote or to abstain from voting at the Special General Meeting, as he/she deems fit, in respect of all the Independent Nictus Shareholder's votes exercisable thereat.
4. An Independent Nictus Shareholder or his/her proxy is not obliged to vote in respect of all the Nictus Shares held by such Independent Nictus Shareholder or represented by such proxy, but the total number of votes for or against the ordinary and special resolutions and in respect of which any abstention is recorded may not exceed the total number of votes to which the Independent Nictus Shareholder or his/her proxy is entitled.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity has to be attached to this form of proxy, unless previously recorded by the Transfer Secretaries or waived by the Chairperson of the Special General Meeting.
6. The Chairperson of the Special General Meeting may reject or accept any form of proxy that is completed and/or received other than in accordance with these instructions and notes.
7. Any alterations or corrections to this form of proxy have to be initialled by the signatory(ies).
8. The completion and lodging of this form of proxy shall not preclude the relevant Independent Nictus Shareholder from attending the Special General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Independent Nictus Shareholder wish to do so.
9. All beneficial owners of Nictus Shares who have dematerialised their Nictus Shares through a Central Securities Depository Participant ("CSDP") or broker, other than those Independent Nictus Shareholders who have elected to dematerialise their Nictus Shares with "own-name" registrations, and all beneficial owners of Nictus Shares who hold certificated Nictus Shares through a nominee, must provide their CSDP, broker or nominee with their voting instructions. Voting instructions must reach the CSDP, broker or nominee in sufficient time to allow the CSDP, broker or nominee to advise the Company or its Transfer Secretaries of this instruction no less than 48 hours before the time appointed for the holding of the meeting. Should you as the beneficial owner, however, wish to attend the meeting in person, you may do so by requesting your CSDP, broker or nominee to issue you with a letter of representation in terms of the custody agreement entered into with your CSDP, broker or nominee. Letters of representation must be lodged with the Transfer Secretaries or at the registered office of the Company not less than 48 hours before the time appointed for the holding of the meeting. Independent Nictus Shareholders who hold Certificated Nictus Shares with their own name and Independent Nictus Shareholders who have dematerialised their Nictus Shares with "own-name" registrations must lodge their completed proxy forms with the Transfer Secretaries or at the registered office of the Company not less than 48 hours before the time appointed for the holding of the meeting (excluding Saturdays, Sundays and public holidays).
10. Forms of proxy have to be lodged with or posted to the registered office of the Company, Nictus Building, Corner of Dover and Pretoria Street, Randburg or the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196 (PO Box 61051, Marshalltown 2107). Forms of proxy must be received not later than 11:00 on Monday, 22 October 2018.

SECTION 115 – REQUIRED APPROVAL FOR TRANSACTIONS CONTEMPLATED IN PART A

- (1) Despite section 65, and any provision of a company's Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless:
- (a) the disposal, amalgamation or merger, or scheme of arrangement:
 - (i) has been approved in terms of this section; or
 - (ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and
 - (b) to the extent that Parts B and C of this Chapter 5, and the Takeover Regulations, apply to a company that proposes to:
 - (i) dispose of all or the greater part of its assets or undertaking;
 - (ii) amalgamate or merge with another company; or
 - (iii) implement a scheme of arrangement,
- the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119(4)(b), or exempted the transaction in terms of section 119(6).
- (2) A proposed transaction contemplated in subsection (1) must be approved
- (a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the company's Memorandum of Incorporation, as contemplated in section 64(2); and
 - (b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company's holding company if any, if:
 - (i) the holding company is a company or an external company;
 - (ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and
 - (iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and
 - (c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).
- (3) Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if:
- (a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or
 - (b) the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).
- (4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights:
- (a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or
 - (b) required to be voted in support of a resolution, or actually voted in support of the resolution.
- (4A) In subsection (4), "**act in concert**" has the meaning set out in section 117(1)(b).

- (5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the company must either:
- (a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or
 - (b) treat the resolution as a nullity.
- (6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant:
- (a) is acting in good faith;
 - (b) appears prepared and able to sustain the proceedings; and
 - (c) has alleged facts which, if proved, would support an order in terms of subsection (7).
- (7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if:
- (a) the resolution is manifestly unfair to any class of holders of the company's securities; or
 - (b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.
- (8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person:
- (a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and
 - (b) was present at the meeting and voted against that special resolution.
- (9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect:
- (a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;
 - (b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;
 - (c) the transfer of shares from one person to another;
 - (d) the dissolution, without winding-up, of a company, as contemplated in the transaction;
 - (e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or
 - (f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger.

SECTION 164 – DISSENTING SHAREHOLDERS APPRAISAL RIGHTS

- (1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.
- (2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to:
- (a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or
 - (b) enter into a transaction contemplated in section 112, 113, or 114,
- that notice must include a statement informing shareholders of their rights under this section.
- (3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.
- (4) Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who:
- (a) gave the company a written notice of objection in terms of subsection (3); and
 - (b) has neither:
 - (i) withdrawn that notice; or
 - (ii) voted in support of the resolution.
- (5) A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if:
- (a) the shareholder:
 - (i) sent the company a notice of objection, subject to subsection (6); and
 - (ii) in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;
 - (b) the company has adopted the resolution contemplated in subsection (2); and
 - (c) the shareholder:
 - (i) voted against that resolution; and
 - (ii) has complied with all of the procedural requirements of this section.
- (6) The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.
- (7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within:
- (a) 20 business days after receiving a notice under subsection (4); or
 - (b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.
- (8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state:
- (a) the shareholder's name and address;
 - (b) the number and class of shares in respect of which the shareholder seeks payment; and
 - (c) a demand for payment of the fair value of those shares.
- (9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless:
- (a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);

- (b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or
 - (c) the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.
- (10)** If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.
- (11)** Within five business days after the later of:
- (a) the day on which the action approved by the resolution is effective;
 - (b) the last day for the receipt of demands in terms of subsection (7)(a); or
 - (c) the day the company received a demand as contemplated in subsection (7)(b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.
- (12)** Every offer made under subsection (11):
- (a) in respect of shares of the same class or series must be on the same terms; and
 - (b) lapses if it has not been accepted within 30 business days after it was made.
- (13)** If a shareholder accepts an offer made under subsection (12):
- (a) the shareholder must either in the case of:
 - (i) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or
 - (ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and
 - (b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and:
 - (i) tendered the share certificates; or
 - (ii) directed the transfer to the company of uncertificated shares.
- (14)** A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has:
- (a) failed to make an offer under subsection (11); or
 - (b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.
- (15)** On an application to the court under subsection (14):
- (a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;
 - (b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and
 - (c) the court:
 - (i) may determine whether any other person is a dissenting shareholder who should be joined as a party;
 - (ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);
 - (iii) in its discretion may:
 - (aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or
 - (bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;
 - (iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and

- (v) must make an order requiring:
 - (aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and
 - (bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.

(15A) At any time before the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case:

- (a) that shareholder must comply with the requirements of subsection 13(a); and
- (b) the company must comply with the requirements of subsection 13(b).

(16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.

(17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 months:

- (a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and
- (b) the court may make an order that:
 - (i) is just and equitable, having regard to the financial circumstances of the company; and
 - (ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.

(18) If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.

(19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to:

- (a) the provisions of that section; or
- (b) the application by the company of the solvency and liquidity test set out in section 4.

(20) Except to the extent:

- (a) expressly provided in this section; or
- (b) that the Panel rules otherwise in a particular case,

a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person.

