



NWK HOLDINGS LIMITED
Incorporated in the Republic of South Africa
Registration Number: 1998/007243/06
4AX Share Code: 4ANWKH
ISIN: ZAE400000028
("NWK Holdings" or "the Company")

LISTING BY WAY OF INTRODUCTION ON 4AX

LISTING PARTICULARS DOCUMENT

The definitions and interpretations commencing on page 6 of this Listing Particulars Document apply mutatis mutandis to this cover page.

This Listing Particulars Document has been prepared and issued pursuant to the 4AX Listing Requirements for the purpose of providing information to the public and investors in regards to NWK Holdings and its Subsidiaries. This Listing Particulars Document does not constitute and/or incorporate an invitation to the public to subscribe for Shares in NWK Holdings. The 4AX Issuer Regulation Committee has granted NWK Holdings a listing by way of introduction of its Issued Share Capital on the securities exchange operated by 4AX, under the abbreviated name "NWKH", 4AX Share code NWKH and ISIN ZAE400000028, with effect from the commencement of trade on Thursday, 28 September 2017. As at the Listing Date:

- the Authorised Share Capital comprises 120 000 000 (one hundred twenty million) Ordinary Shares;
- the Issued Share Capital comprises 84 680 920 (eighty four million six hundred eighty thousand nine hundred and twenty) Ordinary Shares;
- 8 468 092 (eight million four hundred and sixty eight thousand and ninety two) Shares will be held as treasury Shares, being the Shares held by NWK; and
- all Shares in issue shall rank *pari passu* with each other in all respects, including in respect of voting rights and Distributions and be subject to the NWK Holdings Restrictions on Transferability as detailed in paragraphs 1.5.7 and 2.5 of this Listing Particulars Document.

It is important to note that Shares may only be traded on 4AX in Dematerialised format and accordingly, all Shareholders who hold their Shares in Certificated format will first have to Dematerialise their Shares in order to trade such Shares on 4AX, which Dematerialisation will be done through the implementation of the Mass Dematerialisation (kindly refer to the section titled "Action required by Shareholders" on page 4).

This Listing Particulars Document includes particulars given in compliance with the 4AX Listing Requirements governing the Official List of Securities, for the purpose of giving information to the public and investors in regard to the Company. The Directors whose names appear on page 24 of this Listing Particulars Document, collectively and individually, accept full responsibility for the accuracy and/or completeness of the information contained herein and confirm that, having made all reasonable enquiries, to the best of their knowledge and belief there are no other facts, the omission of which would make any statement herein false and/or misleading.

Pallidus
CAPITAL

**CORPORATE AND TRANSACTION ADVISOR
AND ISSUER AGENT**



REPORTING ACCOUNTANT

DATE OF ISSUE: 28 September 2017

This Listing Particulars Document is available in English only and may be obtained from Thursday, 28 September 2017 until Thursday, 12 October 2017 (inclusive) at the registered office of NWK Holdings and the offices of the Issuer Agent at the addresses set out in the "Corporate Information and Professional Advisors" section. A copy of the Listing Particulars Document will also be made available for download on the Company's website (www.nwk.co.za).

CORPORATE INFORMATION AND PROFESSIONAL ADVISORS

DIRECTORS

Heinrich Krüger (*Chairman*)
Lemmer Vermooten (*Vice-Chairman*)
Frans Hendrik (Hentie) Badenhorst
Rudolph Petrus (Rupert) Richter
Jacob Petrus (Jaco) du Preez
Julius Mahne
Jacob Hans (Jaap) Suurd
Christiaan Frederick (Christo) van Niekerk

REGISTERED OFFICE

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2740
North West
South Africa
(PO Box 107, Lichtenburg, 2740)
Email: law@nwk.co.za

Date of incorporation

16 April 1998

Place of incorporation

Pretoria, South Africa

Tax residency of the Company

South Africa

REPORTING ACCOUNTANT

PricewaterhouseCoopers Incorporated
(Registration Number: 1998/012055/21)
2 Eglin Road
Sunninghill, Johannesburg
2157
South Africa
(Private Bag X36, Sunninghill, 2157)

PRINCIPAL BANKERS

ABSA Bank Limited
(Registration Number: 1986/004794/05)
15 Alice Lane, Sandton
Johannesburg
2196
Gauteng
South Africa
(Private Bag x10056, Sandton, 2146)

COMPANY SECRETARY

Quinton van Niekerk
81 Scholtz Street
Lichtenburg, 2740
North West
South Africa
(PO Box 107, Lichtenburg, 2740)
Email: law@nwk.co.za

CORPORATE AND TRANSACTION ADVISOR AND ISSUER AGENT

Pallidus Capital Proprietary Limited
(Registration number 2015/030782/07)
1240 John Vorster Drive
Southdowns Ridge Office Park
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0123
South Africa
(Postnet, Suite 19, Private Bag X32, Highveld Park, 0169)

and

Cradock Heights
Corner of Tyrwhitt and Cradock avenue
Rosebank, Johannesburg
South Africa
2196
(Postnet Suite 19, Private Bag X32, Highveld Park, 0169)

LEGAL ADVISOR

Cliffe Dekker Hofmeyr Incorporated
(Registration number: 2008/018923/21)
1 Protea Place, Sandown
Sandton
2196
South Africa
(Private Bag X40, Benmore, 2010)

THE LAND AND AGRICULTURAL DEVELOPMENT BANK OF SOUTH AFRICA

Block D, Eco Glades 2 Office Park
420 Witch Hazel Avenue, Eco Park
Centurion
0157
Gauteng
South Africa

IMPORTANT LEGAL STATEMENTS

Offer to the Public:

This Listing Particulars Document is not an invitation to the public in South Africa to subscribe for Securities, but is issued in compliance with the 4AX Listing Requirements for purposes of furnishing information with regards to NWK Holdings and more specifically, the Listing to Shareholders and the Public. This Listing Particulars Document does not constitute, envisage and/or represent an offer to the Public in South Africa, as contemplated in terms of the Companies Act, nor does it constitute a prospectus registered in terms of the Companies Act.

Forward-looking statements:

This Listing Particulars Document contains statements about the Group that are or may be forward-looking statements. All statements, other than statements of historical fact are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: strategy; the economic outlook for the Group; growth prospects and outlook for operations, individually or in the aggregate; and liquidity and capital resources and expenditure. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “budget”, “planned”, “may”, “estimated”, “potential” or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, estimates of capital expenditures, acquisition strategy, future capital expenditure levels, and other economic factors, such as, inter alia, interest rates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The Group cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which the Group operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Listing Particulars Document.

All these forward-looking statements are based on estimates and assumptions made by the Group, all of which estimates and assumptions, although the Group believes them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Many factors (including factors not yet known to the Group, or not currently considered material) could cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those estimates, statements or assumptions.

Potential investors should keep in mind that any forward-looking statement made in this Listing Particulars Document or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of the Group not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known.

The Group has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Listing Particulars Document after the date of this Listing Particulars Document, except as may be required by law.

Disclosure of interests:

NWK Limited, a subsidiary of NWK Holdings, is a shareholder of 4AX. As at the Last Practicable Date, NWK Limited held 13,40% (thirteen point four zero percent) in the issued ordinary share capital of 4AX. Notwithstanding NWK’s beneficial shareholding in 4AX, Neither NWK Holdings nor NWK Limited have representation on the board of directors of 4AX.

TABLE OF CONTENTS

CORPORATE INFORMATION AND PROFESSIONAL ADVISORS	IFC
IMPORTANT LEGAL STATEMENTS	1
ACTION REQUIRED BY SHAREHOLDERS	4
SALIENT DATES AND TIMES APPLICABLE TO THE LISTING	5
DEFINITIONS AND INTERPRETATIONS	6
LISTING PARTICULARS	10
SECTION 1: GENERAL INFORMATION REGARDING THE COMPANY, THE COMPANY'S ADVISORS AND THE LISTING PARTICULARS	
1.1 Full name, registration number, address of registered office and website	12
1.2 Tax residency of the Company	12
1.3 Details of the principal bankers, Issuer Agent, Legal Advisor and Reporting Accountant	12
1.4 Date and country of incorporation and the authority under which the Company was incorporated or otherwise established	13
1.5 Extracts from the Constitution of the Company	13
1.6 Statements by experts	13
1.7 Details of the Company's promoter	13
1.8 Other recognised securities exchanges	13
1.9 Details of arrangements where Distributions are waived or agreed to be waived	13
1.10 Particulars of any commissions, discounts, brokerages, or other special terms in connection with any issue or sale of any capital of any member of the Group	13
SECTION 2: INFORMATION REGARDING THE SECURITIES FOR WHICH LISTING IS SOUGHT AND THE TERMS AND CONDITIONS OF THEIR ISSUE AND DISTRIBUTION	
2.1 Statement confirming that application has been made to 4AX for the Listing	14
2.2 Statement on whether a prospectus is required	14
2.3 Nature and amount of the issue, including the number of Securities which have been or will be created and/or issued	14
2.4 Summary of the salient preferences, rights and limitations attaching to Securities	14
2.5 Restrictions on Transferability of NWK Holdings Securities	14
2.6 Terms and conditions of the issue of the Securities	14
2.7 Securities to be allotted by way of capitalisation of reserves or profits or by way of a bonus to the holders of existing Securities	14
2.8 Securities offered by way of a rights offer	14
2.9 Statement of the net tangible asset backing for each class of security	14
2.10 Anticipated date upon which the Dealing in the Securities to be listed is to commence	15
2.11 Distribution policy relating to the Securities issued	15
2.12 Amount or estimated amount of the expenses of the issue and to whom such expenses are payable	15
2.13 Statement as to the intended use of the proceeds of any new Securities issued	15
SECTION 3: INFORMATION REGARDING THE COMPANY'S CAPITAL	
3.1 The authorised and issued capital of the Company, the number of Securities agreed to be issued, details of the amount paid up and par/no par value of the Securities	16
3.2 Details of intended increase in the Company's capital	16
3.3 Details of the amount of any outstanding convertible debt Securities and terms relating thereto	16
3.4 Particulars of any alterations in the capital of the Company	16
3.5 Particulars of any capital of any member of the Group which is under option, or to be put under option	16
3.6 Details of the number of Securities held in treasury	16
SECTION 4: GENERAL INFORMATION REGARDING THE GROUP'S ACTIVITIES	
4.1 Brief history of and description of the general objectives and nature of the business of the Group	17
4.2 Material proportion of the Group's assets situated outside South Africa	18
4.3 If the Company is a member of a Group, a brief description of the Group covering the Company's position within the Group	18
4.4 Particulars of any trademarks, patents or other intellectual or industrial property rights which are Material in relation to the Group's business	18
4.5 Group policy on the research and development of new products and processes	18
4.6 Particulars of any interruptions in the business of the Group which may have had a significant effect on the financial position of the Group	18
4.7 Employment details of the Group	18

4.8	Particulars of the most significant investments by the Group	18
4.9	Capital held or intended to be held by the Company	19
4.10	Particulars of the size, location and tenure of the Group's principal establishments	20
4.11	Listing by way of introduction – statement confirming that no change in the nature of the business is in contemplation	20
4.12	Particulars of any restriction affecting Distributions to or from South Africa	20
SECTION 5: INFORMATION ABOUT THE FINANCIAL POSITION OF THE GROUP AND ITS PROSPECTS		
5.1	Chapter 8 Accountant's report	21
5.2	Business plan	21
5.3	Interim financial statement where more than 9 (nine) months have elapsed since the end of the financial yearend to which the last audited financial statements relate	21
5.4	Qualified Accountant's report	21
5.5	Consolidated basis statements	21
5.6	Statements on the trend of the Group's business and as to the financial and trading position of the Group	22
5.7	If a profit forecast is included – the principle and commercial assumptions upon which it is based	22
5.8	Working capital statement by the Directors	22
5.9	Statement by the Directors regarding any material adverse change in the financial or trading position of the Group	22
5.10	Litigation statement	22
5.11	Details at a Company and on a consolidated level for each of the last three financial years for EPS, fully diluted EPS, Distributions per security, NAV per security, fully diluted NAV per security	23
SECTION 6: INFORMATION REGARDING THE COMPANY'S MANAGEMENT		
6.1	Director details (including details of any proposed Director)	24
6.2	Issuer Agent details	25
6.3	Company Secretary details	25
6.4	If different from the registered office of the Company, the address of the premises at which the statutory records of the Company are kept	25
6.5	Directors' (including Directors' Associates) Beneficial Interest in the Securities of the Company	25
6.6	Details of any person (other than a Director of the Company) who is beneficially interested in 5% (five percent) or more of the Securities of the Company	25
6.7	Directors emoluments receivable from a member in the Group in respect of the last completed financial year	26
6.8	Directors emoluments receivable from a member in the Group in respect of the current financial year	26
6.9	Details of any contract or arrangement subsisting at the date of the Listing Particulars Document in terms of which a Director of the Company is materially interested and which is material to the business of the Group	26
6.10	Details of any outstanding loans by any member of the Group to a Director, including details of any guarantees provided by any member of the Group	26
6.11	Details of any incentive schemes	26
6.12	Particulars of any arrangement under which a Director of the Company has waived or agreed to waive future emoluments	26
SECTION 7: CONTRACTS OF SIGNIFICANCE AND DOCUMENTS AVAILABLE FOR INSPECTION		
7.1	Details of the dates of and all the parties to all Contracts of Significance, other than Contracts which have been entered into by the Company in the ordinary course of Business	27
7.2	Details of where and when documents may be inspected	27
7.3	Documents available for inspection to be in English	27
SECTION 8: ANNEXURES		
8.1	ANNEXURE 1 – NWK Group Structure	28
8.2	ANNEXURE 2 – Extracts from the Constitution of NWK Holdings	29
8.3	ANNEXURE 3 – Abridged audited historical financial information of NWK Holdings	33
8.4	ANNEXURE 4 – NWK Corporate Governance Report	37

ACTION REQUIRED BY SHAREHOLDERS

1. The definitions and interpretations commencing on page 6 of this Listing Particulars Document apply *mutatis mutandis* to this section on the action required by Shareholders.
2. Please take careful note of the following provisions regarding the action required by Shareholders. It is important for Shareholders to note that after the Listing, Shares in NWK Holdings can only be traded on 4AX in Dematerialised format.
3. Shareholders should note the following important considerations with regards to their Shares and the Listing in respect thereof:
 - 3.1 Shareholders wishing to trade their Shares after Listing, will have to open a share trading account with a broker (which is an authorised user of 4AX), to ensure that their Shares can trade in electronic form pursuant to the Listing. Upon opening the aforementioned account, Shareholders will also be required to complete the FICA process (including the submission of all documents required under FICA). For the avoidance of doubt, to the extent that Shareholders have not opened broker accounts and/or completed the FICA process pursuant to the Listing, such Shareholders will not be able to trade their Shares.
 - 3.2 In order to implement the Listing in accordance with its terms and for the Shares to be traded on 4AX, NWK Holdings will, at its cost, undertake the Mass Dematerialisation as detailed below.
4. In terms of the Mass Dematerialisation:
 - 4.1 all Certificated Shares held by Shareholders immediately prior to the Listing will be converted upon the Listing into Dematerialised Format;
 - 4.2 4AX Registry will hold such Dematerialised Shares for and on behalf of each Shareholder who will continue to be the beneficial owner thereof. Shareholders will receive a notification (either by email or SMS) from 4AX Registry immediately after the Listing, which will confirm the number of Shares held by such Shareholders (which Shares will now be in Dematerialised format); and
 - 4.3 Shareholders will be able to register and open an account with the 4AX portal, which account may be used by Shareholders to view (but not trade) their portfolios. Shareholders can access the 4AX portal via the following link: **www.4aregistry.net**.
5. Notwithstanding the Mass Dematerialisation, Shareholders will be entitled to, pursuant to the Listing, rematerialise their Dematerialised Shares to Certificated Shares in accordance with sections 49(6) and 54 of the Companies Act. Shareholders wishing to do this should contact their brokers in respect hereof.

SALIENT DATES AND TIMES APPLICABLE TO THE LISTING

The definitions and interpretations commencing on page 6 of this Listing Particulars Document apply *mutatis mutandis* to the following salient dates and times applicable to the Listing:

ACTION/EVENT	2017
Annual general meeting of NWK Holdings Shareholders, at which meeting Shareholders will consider and if deemed fit, approve amendments to the Constitution of the Company required in terms of the 4AX Listing Requirements on	Friday, 01 September
Subject to Shareholders approving the amendments to the Constitution at the annual general meeting, submission of the executed COR15.2 Form to the CIPC on	Friday, 01 September
Amended Constitution accepted and placed on file with the CIPC on	Monday, 04 September
Formal Notice Announced on the 4AX News Service on	Wednesday, 27 September
Listing Particulars Document Announced on the 4AX website and published on the Company's website	Thursday, 28 September
Listing of the Shares on the securities exchange operated by 4AX expected at commencement of trade on	Thursday, 28 September

Notes:

1. The above salient dates and times are subject to amendment. Any amendment will be communicated to Shareholders via the 4AX News Service.
2. All dates and times quoted in the Listing Particulars Document are local dates and times in South Africa, on a 24 hour basis, unless specified otherwise.

DEFINITIONS AND INTERPRETATIONS

In this Listing Particulars Document and annexures hereto, unless the context indicates otherwise, a word or an expression which denotes any gender includes the other genders, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa* and the following words and expressions bear the meanings assigned to them below:

“4AX” or “4 Africa Exchange”	means 4 Africa Exchange Proprietary Limited (Registration Number: 2013/031754/07), a private company duly registered and incorporated in accordance with the company laws of South Africa and licensed as an exchange in terms of the Financial Markets Act;
“4AX Listing Requirements” or “4AXLR”	means the listing requirements of 4AX, as amended from time to time;
“4AX News Service”	means the news service operated by 4AX for the purpose of disseminating information in relation to 4AX and issuers with a Listing on 4AX;
“4AX Registry”	means 4 Africa Exchange Registry Proprietary Limited (Registration Number: 2016/396777/07), a private company duly registered and incorporated in accordance with the laws of South Africa;
“4AX Registry Services Agreement”	means the 4AX Registry Services Agreement entered into by and between NWK and 4AX Registry dated 21 September 2017, it being recorded that the conclusion of the 4AX Registry Services Agreement is a pre-requisite for every Listing on 4AX;
“Announce”	<p>(a) shall include:</p> <ul style="list-style-type: none">i Posting (in English) on the 4AX News Service;ii Posting (in English and any other official language that the Company may elect) on its website, but not before posting on the 4AX News Service;iii Dissemination (in English and any other official language that the Company may elect) by the 4AX Registry to holders of Securities, by electronic or other means, but not before posting on the 4AX News Service; provided that dissemination may include referencing to a section of the Company’s website; andiv The name and contact details of the Issuer Agent; <p>(b) may include, but not before posting on the 4AX News Service:</p> <ul style="list-style-type: none">i Presenting at a meeting, forum or public event;ii Publication in or by any other media;iii Making available at the Company’s and/or Issuer Agent’s offices;iv Broadcasting on radio, television or the internet; and/orv Any other means as directed or authorised by 4AX, <p>and the terms “Announced” or “Announcement” shall be construed accordingly; and provided where an announcement is in a language other than English and there is an inconsistency, the English version shall prevail;</p>
“Associate”	means an “associate” as contemplated in terms of section 67 of the Financial Markets Act;
“Authorised Share Capital”	means the authorised Share capital of the Company as at the date of Listing, being 120 000 000 (one hundred twenty million) Ordinary Shares;
“B-BBEE”	means broad-based black economic empowerment, as defined in terms of the B-BBEE Act;
“B-BBEE Act”	means the Broad-based Black Economic Empowerment Act, No 53 of 2003, as amended from time to time;
“Beneficial Interest”	<p>means in relation to:</p> <ul style="list-style-type: none">(a) any interest in a Security, means the <i>de facto</i> right or entitlement to directly receive the income payable in respect of that security and/or exercise or cause to be exercised, in the ordinary course of events, any or all of the voting, conversion, redemption, or other rights attaching to that Security;(a) any other interest, means the obtaining of any benefit or advantage, whether in money, in kind, or otherwise, as a result of the holding of that interest; and/or(a) in respect of the interests described in (a) and (b) above, means the <i>de facto</i> right or entitlement to dispose or cause the disposal of the Company’s Securities, or any part of a Distribution in respect of Securities, <p>and the term “Beneficially Interested” shall be construed accordingly;</p>
“Board” or “Board of Directors”	means the board of directors of the Company, as constituted from time to time;
“Business Day”	means any day other than a Saturday, Sunday or official public holiday in South Africa and on which day 4AX is open for trading;

“Cent”	means South African cent;
“Certificated Shareholders”	means Shareholders who hold Certificated Shares;
“Certificated Shares”	means Shares that have not been Dematerialised, title to which is evidenced by a Share certificate or other Document of Title;
“CIPC”	means the Companies and Intellectual Property Commission established pursuant to section 185 of the Companies Act;
“Common Monetary Area” or “CMA”	means the geographic region comprising South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Companies Act”	means the Companies Act, No 71 of 2008, as amended from time to time;
“Companies Regulations”	means the Companies Regulations 2011, promulgated pursuant to the Companies Act;
“the Company” or “NWK Holdings”	means NWK Holdings Limited (Registration Number: 1998/007243/06), a public company duly registered and incorporated in accordance with the company laws of South Africa;
“Company Secretary”	means Quinton van Niekerk, being the Company Secretary of the Company and the Group;
“Constitution” or “Memorandum of Incorporation” or “MOI”	means the memorandum of incorporation of the Company, as amended from time to time;
“Contracts of Significance”	means a contract involving cash flows in amount or value equal to 10% (ten percent) or more of the aggregate of the Group’s share capital and reserves;
“CSDP”	means a Central Securities Depository Participant, accepted as a participant in terms of the Financial Markets Act, with whom a Shareholder holds a Dematerialised Share account;
“Custody Agreement”	means a custody mandate agreement between a person and a CSDP or Stockbroker, regulating their relationship in respect of Dematerialised Shares held in the Company’s Dematerialised Share Register, as administered by a CSDP or Stockbroker on behalf of that person;
“Day”	means a calendar day (i.e. any day of the week);
“Dealing”	includes any sale or purchase of, or agreement to sell or purchase, any Securities and the grant, acceptance, acquisition, disposal, exercise or discharge of any option or other right or obligation, present or future, conditional or unconditional, to acquire or dispose of Securities, or any interest in Securities, and “deal” shall be construed accordingly;
“Dematerialise” or “Dematerialisation”	means the process by which Certificated Shares are converted into an electronic format as Dematerialised Shares and recorded in the Company’s uncertificated Share Register administered by a CSDP;
“Dematerialised Shareholders”	means Shareholders who hold Dematerialised Shares;
“Dematerialised Shares”	means Shares which have been incorporated into the Strate system and which are no longer evidenced by Share certificates or other physical Documents of Title;
“Directors”	means a member of the Board of the Company, as contemplated in terms of section 66 of the Companies Act, or an alternate Director of the Company and includes any person occupying the position of a Director or an alternate Director, by whatever name designated;
“Distribution”	means a “distribution” as contemplated in terms of the Companies Act;
“Documents of Title”	means Share certificates, certified transfer deeds, balance receipts or any other physical documents of title pertaining to in each case in a form acceptable to the Board;
“EPS”	means earnings per Share;
“Exchange Control Regulations”	means the Exchange Control Regulations, 1961, as amended from time to time, issued in terms of section 9 of the Currency and Exchanges Act, No 9 of 1933, as amended
“Expert”	includes an engineer, valuator, accountant and any other person whose profession gives authority to a statement made by that person;
“FICA”	means the Financial Intelligence Centre Act, No 38 of 2001, as amended from time to time;
“Financial Markets Act”	means the Financial Markets Act, No 19 of 2012, as amended from time to time;
“Formal Notice”	means a formal notice required to be published under requirement 10.4 of the 4AX Listing Requirements;
“the Group” or “the NWK Group”	means NWK Holdings, NWK Limited and all of their Subsidiaries;
“HEPS”	means headline earnings per Share;

“Holding Company”	means a “ <i>holding company</i> ” as contemplated in terms of the Companies Act;
“IFRS”	means the International Financial Reporting Standards as formulated by the International Accounting Standards Board;
“Income Tax Act”	means the Income Tax Act, No 58 of 1962, as amended from time to time;
“International Standards on Auditing” or “ISA”	means the International Standards on Auditing as issued by the International Federation of Accountants through the International Auditing and Assurance Standards Board;
“IRBA”	means the Independent Regulatory Board for Auditors;
“Issued Share Capital”	means the issued Share capital of the Company as at the Listing Date, being 84 680 920 (eighty four million six hundred eighty thousand nine hundred and twenty) Ordinary Shares;
“Issuer Agent” or “Pallidus Capital”	means Pallidus Capital Proprietary Limited, being the person appointed as an authorised representative by the Company in accordance with requirement 4 of the 4AX Listing Requirements, performing the functions of an Issuer Agent and suitable qualified with the relevant experience;
“Issuer Regulation Committee”	means the Issuer Regulation Committee responsible for listing matters established by the 4AX Board which has the responsibility of ensuring compliance with the Listing Requirements and taking the appropriate actions as may be necessary to manage non-compliance with the Listing Requirements by listed companies and any risks arising as a result of non-compliance;
“King Code” or “King Report”	means the King Report on Corporate Governance for South Africa, as amended from time to time;
“Last Practicable Date”	means the last practicable date prior to the finalisation of this Listing Particulars Document, being 21 September 2017;
“Legal Advisor”	means Cliffe Dekker Hofmeyr Incorporated, being the Legal Advisor to the Company and the Group;
“Listing”	means admitted to the Official List of 4AX and the term “ Listed ” shall be construed accordingly, it being anticipated that the Listing of the Issued Share Capital of the Company is expected to occur from the commencement of trade on 28 September 2017;
“Listing Date”	means the expected date on which the Listing will become effective, being at the commencement of trade on 28 September 2017;
“Listing Particulars” or “Listing Particulars Document”	means this Listing Particulars Document relating to the Company and the Group dated 28 September 2017, which has been prepared in accordance with the 4AX Listing Requirements;
“Listing Undertaking”	means the undertaking provided by the Company to 4AX in anticipation of the Listing, which undertaking is in the form set out in Appendix 4 to the 4AX Listing Requirements;
“Major Subsidiary”	means a Subsidiary representing 25% (twenty five percent) or more of either the consolidated net assets or pre-tax trading profits of the Group;
“Mass Dematerialisation”	means the process in terms of which the Company will at its cost Dematerialise all Shareholders’ holdings in the Company from Certificated Shares to Dematerialised Shares, which process is required to be undertaken in order for the Listing to be implemented and for the Shares to trade on 4AX;
“Material”	means <ul style="list-style-type: none"> (a) in the context of information, information that, if omitted or misstated, could influence the economic decisions of investors. Without limiting the foregoing, a change of 10% (ten percent) or more of either gross revenue, operating expenses, net assets or market capitalisation of the Company or Group shall be deemed to influence the decisions of investors; (b) in any other context, 10% (ten percent) or more of either gross revenue, operating expenses, net assets or market capitalisation of the Company or Group, and the term “ Materially ” shall be construed accordingly;
“NAVPS”	means net asset value per Share;
“NTAVPS”	means net tangible asset value per Share;
“NWK”	means NWK Limited (Registration Number: 1998/007577/06), a Major Subsidiary of NWK Holdings;

“NWK Holdings Restrictions on Transferability” or “Restrictions on Transferability”	means the qualification criteria which a Person must fulfil in order to be a Shareholder of NWK Holdings, which criteria has been incorporated in the Constitution of NWK Holdings, the effect of which is that the transfer of NWK Holdings Shares to Persons who do not fulfil the qualification criteria will be restricted, further detail of which has been set out in paragraph 2.5 and Annexure 2;
“Official List”	means the List of all Securities admitted for quotation on the main market or official market of 4AX;
“Ordinary Resolution”	means an ordinary resolution as contemplated in terms of section 65(7) the Companies Act, which in terms of the Constitution of the Company must be approved by more than 50% (fifty percent) (i.e. a simple majority) of the voting rights entitled to be exercised;
“Pari Passu”	means in relation to the rights attaching to the Securities of a company, that such rights are identical and rank equal in each and every respect;
“Rand” or “R”	means South African Rand, being the lawful currency of South Africa;
“Reporting Accountant”	means PricewaterhouseCoopers Incorporated, being the Reporting Accountant of the Company and an audit firm acceptable to 4AX and registered with IRBA;
“Reporting Accountant’s Report”	means the report issued by the Reporting Accountant in accordance with requirement 8.8 of the 4AX Listing Requirements;
“Securities”	means “ <i>securities</i> ” as contemplated in terms of the Financial Markets Act;
“Shareholders” or “Ordinary Shareholders”	means registered beneficial holders of Shares;
“Shares” or “Ordinary Shares”	means ordinary shares, each with a par value of R1,00 (one Rand), in the Authorised and Issued Share Capital of the Company;
“Share Register”	means the Share register of the Company which is required to be established by a profit company in terms of section 50(1) of the Companies Act;
“Special Resolution”	means a special resolution as contemplated in terms of section 65(9) of the Companies Act, which in terms of the Constitution of the Company must be approved by at least 66% (sixty six percent) of the voting rights entitled to be exercised;
“South Africa”	means the Republic of South Africa;
“Strate”	means Strate Proprietary Limited (Registration Number: 1998/022242/07), a private company duly registered and incorporated in accordance with the company laws of South Africa, a central securities depository licensed in terms of the Financial Markets Act and responsible for the electronic clearing and settlement system provided to 4AX; and
“Subsidiary”	means a “ <i>subsidiary</i> ” as contemplated in terms of the Companies Act.



NWK HOLDINGS LIMITED

Incorporated in the Republic of South Africa

Registration Number: 1998/007243/06

4AX Share Code: 4ANWKH

ISIN: ZAE400000028

("NWK Holdings" or "the Company")

DIRECTORS

*Heinrich Krüger (Chairman)***

*Lemmer Vermooten (Vice-Chairman)***

*Frans Hendrik (Hentie) Badenhorst***

*Rudolph Petrus (Rupert) Richter***

*Jacob Petrus (Jaco) du Preez***

*Julius Mahne***

*Jacob Hans (Jaap) Suurd***

*Christiaan Frederick (Christo) van Niekerk***

non-executive

* independent

LISTING PARTICULARS

A. INTRODUCTION

Shareholders are referred to the Formal Notice Announced by the Company on the 4AX News Service dated, 27 September 2017, in terms which the Company communicated details of its Listing on the securities exchange operated by 4AX.

B. GENERAL OVERVIEW OF NWK HOLDINGS AND NWK

- 1.1. NWK Holdings Limited's main business is that of an investment holding company, with its sole investment, being its controlling interest in NWK.
- 1.2. NWK was established during 1909 pursuant to the successful merging of various smaller agricultural co-operatives. A diagram depicting the NWK Group structure appears in **Annexure 1** hereto.
- 1.3. NWK's main business is that of an operational agricultural business that has been participating successfully in the grain and food value chain of southern Africa, mainly in the North West, for more than a century. Since its inception, NWK had the ability to adapt, transform and grow together with agriculture in order to look after the needs of stakeholders and contribute to food security within southern Africa.
- 1.4. The main objective of NWK is to trade in agricultural and related products, aids and services at a retail level and to undertake associated and/or ancillary activities. The operational outlets of NWK are divided into six business segments, each of which detailed in Section 4 of this Document. The six business segments are:
 - Grain;
 - Trade;
 - Industries;
 - Poultry farming;
 - Financial services; and
 - Africa business.

C. PURPOSE OF THIS DOCUMENT

1. The purpose of this Document is to:
 - 1.1. in accordance with the 4AX Listing Requirements, furnish relevant information to Shareholders and the public with regards to the NWK Holdings Listing;
 - 1.2. furnish information to Shareholders and the public with regards to the NWK Group; and
 - 1.3. set out the salient details of the Listing.

D. RATIONALE FOR THE LISTING

1. The rationale for the Listing includes, *inter alia*, the following:
 - 1.1. NWK Holdings has allowed and facilitated the over-the-counter trading in its Securities since 1998, however, pursuant to the amendment by South African legislative and regulatory authorities of legislation relating to the trading in Securities in the South African financial markets (in terms of which over-the-counter trading was abolished), NWK Holdings was necessitated to apply for a Listing in order to ensure the continued trading in its Securities;
 - 1.2. enhancing the NWK Group's public profile in general;
 - 1.3. enhancing relations with existing stakeholders such as banks, suppliers, distributors and customers;
 - 1.4. improving the quality and integrity of NWK Holdings investor-information available, so as to allow stakeholders, Shareholders and/or prospective investors to make informed decisions with regards to the Securities of the Company;
 - 1.5. increasing liquidity for Shareholders through a publicly-trading securities exchange and/or enabling Shareholders to realise the value of their investments in NWK Holdings (to the extent that they wish to do so); and
 - 1.6. enhancing the capital raising abilities of the Company and to give the Company the ability to use its Securities as acquisition currency, as vendors are more likely to accept Listed Securities.
2. Notwithstanding the fact that NWK is a shareholder of 4AX, the Board of Directors, in resolving to proceed with the Listing, considered the different securities exchanges in South Africa and given the NWK Group's unique structure, Shareholder and client-base, found 4AX as the preferred option. For the avoidance of doubt, neither NWK Holdings nor NWK have any representatives on the board of directors of 4AX and/or 4AX Registry.
3. Accordingly, the Board of Directors has therefore resolved to apply for the Listing on 4AX and the purpose of this Listing Particulars Document is to set out the information required in terms of the 4AX Listing Requirements with regards to new Listings.

SIGNED AT LICHTENBURG FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF NWK HOLDINGS ON THE LAST PRACTICABLE DATE

By order of the NWK Holdings Board of Directors

QUINTON VAN NIEKERK
Company Secretary

SECTION 1: GENERAL INFORMATION REGARDING THE COMPANY, THE COMPANY'S ADVISORS AND THE LISTING PARTICULARS

1.1 Full name, registration number, address of registered office and website

- 1.1.1 The full name of the Company is: NWK Holdings Limited.
- 1.1.2 The registration number of the Company is: 1998/007243/06.
- 1.1.3 The address of the registered office of the Company is:
81 Scholtz Street
Lichtenburg, 2740
North West
South Africa
(PO Box 107, Lichtenburg, 2740)
- 1.1.4 The website of the Company is: www.nwk.co.za.

1.2 Tax residency of the Company

The Company is a tax resident of South Africa.

1.3 Details of the principal bankers, Issuer Agent, Legal Advisor and Reporting Accountant

1.3.1 The principal bankers of the Company are:

ABSA Bank
(Registration Number: 1986/004794/05)
15 Alice Lane, Sandton
Johannesburg
2196
Gauteng
South Africa
(Private Bag x10056, Sandton, 2146)

and

The Land and Agricultural Development Bank of South Africa
Block D, Eco Glades 2 Office Park
420 Witch Hazel Avenue, Eco Park
Centurion
Gauteng
South Africa

1.3.2 The Issuer Agent of the Company is:

Pallidus Capital Proprietary Limited
(Registration number 2015/030782/07)
1240 John Vorster Drive
Southdowns Ridge Office Park
Suite 3, Irene, Centurion, 0123
South Africa
(Suite 19, Private Bag X32, Highveld Park, 0168)

1.3.3 The Legal Advisor of the Company is:

Cliffe Dekker Hofmeyr Incorporated
(Registration number: 2008/018923/21)
1 Protea Place, Sandown
Sandton
2196
South Africa
(Private Bag X40, Benmore, 2010)

1.3.4 The Reporting Accountant of the Company is:

PricewaterhouseCoopers Incorporated
(Registration Number: 1998/012055/21)
Chartered Accountants (SA)
2 Eglin Road
Sunninghill, Johannesburg, 2157
South Africa
(Private Bag X36, Sunninghill, 2157)

1.4 **Date and country of incorporation and the authority under which the Company was incorporated or otherwise established**

The Company was incorporated in South Africa on 16 April 1998.

1.5 **Extracts from the Constitution of the Company**

Set out in the table below is a summary of the relevant provisions of the Constitution of the Company in relation to, *inter alia*, Directors powers and authority, changes to the Authorised and Issued Share Capital Distributions and Restrictions on Transferability:

	Provision	Relevant clause of the Constitution
1.5.1.	any powers enabling a Director to vote on a proposal, arrangement, or contract in which he is Materially interest;	Clause 26.3.6 – Directors are precluded from voting in terms of this clause.
1.5.2.	any power enabling Directors to vote on the remuneration (including pension or other benefits) to themselves or any member of their body and any other provision as to the remuneration of them;	Clause 28.2 – Directors are precluded from voting on Directors’ remuneration matters as this must be considered by a disinterested quorum.
1.5.3.	borrowing powers exercisable by the Directors and how such borrowing powers can be varied;	Clause 30 – Directors have standard borrowing powers, read with Clause 42 – Amendments to the Constitution must be in accordance with section 16 of the Companies Act.
1.5.4.	retirement or non-retirement of Directors under an age-limited;	Clauses 26.3.1 – Directors cease to be eligible to act as Director if involved a business in competition with NWK, or the Director no longer resides and/or actively farms in the ward for which elected as Director.
1.5.5.	Directors’ qualification shares;	Clause 26.2 – Directors are elected on a ward basis, and only Shareholders are electable as Directors.
1.5.6.	changes in capital;	Clause 6.2 – Any changes to the capital of the Company are subject to the Companies Act, the 4AX Listing Requirements and the further provisions of the Constitution.
1.5.7.	any time limit after which entitlement to a Distribution lapses and an indication of the party in whose favour the lapse operates; and	Clause 35.5 – Distributions which remain unclaimed for a period of 3 (three) years are forfeited for the benefit of the Company. The Directors may however annul any such forfeiture.
1.5.8.	arrangements for transfer of Securities and where permitted, restrictions on the transferability.	Clause 9.10 – Securities may only be transferred to a “ <i>Bona Fide Commercial Agricultural Producer</i> ” as defined in clause 1.1.4 of the Constitution, further detail of which appears in paragraph 2.5.

An extract of the above provisions of the Constitution is set out in **Annexure 2** hereto.

1.6 **Statements by Experts**

The Listing Particulars Document does not include a statement purporting to be made by an Expert.

1.7 **Details of the Company’s promoter**

The Company has not utilised a promoter for the Listing.

1.8 **Other recognised securities exchanges**

The Company is not in the process of seeking admission to Listing on any Other Recognised Exchange.

1.9 **Details of arrangements where Distributions are waived or agreed to be waived**

No arrangements have been entered into by the Company to waive future Distributions.

1.10 **Particulars of any commissions, discounts, brokerages, or other special terms in connection with any issue or sale of any capital of any member of the Group**

No commissions, discounts, brokerages or other special terms granted within the 2 (two) years immediately preceding the issue of the Listing Particulars Document in connection with the issue or sale of any capital of any member of the Group.

SECTION 2: INFORMATION REGARDING THE SECURITIES FOR WHICH LISTING IS SOUGHT AND THE TERMS AND CONDITIONS OF THEIR ISSUE AND DISTRIBUTION

2.1 Statement confirming that application has been made to 4AX for the Listing

The Company has applied for a new Listing by way of Introduction on 4AX.

2.2 Statement on whether a prospectus is required

A prospectus is not required as the Company is not making an offer to the public as contemplated in terms of the Companies Act.

2.3 Nature and amount of the issue, including the number of Securities which have been or will be created and/or issued

The Authorised Share Capital comprises 120 000 000 (one hundred twenty million) Ordinary Shares of R1,00 (one Rand) each, and the Issued Share Capital comprises 84 680 920 (eighty four million six hundred eighty thousand nine hundred and twenty) Ordinary Shares of R1,00 (one Rand) each.

2.4 Summary of the salient preferences, rights and limitations attaching to Securities

Only 1 (one) class of Ordinary Shares is in issue. All Shares in issue shall rank *Pari Passu* with each other in all respects, including in respect of voting rights and Distributions.

2.5 Restrictions on Transferability of NWK Holdings Securities

2.5.1 In accordance with requirement 6.23 of the 4AX Listing Requirements, any transfer of Securities of NWK Holdings is subject to the Restrictions on Transferability as provided for in clause 1.1.4 of the Constitution of NWK Holdings, in that Securities may only be transferred to a “*Bone Fide Commercial Agricultural Producer*”.

2.5.2 Accordingly, to the extent that a proposed transfer of NWK Holdings Securities is contemplated to a person who does not satisfy the NWK Holdings Restrictions on Transferability, 4AX Registry and/or NWK Holdings may refuse such transfer.

2.5.3 To the extent that an existing NWK Holdings Shareholder ceases to qualify as a “*Bone Fide Commercial Agricultural Producer*” (“**Non-qualifying Shareholder**”), such Non-qualifying Shareholder shall not be able to acquire any additional Securities in NWK Holdings, until such time the Shareholder concerned fully satisfies the NWK Holdings Restrictions on Transferability. Notwithstanding the aforementioned, a Non-qualifying Shareholder shall continue to be entitled to dispose of Securities so held, receive Distributions in respect thereof and/or exercise the voting rights attaching to such Securities.

2.5.4 Furthermore, in accordance with clause 9.11 of the Constitution, the NWK Holdings Board may at any time, in its sole and absolute discretion, request from a Shareholder such documentary evidence as the NWK Holdings Board may deem fit, for purposes of confirming whether such Shareholder qualifies as a “*Bona Fide Commercial Agricultural Producer*”. To the extent that the NWK Holdings Board issues a request per the aforementioned, the Shareholder concerned shall be required to cooperate and deliver the documentary evidence so requested to the Company, within a reasonable period of time, but by no later than 14 (fourteen) days from the date of the request. Should the Shareholder concerned not cooperate, refuse and/or fail to deliver the requested documentary evidence, the NWK Holdings Board may launch its own investigation to procure the documentary evidence, in which event the NWK Holdings Board may hold liable the Shareholder concerned for all reasonable out-of-pocket expenses.

2.5.5 Lastly, in accordance with clause 6.10 of the Constitution of NWK Holdings, the Restrictions on Transferability of NWK Holdings’ Securities also imposes a limitation on the maximum percentage Shareholding a Shareholder in NWK Holdings may hold in that, no Shareholder may directly or indirectly hold more than 5% (five percent) of the Company’s Securities. Notwithstanding the aforementioned and for the avoidance of doubt, the 5% (five percent) limitation on Shareholding is not applicable to any holdings of NWK in NWK Holding and/or any holdings of appropriate vehicles specifically established for purposes of incentivising the clients of NWK with NWK Holdings Securities.

2.5.6 An extract of the relevant provisions of the Constitution of NWK Holdings incorporating the Restrictions on Transferability detailed above appears in **Annexure 2** hereto.

2.6 Terms and conditions of the issue of the Securities

The Securities already issued will be brought to Listing by means of an Introduction, and no further Securities will be issued as part of the Listing.

2.7 Securities to be allotted by way of capitalisation of reserves or profits or by way of a bonus to the holders of existing Securities

No Securities are to be allotted by way of capitalisation of reserves or profits, or by way of a bonus to the holders of an existing Security.

2.8 Securities offered by way of a rights offer

No Securities are to be offered by way of a rights offer.

2.9 **Statement of the net tangible asset backing for each class of security**

The consolidated net tangible asset value per Ordinary share at 30 April 2017 was 1 009 cents.

2.10 **Anticipated date upon which the Dealing in the Securities to be Listed is to commence**

The Dealing in Securities are expected to commence on 28 September 2017.

2.11 **Distribution policy relating to the Securities issued**

The Group does not have a fixed Distribution policy. The Board considers the current economic and financial circumstances of the Group, and based on these considerations decides whether to declare interim and final dividends.

2.12 **Amount or estimated amount of the expenses of the issue and to whom such expenses are payable** The listing expenses that are expected to be incurred in relation to the new Listing by way of Introduction are estimated at R275 000 (excluding VAT) as set out below:

	Rand
Corporate advisory and Issuer Agent	200,000
4AX documentation fee	50 000
4AX Listing fee	25 000
Total	275 000

Note:

1. Management of NWK Holdings, under supervision of the Directors, was primarily responsible for the drafting, preparation and finalisation of the Listing Particulars Document. The information included in the Listing Particulars Document was mainly sourced from the NWK scheme of arrangement circular which was issued by the Company and NWK during the latter part of 2016. Pallidus Capital, being the Issuer Agent of NWK, reviewed and commented on the Document and attended to the submissions thereof to 4AX.

2.13 **Statement as to the intended use of the proceeds of any new Securities issued**

No new Securities are to be issued as part of the Listing.

SECTION 3: INFORMATION REGARDING THE COMPANY'S CAPITAL

3.1 The Authorised and Issued Share Capital, the number of Securities agreed to be issued, details of the amount paid up and/or par value/no par value

3.1.1 The Authorised and Issued Share Capital of the Company:

Upon the Date of the Listing, the Authorised and Issued Share Capital of the Company will be as follows:

AUTHORISED SHARE CAPITAL	R
120 000 000 (one hundred twenty million) Ordinary Shares with a par value of R1,00 (one Rand) each.	120 000 000
ISSUED SHARE CAPITAL	R
84 680 920 (eighty four million six hundred eighty thousand nine hundred and twenty) Ordinary Shares with a par value of R1,00 (one Rand) each.	84 680 920

Note:

As no additional Securities will be issued as part of the Listing, the Authorised and Issued Share Capital of the Company will remain unchanged

3.1.2 The number of Securities agreed to be issued

No further Securities will be issued upon the Listing of the Company.

3.2 Details of intended increase in the Company's capital

It is not intended that the Company's Authorised Share Capital will be increased upon the date of Listing.

3.3 Details of the amount of any outstanding convertible debt Securities and terms relating thereto

There will be no outstanding convertible debt Securities in issue upon the date of Listing.

3.4 Particulars of any alterations in the capital of the Company

As at the Last Practicable Date, there has been no alterations in the capital of the Company or a change of at least 10% (ten percent) of the issued share capital of any member of the Group, within the 2 (two) years immediately preceding the issue of the Listing Particulars Document.

3.5 Particulars of any capital of any member of the Group which is under option, or to be put under option

3.5.1 On or about 24 January 2017, NWK entered into an call option agreement ("**Call Option Agreement**") with a third party ("**Grantee**"), in terms of which NWK granted a call option to the Grantee ("**Call Option**"), the exercise of which would entitle the Grantee to acquire from NWK, its beneficial shareholding ("**Call Option Shares**") in Noordfed Proprietary Limited ("**Noordfed**"). In addition to the Call Option Agreement, NWK and the Grantee also entered into a sale agreement governing the sale of the Call Option Shares ("**the Sale Agreement**"), which agreement will be implemented upon the Call Option Agreement becoming unconditional.

3.5.2 As at the date of the Call Option Agreement, NWK held 100% of Noordfed's issued ordinary share capital.

3.5.3 In terms of the Call Option Agreement:

3.5.3.1 the Call Option may be exercised in the sole and absolute discretion of the Grantee, through the delivery of a written notice by the Grantee to NWK during the period contemplated in 3.1.2 below ("**Call Option Exercise Notice**");

3.5.3.2 the period during which the Grantee is entitled to exercise the Call Option is from the date of signature of the Call Option Agreement until 28 February 2017 ("**Call Option Period**");

3.5.3.3 the Grantee may exercise the Call Option on one occasion (provided that it is during the Call Option Period) in respect of the total number of Call Option Shares;

3.5.3.4 in consideration for the grant of the Call Option by NWK to the Grantee, the Grantee is obliged to pay an amount of R8 000 000 ("**Call Option Strike Price**") to NWK, which Call Option Strike Price is subject to upwards or downwards adjustment in terms of the Call Option Agreement;

3.5.3.5 the Call Option Agreement is subject to various conditions precedent, most important of which is the approval by the competition authorities; and

3.5.3.6 subject to the Call Option Agreement and the Sale Agreement becoming unconditional, the consideration payable by the Grantee to NWK for the Sale Shares amounts to R60 000 000.

3.5.4 As at the Last Practicable Date, the status of the Call Option is as follows:

3.5.4.1 the Call Option was duly exercised by the Grantee within the Call Option Period; and

3.5.4.2 the Call Option is currently being considered by the competition authorities

3.6 Details of the number of Securities held in treasury

Upon the Date of Listing, the Company will hold a total of zero Ordinary Shares in treasury.

SECTION 4: GENERAL INFORMATION REGARDING THE GROUP'S ACTIVITIES

4.1 Brief history of and description of the general objectives and nature of the business of the Group

NWK Holdings' main business is that of an investment holding company, with its sole investment, being its controlling interest in NWK.

NWK was established during 1909 pursuant to the successful merging of various smaller agricultural co-operatives.

During 1998 NWK was converted to a public company, at which time the current NWK Holdings control structure was incorporated within the NWK Group, in terms of which structure, NWK Holdings holds a controlling stake in NWK.

NWK's main business is that of an operational agricultural business that has been participating successfully in the grain and food value chain of southern Africa, mainly in the North West, for more than a century. Since its inception, NWK had the ability to adapt, transform and grow together with agriculture in order to look after the needs of stakeholders and contribute to food security within southern Africa.

The main objective of NWK is to trade in agricultural and related products, aids and services at a retail level and to undertake associated and/or ancillary activities.

The operational outlets of NWK are divided into six business segments, the six business segments being:

- Grain;
- Trade;
- Industries;
- Poultry farming;
- Financial services; and
- Africa business.

Set out below is a general overview of each of the business segments of NWK, with the revenue and profit before tax contribution for each business segment during the financial year ended 30 April 2017:

GRAIN:

Revenue contribution: R110,3 million

Profit/(loss) before tax contribution: R80,5 million

NWK provides a range of comprehensive services to the producers of grain and oil seed crops. NWK's grain experts have years of experience and know the grain market in this area. Peace of mind is our greatest asset. Every client that makes use of our wide range of services can depend on this.

Our services include:

- marketing of white and yellow maize, sunflower and wheat;
- expert market information and advice; and
- Safex broker service.

NWK is also renowned for its effective grain administration and strict fulfilment of agreements. First class service, market related prices and top of the range marketing and hedging products are our passion. We know this is the key to unlocking prosperity and progress for our clients.

TRADE:

Revenue contribution: R1 737,3 million

Profit/(loss) before tax contribution: R75,7 million

To us improved customer service is a way of life and not a once-off occurrence. Competitiveness and long-term customer relationships form the basis of our business philosophy. We offer a comprehensive range of high-quality agricultural requisites at affordable prices at a retail and wholesale level.

Our products include:

- agricultural requisites sold at a wholesale or retail level;
- seed;
- plant nutrition; and
- tractors and agricultural implements.

INDUSTRIES:

Revenue contribution: R582,9 million

Profit/(loss) before tax contribution: (R1,1 million)

NWK has become an important role-player in the total agricultural value chain through the years. The strategic focus of our industries and subsidiaries is to add value to primary raw materials produced within the agricultural landscape.

NWK strives to improve results by continuously investigating new technology and optimising existing processes. This enables NWK to act innovatively and utilise new opportunities.

POULTRY FARMING:

Revenue contribution: R178,1 million

Profit/(loss) before tax contribution: R10,9 million

As part of its long-term strategy to diversify, NWK decided to invest in a day-old broiler chick business. In this very competitive market NWK managed to secure a supply agreement with one of the key role-players in the market. This agreement created stability that significantly increased the chances of success.

FINANCIAL SERVICES:

Revenue contribution: R187,2 million

Profit/(loss) before tax contribution: R65,1 million

NWK Financing focuses on client service and risk protection. NWK understands that each producer is unique and consequently has his own unique financing needs. More than 100 years' experience allows NWK to offer a comprehensive range of market-related financing products that will satisfy every producer's financing needs.

NWK understands that it is often a cut-throat market out there, but NWK considers this fierce market competitiveness as an opportunity to optimise both our product offerings and client service levels. NWK Financing – for every season – that's NWK's nature.

AFRICA BUSINESS:

Revenue contribution: R – million

Profit/(loss) before tax contribution: (R30,9 million)

The strategic decision to expand NWK's business interests to other countries in Africa has gained momentum during the past years. This business segment conducts cotton ginning and other agricultural activities in the Republic of Zambia, as well as commercial outlets and an animal feed plant in the Republic of Botswana.

NWK currently holds interests in the following African businesses:

- Mont-Trade Proprietary Limited in the Republic of Botswana; and
- NWK Agri-Services in the Republic of Zambia.

4.2 Material proportion of the Group's assets situated outside South Africa

A Material proportion of the Group's assets is not situated outside South Africa. The interests held in businesses outside of South Africa are in the Republic of Botswana and the Republic of Zambia.

4.3 If the Company is a member of a Group, a brief description of the Group covering the Company's position within the Group

NWK Holdings holds a controlling stake in NWK. NWK Holdings' main business is that of a passive investment holding company, with its sole investment, being its controlling interest in NWK.

4.4 Particulars of any trademarks, patents or other intellectual or industrial property rights which are Material in relation to the Group's business

Due to the nature of the Group's business, the Group does not have any trademarks, patents or other intellectual property rights which are Material in relation to the Group's business.

4.5 Policy of the Group on the research and development of new products and processes

Due to the nature of the Group's business, the research and development of new products and processes are not significant to the Group's business.

4.6 Particulars of any interruptions in the business of the Group which may have had a significant effect on the financial position of the Group

Due to a number of factors, the most important being 3 (three) consecutive drought years, the NWK Group experienced a difficult number of years. Despite this, NWK Holdings considered the interests of its Shareholders and protected its capital and is looking forward to delivering an appropriate return on the investment in line with the yield trend that was established over time.

4.7 Employment details of the Group

The average number of people employed by the Group during the financial year ended 30 April 2017 was 2 069 (two thousand sixty nine) employees.

4.8 Particulars of the most significant investments of the Group

The most significant subsidiaries of NWK, with an indication of their main objectives and financial results for the financial year ended 30 April 2017, are as follows:

NWK Grain Proprietary Limited

NWK Grain Proprietary Limited, an unlisted company registered in the Republic of South Africa, acts as a grain broker. The subsidiary realised revenue of R5,4 million and an after-tax profit of R2,7 million in the financial year ended 30 April 2017. NWK Grain Proprietary Limited earned 79% of its commission income by carrying out hedging transactions for NWK Limited.

Opti Chicks Proprietary Limited

Opti Chicks Proprietary Limited, an unlisted company registered in the Republic of South Africa, operates poultry farming activities on its farm in the Lichtenburg district and a hatchery in this town, with the purpose of supplying day-old chicks to the broiler industry. The subsidiary realised revenue of R178,1 million and an after-tax profit of R7,8 million in the year ended 30 April 2017.

Opti Feeds Proprietary Limited

Opti Feeds Proprietary Limited, an unlisted company registered in the Republic of South Africa, manufactures animal feed at its plant in Lichtenburg. The subsidiary realised revenue of R306,4 million and an after-tax loss of R12,8 million in the year ended 30 April 2017. Opti Feeds Proprietary Limited earned 60% of its income from sales to its related parties.

Furthermore, the Group has an interest in the following joint ventures:

AfricaNeth Coöperatief U.A.

AfricaNeth Coöperatief U.A., a cooperative registered in the Kingdom of the Netherlands, and its subsidiaries, NWK Africa Besloten Vennootschap, NWK Investments Zambia Limited, NWK Agri-Services Limited, NWK Commodity Services Limited, NWK Oils Zambia Limited and NWK Retail Services Limited, conduct cotton ginning and other agricultural activities in Zambia. NWK Africa Besloten Vennootschap is an unlisted private company with limited liability registered in the Kingdom of the Netherlands, while NWK Investments Zambia Limited, NWK Agri-Services Limited, NWK Commodity Services Limited, NWK Grain Handlers Limited, NWK Oils Zambia Limited and NWK Retail Services Limited are registered in the Republic of Zambia.

Epko Oil Seed Crushing Proprietary Limited

Epko Oil Seed Crushing Proprietary Limited, an unlisted company registered in the Republic of South Africa, extracts, refines and packages vegetable oils at its plant in Lichtenburg.

Farm IT Solutions Proprietary Limited

Farm IT Solutions Proprietary Limited, an unlisted company registered in the Republic of South Africa, develops computer software.

Grasland Ondernemings Eiendoms Beperk

Grasland Ondernemings Eiendoms Beperk, an unlisted company registered in the Republic of South Africa, and its subsidiary Oos-Transvaal Kalkverskaffers Eiendoms Beperk mine and market agricultural lime. The Group acts as agent for Grasland Ondernemings Eiendoms Beperk, in other words, finances the agricultural lime that Grasland Ondernemings Eiendoms Beperk sells to agricultural producers.

Mont-Trade Proprietary Limited

Mont-Trade Proprietary Limited, an unlisted company registered in the Republic of Botswana, and its subsidiaries Opti Feeds Botswana Proprietary Limited, Montenegro Agric Trade Proprietary Limited and Alkazan Trading Proprietary Limited operate stores as traders in animal feed, day-old chicks and farming requisites, and manufacture animal feed at their plant in Gaborone. Opti Feeds Botswana Proprietary Limited is registered in the Republic of Botswana, while Montenegro Agric Trade Proprietary Limited and Alkazan Trading Proprietary Limited are registered in the Republic of South Africa.

SENWK Proprietary Limited

SENWK Proprietary Limited, an unlisted company registered in the Republic of South Africa, and its subsidiaries Certisure Brokers Proprietary Limited and Univision Broker Services Proprietary Limited, act as insurance brokers.

Molemi Sele Management Proprietary Limited

Molemi Sele Management Proprietary Limited, an unlisted company registered in the Republic of South Africa, owns cell insurance.

4.9 Capital held or intended to be held by the Company

NWK Holdings holds 84 499 095 (eighty four million four hundred ninety nine thousand ninety five) Ordinary Shares in NWK, which is 59.1% (fifty nine point one percent) of NWK's issued shares. Details of the companies where the whole of, or substantial part of, the capital is held by NWK are as follows:

Investments in subsidiaries	Shares	Interest	Nature of business
Consultum Finance Proprietary Limited	3 670 000	100%	Dormant.
Credece Capital Proprietary Limited	1	100%	Dormant.
Epko Oil Refinery Proprietary Limited	15 000	100%	Dormant.
Noordfed Eiendoms Beperk	155 000 000	100%	Operates mills.
Noordwes Autosentrum Eiendoms Beperk	5 000 000	100%	Dormant.
NWK Boerdery Eiendoms Beperk	50 000 000	100%	Conducts farming activities.
NWK Grain Proprietary Limited	3 500 000	100%	Acts as a grain broker.
Opti Chicks Proprietary Limited	250	100%	Poultry farming activities.
Opti Feeds Proprietary Limited	5 250	100%	Manufactures animal feed.

All the companies noted above are incorporated in South Africa.

4.10 Particulars of the size, location and tenure of the Group's principal establishments

As at the Last Practicable Date, there were no Principal Establishments within the Group, Principal Establishments being immovable properties owned by the Group contributing 10% (ten percent) or more of the net turnover or production.

4.11 Listing by way of introduction – statement confirming that no change in the nature of the business is in contemplation

No change in the nature of the business is in contemplation. NWK Holdings envisages that its main business will continue to be that of an investment company within the agricultural sector.

4.12 Particulars of any restriction affecting Distributions to or from South Africa

No restriction is imposed by the Company's Constitution affecting Distributions to or from South Africa.

SECTION 5: INFORMATION ABOUT THE FINANCIAL POSITION OF THE GROUP AND ITS PROSPECTS

5.1 Reporting Accountant's Report

- 5.1.1 The financial statements of the NWK Group has been audited for each of the preceding 3 (three) financial years by PriceWaterhouseCoopers Incorporated. The Reporting Accountants have issued an unqualified audit opinion for each of these financial years stating that the financial statements comply with IFRS and the Companies Act.
- 5.1.2 These audit reports together with the full audited annual financial statements are available on the NWK website at www.nwk.co.za, and are available for inspection as detailed in paragraph 7.2.
- 5.1.3 Abridged historical financial information has been extracted from the audited financial statements for the financial years ended 30 April 2017, 30 April 2016 and 30 April 2015 and these extracted summarised reports are included in **Annexure 3** to the Listing Particulars Document.

5.2 Business plan

As the audited accounts provided cover at 3 (three) years, no formal business plan has been included.

5.3 Interim financial statement where more than 9 (nine) months have elapsed since the end of the financial yearend to which the last audited financial statements relate

Less than 9 (nine) months have elapsed since the end of the 30 April 2017 financial year, thus no interim financial statements are required to be included in the Listing Particulars Document.

5.4 Qualified Accountant's report

The Reporting Accountant's report is not qualified, and is included in the annual reports of the Company, which are available for inspection as noted in paragraph 7.2, as well as on the NWK website at www.nwk.co.za.

5.5 Consolidated basis statements

- 5.5.1 The Group has zero issued outstanding Debt Securities;
- 5.5.2 The total amounts of all other borrowings or indebtedness in the nature of borrowings of the Group at 31 August 2017 were as follows;
- Loan at Land and Agricultural Development Bank of South Africa of R280 241 285;
Loan terms: The loan at the Land and Agricultural Development Bank of South Africa is renewable annually before 31 January and currently bears interest at the preferential bank rate less 1,58 percentage points, payable monthly.
The loan is secured by a general notarial bond of R360 million over the moveable assets of the Company and a cession over the policies insuring the assets.
The credit agreement requires the equity ratio of the Company, in other words, the ratio of equity to assets, to be greater than 30%, the interest coverage ratio of the Company to be at least twice and all the companies in the Group to be solvent. For this purpose, equity is defined as share capital, reserves and deferred income tax liabilities, and the interest coverage ratio is calculated by dividing the earnings before finance charges, tax, depreciation, amortisation and non-cashflow items by finance charges. Any non-compliance with the above-mentioned provisions can lead to the financier requiring immediate settlement of the outstanding amounts.
 - Loan at Grindrod Trading Holdings Proprietary Limited of R3 860 062
Loan terms: The unsecured loan at Grindrod Trading Holdings Proprietary Limited is payable in half-yearly instalments over the three years that end on 31 March 2018 and bears interest at the preferential bank rate less 1,5 percentage points, payable monthly.
 - Bank and loan facilities with ABSA Bank Limited of R807 478 797; and commodity-based loan facilities with ABSA Bank Limited of R699 440 030
Bank and loan facilities terms: The Company has bank and loan facilities of R1 100 million with ABSA Bank Limited. These facilities are seasonal, with monthly limits varying between R900 million on 30 September and R1 100 million on 31 December, are subject to interest at rates varying between the preferential bank rate less 1,3 percentage points and the preferential bank rate less 1,6 percentage points, and are secured by mortgages of R400 million over certain properties of the Company, a cession over the policies that insure the assets, cessions over the loans and receivables of NWK Limited and Opti Feeds Proprietary Limited, and unlimited suretyships by Opti Chicks Proprietary Limited and Opti Feeds Proprietary Limited. ABSA Bank Limited is entitled to terminate the facility, which is negotiated annually, at any time by means of written notice.
The subsidiaries have additional bank facilities of R25 million with ABSA Bank Limited. These facilities are secured jointly by mortgages of R47,5 million over certain property of the Group, notarial bonds of R47,5 million over certain equipment, inventory and biological assets of the group, a cession over the policies insuring the assets and a cession over certain receivables of the Group. These bank overdrafts are subject to interest at the preferential bank rate less 1,3 percentage points. ABSA Bank Limited is entitled to terminate the facility, which is negotiated annually, at any time by means of written notice.

The Group has commodity-based loan facilities with ABSA Bank Limited. In terms of the loan facility, the Group can effect short-term loans that are secured by means of sales and repurchase agreements over grain inventory that are tradeable on the derivatives market for agricultural commodities on the JSE. These loans are subject to interest at the preferential bank rate less 2,5 percentage points. The loan facilities have no agreed-upon settlement date.

- Financial leases of R23 567 500.
Financial lease terms: The financial leases are payable in monthly instalments over three to five years after the commencement date of the agreement concerned. The agreements were entered into at interest rates that varied between the preferential bank rate less 1,11 percentage points and the preferential bank rate plus 1,23 percentage points on the reporting date. At the 30 April 2017 financial year-end the preferential bank rate was 10,5% per annum. The Group acquires ownership of the vehicles, machinery and software held in terms of financial leases. In contrast, office equipment that is rented, remains the property of the lessor. The terms over which office equipment is rented may be extended.

5.5.3 The total amount of mortgages and charges at 31 August 2017 are as follows:

- Mortgages of R400 million in favour of ABSA Bank Limited were registered over certain fixed properties of the Company. These mortgages, together with a cession of the policies insuring the assets and cessions of the loans and receivables of the group, serve as security for the banking facilities.
- A general notarial bond of R360 million is registered in favour of the Land and Agricultural Development Bank of South Africa over the moveable assets of the Company. This notarial bond, together with a cession over the policies insuring the assets, serves as security for the Company's loan facilities.
- Mortgages of R47,5 million and notarial bonds of R47,5 million were registered in favour of ABSA Bank Limited over, in the case of the mortgages, certain fixed property, and in the case of the notarial bonds, certain equipment, inventory and biological assets of the group. The mortgages and the notarial bonds, together with a cession over the policies that insure the assets, serve as security for the Company's loan facilities.

5.5.4 The total amount of any contingent liabilities or guarantees of the Group at 31 August 2017 are as follows:

- The Directors resolved on 23 April 2015 to terminate the contracted stock farming activities of NWK Boerdery Eiendoms Beperk. As part of the process all the contracts with the agricultural producers were cancelled and the stock was sold after agreement had been reached with the parties. In the process, one of the producers failed to supply the Group's assets. Consequently, the Group was obliged to protect its rights and institute legal action. On the acquisition and timeous sale of the stock (through legal channels), the producer recorded an arbitration dispute in terms of the cancelled agreement and claimed the cash acquired in the sale of the stock. Because of the dispute the cash was paid into a trust account with one of the attorneys used by the Group. The producer claims an unsubstantiated amount of R26 million, which exceeds the realised value of the stock. Nevertheless, the dispute will be addressed through legal channels. It is the opinion of the internal and the external legal advisers that the Group is currently not exposed to unnecessary risk. The formal legal proceedings have commenced and will in all probability only be completed by late September 2017, or even later. It is therefore irrational to predict the length of the procedure or its possible outcome.
- AfricaNeth Coöperatief U.A., Epko Oil Seed Crushing Proprietary Limited and Mont-Trade Proprietary Limited raised loans and obtained bank overdrafts from commercial banks under facilities supported by suretyships and letters of assurance of the group to the value of USD4 million, R34,8 million and BWP47,6 million respectively.

5.6 **Statements on the trend of the Group's business and as to the financial and trading position of the Group**

Rain fell in large parts of the NWK Group's service area. The Group trusts that most producers will be able to do their proposed plantings. Depending on the rain during the coming months, a normal production season can be expected. The trade segment and African businesses should benefit from this. A drop in the feed price and an increased demand for chicks are expected in the coming months due to new markets being exploited, which will improve the profitability of the poultry farming operations. However, due to the devastating drought of the past few years the Group and its producers will still experience financial pressure in the coming financial years. Despite the recent rainfall statistics, the Group is managed with caution.

5.7 **If a profit forecast is included – the principle and commercial assumptions upon which it is based**

No profit forecast has been included in the Listing Particulars Document.

5.8 **Working capital statement by the Directors**

The Board believes that the working capital available to the Group is sufficient for the Group's present requirements.

5.9 **Statement by the Directors regarding any material adverse change in the financial or trading position of the Group**

No Material adverse changes have occurred in the financial or trading position of the Group since the audited consolidated financial statements for the year ended 30 April 2017. The Group is managed with caution given the devastating drought of the past 3 (three) years.

5.10 **Litigation statement**

The Group is not involved in any current, pending or threatened legal or arbitration proceedings, save for the contingent liability explained in paragraph 5.5.4 which cannot be quantified at this stage.

5.11 **Details at a Company and on a consolidated level for each of the last three financial years for EPS, fully diluted EPS, Distributions per Security, NAV per Security, fully diluted NAV per Security**

	2017	2016	2015
Basic and fully diluted earnings per Security			
– Consolidated (cents)	40,5	(46,3)	40,2
– Company (cents)	36,5	(40,7)	38,3
Distributions per Security			
– Consolidated (cents)	–	14,0	20,0
– Company (cents)	–	14,0	20,0
Net asset value and fully diluted net asset value per Security			
– Consolidated (cents)	1 043,3	1 024,9	1 065,8
– Company (cents)	987,4	970,8	1 007,8

SECTION 6: INFORMATION ABOUT THE COMPANY'S MANAGEMENT

6.1 Director details (including details of any proposed Director)

Heinrich Krüger (57)

Nationality: South African
Business address: 81 Scholtz Street, Lichtenburg, 2740
Designation: Chairman, Independent Non-executive Director
Qualifications: BAgric
Occupation: Farmer

Lemmer Vermooten (57)

Nationality: South African
Business address: 81 Scholtz Street, Lichtenburg, 2740
Designation: Vice-Chairman, Independent Non-executive Director
Qualifications: BEng
Occupation: Farmer
Positions held on statutory committees: Audit and risk committee (chairman)

Frans Hendrik (Hentie) Badenhorst (59)

Nationality: South African
Business address: 81 Scholtz Street, Lichtenburg, 2740
Designation: Independent Non-executive Director
Qualifications: BCom(Acc)
Occupation: Farmer
Positions held on statutory committees: Audit and risk committee

Rudolph Petrus (Rupert) Richter (32)

Nationality: South African
Business address: 81 Scholtz Street, Lichtenburg, 2740
Designation: Independent Non-executive Director
Qualifications: MEng
Occupation: Farmer

Jacob Petrus (Jaco) du Preez (45)

Nationality: South African
Business address: 81 Scholtz Street, Lichtenburg, 2740
Designation: Independent Non-executive Director
Qualifications: BCom
Occupation: Farmer
Positions held on statutory committees: Audit and risk committee

Julius Mahne (59)

Nationality: South African
Business address: 81 Scholtz Street, Lichtenburg, 2740
Designation: Independent Non-executive Director
Qualifications: BA(Hons); MBA
Occupation: Farmer
Positions held on statutory committees: Audit and risk committee

Jacob Hans (Jaap) Suurd (54)

Nationality: South African
Business address: 81 Scholtz Street, Lichtenburg, 2740
Designation: Independent Non-executive Director
Qualifications: N6 Mechanical Eng
Occupation: Farmer

Christiaan Frederick (Christo) van Niekerk (55)

Nationality: South African
Business address: 81 Scholtz Street, Lichtenburg, 2740
Designation: Independent Non-executive Director
Qualifications: BEd; HED
Occupation: Farmer

6.2 Issuer Agent details

Pallidus Capital Proprietary Limited

Country of incorporation:	South Africa
Business address:	1240 John Vorster Drive, Southdowns Ridge Office Park, Suite 3, Irene, Centurion, 0123
Designation:	Corporate Advisor and Issuer Agent
Represented by:	Johan Fourie, Le Roux van Zyl and JD Symington
Qualifications:	BA LLB (<i>cum laude</i>), BA LLB and CA(SA)

6.3 Company Secretary details

Quinton van Niekerk (38)

Nationality:	South African
Business address:	81 Scholtz Street, Lichtenburg, 2740
Qualifications:	LLB, C Prac (CI(SA))
Occupation:	Company Secretary at NWK

6.4 If different from the registered office of the Company, the address of the premises at which the statutory records of the Company are kept

The registered office of the Company and the address of the premises at which the statutory records of the Company are kept is:

81 Scholtz Street
Lichtenburg, 2740
North West
South Africa

6.5 Directors' (including Directors' Associates) Beneficial Interest in the Securities of the Company

The following Directors of NWK Holdings hold Beneficial Interests in the Securities of the Company:

NWK Holdings Directors	Number of NWK Holdings Shares held	Percentage of Share Capital
Heinrich Krüger	792 838	0.936%
Lemmer Vermooten	1 100	0.001%
Frans Hendrik (Hentie) Badenhorst	167 181	0.197%
Rudolph Petrus (Rupert) Richter	1 600	0.002%
Jacob Petrus (Jaco) Du Preez	787 589	0.930%
Julius Mahne	118 999	0.141%
Jacob Hans (Jaap) Suurd	43 344	0.051%
Christiaan Frederick (Christo) van Niekerk	127 714	0.151%

6.6 Details of any person (other than a Director of the Company) who is beneficially interested in 5% (five percent) or more of the Securities of the Company

The following persons (other than a Director of the Company) hold Beneficial Interests in 5% or more of the Securities of the Company:

Party holding Beneficial Interest in 5% or more	Number of NWK Holdings Shares held	Percentage of Share Capital
NWK Limited	8 468 092	10.000%

6.7 Directors emoluments receivable from a member in the Group in respect of the last completed financial year

The aggregate remuneration paid and benefits in kind granted to the Directors of the Company by any member of the Group in respect of the last completed financial year ended 30 April 2017 was:

NWK Holdings Directors	Aggregate remuneration
Heinrich Krüger	536 460.30
Lemmer Vermooten	381 498.40
Frans Hendrik (Hentie) Badenhorst	242 031.50
Rudolph Petrus (Rupert) Richter	205 170.20
Jacob Petrus (Jaco) du Preez	242 630.20
Julius Mahne	279 584.55
Jacob Hans (Jaap) Suurd	214 324.65
Christiaan Frederick (Christo) van Niekerk	232 804.55

6.8 Directors emoluments receivable from a member in the Group in respect of the current financial year

The estimate of the aggregate remuneration payable to, and benefits in kind receivable by, the Directors of the Company from any member of the Group in respect of the current financial year ending 30 April 2018 under the arrangements in force at the date of the Listing Particulars Document is:

NWK Holdings Directors	Estimated remuneration
Heinrich Krüger	574 012.52
Lemmer Vermooten	408 203.29
Frans Hendrik (Hentie) Badenhorst	258 973.70
Rudolph Petrus (Rupert) Richter	219 532.11
Jacob Petrus (Jaco) du Preez	259 630.20
Julius Mahne	299 155.47
Jacob Hans (Jaap) Suurd	229 327.38
Christiaan Frederick (Christo) van Niekerk	249 100.87

6.9 Details of any contract or arrangement subsisting at the date of the Listing Particulars Document in terms of which a Director of the Company is materially interested and which is material to the business of the Group

As at the Last Practicable Date, no Director of the Company is materially interested in any contract or arrangement which is Material to the business of the Group.

6.10 Details of any outstanding loans by any member of the Group to a Director, including details of any guarantees provided by any member of the Group

As at the Last Practicable Date, there are no loans outstanding by members of the Group payable to the Directors, and no guarantees provided by any member of the Group for a Director's benefit.

6.11 Details of any incentive schemes

As at the Last Practicable Date, NWK Holdings does not have any incentive schemes in place involving the staff of NWK Holdings. Notwithstanding the aforementioned, NWK (being a Major Subsidiary of NWK Holdings) is in the process of adopting a client incentive scheme, in terms of which scheme, the client of NWK will be incentivised/rewarded with NWK Holdings Shares, NWK Shares and/or cash.

6.12 Particulars of any arrangement under which a Director of the Company has waived or agreed to waive future emoluments

As at the Last Practicable Date, there are no arrangements under which a Director of the Company has waived or agreed to waive future emoluments receivable from any member of the Group.

SECTION 7: CONTRACTS OF SIGNIFICANCE AND DOCUMENTS AVAILABLE FOR INSPECTION

7.1 Details of the dates of and all the parties to all Contracts of Significance, other than contracts which have been entered into by the Company in the ordinary course of business

The Directors of the Company are not aware, having made due and careful enquiry, of a contract involving cash flows in amount or value equal to 10% (ten percent) or more of the aggregate of the Group's share capital and reserves.

7.2 Details of where and when documents may be inspected

The following documents, or certified copies thereof, will be available for inspection by Shareholders of NWK Holdings at any time during normal business hours at NWK Holdings' registered office, from the issue date of this Listing Particulars Document until Thursday, 12 October 2017 (both days inclusive):

7.2.1 the Company's Constitution, including the Constitutions of Major Subsidiaries;

7.2.2 service agreements with Directors and the Company Secretary;

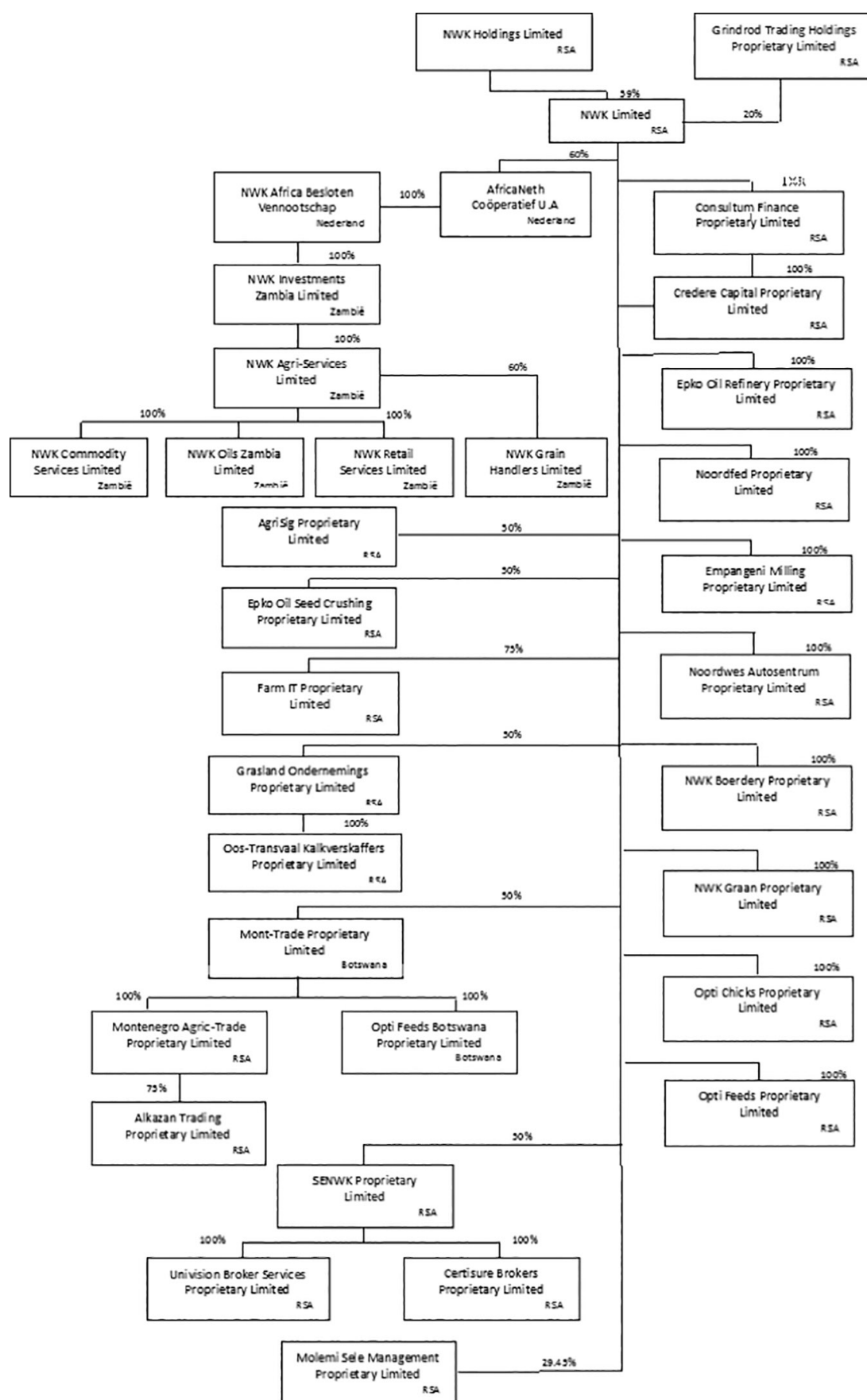
7.2.3 details of any incentive schemes involving the staff in the capital of any member of the Group; and

7.2.4 the audited annual financial statements of NWK Holdings for the three financial years ended 30 April 2017, 30 April 2016 and 30 April 2015.

7.3 Documents available for inspection to be in English

All documents available for inspection are in English.

NWK GROUP STRUCTURE



EXTRACTS FROM THE CONSTITUTION OF NWK HOLDINGS

In accordance with paragraph 1.5 of the Listing Particulars Document, set out below is an extract from the Constitution of NWK Holdings with regards to the relevant provisions detailed in the table set out in paragraph 1.5.

Any power enabling a Director to vote on a proposal, arrangement or contract in which he is materially interested

“26.3.6. A Director may not vote or influence the quorum count (if that Director should have his vote count) in respect of any decision regarding any contract or arrangement in which that Director has a direct or indirect interest.”

Any power enabling the Directors to vote on remuneration (including pension or other benefits) to themselves or any members of their body and any other provision as to the remuneration of the Directors

“28.1. The Company may pay remuneration to the Directors for their services as Directors in accordance with a special resolution approved by the Shareholders within the previous 2 (two) years, as set out in section 66(8) and (9), and the power of the Company in this regard is not limited or restricted by this Memorandum of Incorporation.

28.2. Any Director who –

28.2.1. serves on any executive or other committee; or

28.2.2. devotes special attention to the business of the Company; or

28.2.3. goes or resides outside South Africa for the purpose of the Company; or

28.2.4. otherwise performs or binds himself to perform services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director,

may be paid such extra remuneration or allowances in addition to or in substitution of the remuneration to which he may be entitled as a Director, as a disinterested quorum of the Directors may from time to time determine.

28.3. The Directors may also be paid all their travelling and other expenses necessarily incurred by them in connection with –

28.3.1. the business of the Company; and

28.3.2. attending meetings of the Directors or of committees of the Directors of the Company.

28.4. The Board may, as contemplated in and subject to the requirements of section 45, authorise the Company to provide financial assistance to a Director, Prescribed Officer or other person referred to in section 45(2), and the power of the Board in this regard is not limited or restricted by this Memorandum of Incorporation.”

Borrowing powers exercisable by the Directors and how such borrowing powers can be varied

“Subject to the provisions of clause 29 and the other provisions of this Memorandum of Incorporation, the Directors may from time to time –

30.1. borrow for the purposes of the Company such sums as they think fit; and

30.2. secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of Securities, mortgage or charge upon all or any of the property or assets of the Company.”

Retirement or non-retirement of Directors under an age limit

“26.3.1. Notwithstanding any other provisions of the Act or the Memorandum of Incorporation, a director ceases to be entitled to continue to act as a director if –

26.3.1.1. he conducts, manage or have a direct interest in any venture or business practice of which the nature of the venture or business practice is in the opinion of the Board in competition with NWK Limited, its subsidiaries or its associates; and/or

26.3.1.2. he no longer resides and/or actively farms in the ward for which he was elected as a director or co-opted as a director;

26.3.1.3. and any vacancy so created, will be filled in terms of clause 26.3.10.

26.3.2. Notwithstanding any other provisions of the Memorandum of Incorporation, a director ceases to be entitled to act as director at the end of the annual general meeting of the Company in respect of the financial year that Director reaches the age of 65 (sixty five) years.”

Directors' qualification shares

- “26.2.1. For the purposes of the election of Directors, the Board of the Company may from time to time divide the service area of NWK Limited (registration number 1998/007577/06) into no more than 10 geographical wards.
- 26.2.2. The Directors of the Company will be elected on a ward basis.
- 26.2.3 A Shareholder (which for the purpose of clause 26.2 implies a natural person which holds shares in the Company, or a director of a company or co-operation, a member of a close corporation, a trustee of a trust and a partner of a partnership of which the enterprise hold shares in the Company), including a retiring Director, is electable as a Director and is able to serve as a Director if –
- 26.2.3.1 at the last day of the financial year that precedes the election, the Shareholder, including a retiring Director, is divided into that specific ward of NWK Limited as defined in clause 26.2.1, permanently residing in that ward and actively participating in farming activities within that ward, as prescribed in the Company's charter, and who on the day of the election is still a shareholder in that ward; and
- 26.2.3.2 the Shareholder, including a retiring Director, has been nominated in writing by two (2) registered Shareholders who is also at the last day of the financial year that precedes the election, divided into that ward, permanently residing in that ward and actively participating in farming activities within that ward, as prescribed in the Company's charter, and who on the day of the election is still a shareholder in that ward.”

Changes in capital

- “6.2. The Board may from time to time –
- 6.2.1. increase or decrease the number of authorised Shares of any class of the Company's Shares;
- 6.2.2. consolidate and reduce the number of the Company's issued and authorised Shares of any class;
- 6.2.3. subdivide its Shares of any class by increasing the number of its issued and authorised Shares of that class without an increase of its capital;
- 6.2.4. cancel Shares not taken up by anyone or undertaken to be taken up;
- 6.2.5. reclassify any classified Shares that have been authorised but not issued;
- 6.2.6. classify any unclassified Shares that have been authorised but not issued; or
- 6.2.7. determine the preferences, rights, limitations or other terms of any Shares.
- 6.6. Shares may be authorised in respect of which the preferences, rights, limitations or any other terms of any class of Shares may be varied in response to any objectively ascertainable external fact or facts as provided for in sections 37(6) and 37(7).
- 6.7. The Board may, subject to this Memorandum of Incorporation, resolve to issue Shares of the Company at any time but only within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation.
- 6.8. Subject to what may be authorised by the Act and at meetings of Shareholders, the Board may only issue unissued Shares if such Shares have first been offered to existing ordinary Shareholders in proportion to their shareholding on such terms and in accordance with such procedures as the Board may determine, unless such Shares are issued for the acquisition of assets by the Company.
- 6.9. The Company may, subject to the provisions of the Act, obtain shares which have been issued and which are being held by the Company or the holding Company.
- 6.10. No shareholder may by means of further purchases and/or acquisitions hold a direct or indirect interest of more than 5% (five per centum) in the Company, with the exception of NWK Limited (registration number 1998/007577/06) and the appropriate vehicles established or recognised by the Company or its subsidiaries for customer incentive purposes, provided that such vehicles are controlled by the Company and/or a related or inter-related Person of the Company or the NWK Loyalty Programme.
- 6.11. All new shares will, notwithstanding any provisions for the authorisation or the issue thereof, be subject to the same provisions regarding the transfer of, or any other acts with, the new shares which apply or applied to the shares forming the original share capital.”

Any time limit after which entitlement to Distribution lapses and an indication of the party in whose favour the lapse operates

- “35.5. All unclaimed distributions may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed, provided that distributions that remain unclaimed for a period of 3 (three) years from the date on which they were declared may be declared by the Directors to be forfeited for the benefit of the Company. The Directors may at any time annul such forfeiture upon such conditions (if any) as they think fit.”

Arrangements for transfer of the Securities and, where permitted, restrictions on the free transferability

"1 Interpretation

- 1.1.4. **"Bona Fide Commercial Agricultural Producer" or "BFCAP" means:**
- 1.1.4.1. *the NWK Loyalty Programme, to the extent that a participant of the NWK Loyalty Programme qualifies with the remainder of the provisions hereunder;*
 - 1.1.4.2. *as at the Listing Effective Date, all existing Shareholders who are reflected as such in the Company's securities register; and*
 - 1.1.4.3. *with effect from the Listing Effective Date, any Person whose source of income is derived from, inter alia, conducting commercial agricultural operations or whose majority day-to-day business operations revolves around conducting commercial agricultural operations, proof of which shall be confirmed by the Person by submitting the following documents to the 4AX Registry:*
 - 1.1.4.3.1. *written confirmation in respect of the agricultural land from which the Person is conducting its commercial agricultural operations:*
 - 1.1.4.3.1.1. *a certified copy of a title deed or a long-term lease agreement or a testamentary trust proving usufruct in respect of the agricultural land from which the Person is conducting commercial agricultural operations; or*
 - 1.1.4.3.1.2. *a sworn affidavit of the agricultural land owner confirming that the Person is conducting commercial agricultural operations on the agricultural land concerned and for the Person's own profit or loss; and*
 - 1.1.4.3.2. *written confirmation in respect of the commercial agricultural operations being conducted equal to or exceeding the BFCAP Value Threshold:*
 - 1.1.4.3.2.1. *certified copies of financial statements, tax returns, any agricultural company retail account statement or a registered diesel rebate evidencing the Person's commercial agricultural operations equal or in excess of the BFCAP Value Threshold; or*
 - 1.1.4.3.2.2. *a certified copy of a financing or similar agreement entered into between the Person and a reputable financial institution (as defined in the Financial Markets Act, the Banks Act, No 94 of 1990, the National Credit Act, No 34 of 2005 or any other similar legislation) in terms of which the financial institution has advanced funding towards the Person in lieu of the commercial agricultural operations conducted by the Person, relating to the available facility or draw down facility; or*
 - 1.1.4.3.2.3. *a certified copy of a delivery confirmation(s) or tax invoice(s) of agricultural produce at a recognised or reputable agricultural produce off-taker(s) and/or consumer(s) in respect of agricultural produce produced by the Person pursuant to conducting commercial agricultural operations; or*
 - 1.1.4.3.2.4. *a certified copy of a delivery confirmation(s) or tax invoice(s) of livestock produced and delivered at an auction or abattoir;*
- 1.1.5. **"BFCAP Value Threshold" means an amount in Rand of no less than R500 000 (five hundred thousand Rand), alternatively such amount determined by the Board and approved by Shareholders at a general meeting from time to time;"**

"9 Transfer of Securities

- 9.1. *The instrument of transfer of any Certificated Securities shall be signed by both the transferor and the transferee and the transferor shall be deemed to remain the holder of such Certificated Securities until the name of the transferee is entered in the Securities Register. The Directors may, however, in their discretion in such cases as they deem fit, dispense with requiring the signature of the transferee on the instrument of transfer.*
- 9.2. *Subject to such restrictions as may be applicable, (whether by virtue of the preferences, rights, limitations or other terms associated with the Securities in question), any Shareholder or holder of other Securities may transfer all or any of its Certificated Securities by instrument in writing in any usual or common form or any other form which the Directors may approve.*
- 9.3. *Every instrument of transfer shall be delivered to the principal place of business of the Company, accompanied by –*
- 9.3.1. *the certificate issued in respect of the Certificated Securities to be transferred; and/or*
 - 9.3.2. *such other evidence as the Company may require to prove the title of the transferor, or his or her right to transfer the Certificated Securities.*

- 9.4. *All authorities to sign transfer deeds or other instruments of transfer granted by holders of Securities for the purpose of transferring Certificated Securities which may be lodged, produced or exhibited with or to the Company at its registered office or at its transfer office shall, as between the Company and the grantor of such authorities, be taken and deemed to continue and remain in full force and effect, and the Company may allow the same to be acted upon until such time as express notice in writing of the revocation of the same shall have been given and lodged at the Company's registered office or transfer office at which the authority was first lodged, produced or exhibited. Even after the giving and lodging of such notice, the Company shall be entitled to give effect to any instruments signed under the authority to sign and certified by any officer of the Company as being in order before the giving and lodging of such notice.*
- 9.5. *All instruments of transfer, when registered, shall either be retained by the Company or disposed of in such manner as the Directors shall from time to time decide.*
- 9.6. *The transfer of Uncertificated Securities may be effected only –*
- 9.6.1. *by a Participant or Central Securities Depository;*
- 9.6.2. *on receipt of an instruction to transfer sent and properly authenticated in terms of the rules of a Central Securities Depository or an order of a Court; and*
- 9.6.3. *in accordance with section 53 and the rules of the Central Securities Depository.*
- 9.7. *Transfer of ownership in any Uncertificated Securities must be effected by debiting the account in the Uncertificated Securities Register from which the transfer is effected and crediting the account in the Uncertificated Securities Register to which the transfer is effected, in accordance with the rules of the Central Securities Depository.*
- 9.8. *Securities transfer tax and other legal costs payable in respect of any transfer of Securities pursuant to this Memorandum of Incorporation will be paid by the Company to the extent that the Company is liable therefor in law, but shall, to that extent, be recoverable from the person acquiring such Securities.*
- 9.9. *The Securities Register (or any part thereof relating to holders of any class of Shares) may, in the discretion of the Directors upon notice being given by advertisement in the Government Gazette of South Africa and a newspaper circulating in the district in which the registered office of the Company is situated be closed during such time as the Directors may think fit, not exceeding in the aggregate 60 (sixty) days in any year.*
- 9.10. *Notwithstanding any other provision in this Memorandum of Incorporation, Securities may only be transferred to a transferee who, in each instance and at the date of such transfer, is a Bona Fide Commercial Agricultural Producer as defined in clause 1.1.4. All transfers or issues of shares should in all circumstances be accepted by the transferee as principal and for his own benefit.*
- 9.11. *The Board, in its sole and absolute discretion, may at any time request from a Shareholder such documentary evidence as the Board may deem fit, for purposes of confirming whether such Shareholder qualifies as a Bona Fide Commercial Agricultural Producer. To the extent that the Board issues a request per the aforementioned, the Shareholder concerned shall cooperate and deliver the documentary evidence so requested to the Company, within a reasonable period of time, but by no later than 14 (fourteen) days from the date of the request. Should the Shareholder concerned not cooperate, refuse and/or fail to deliver the requested documentary evidence, the Board may launch its own investigation to procure the documentary evidence, in which event the Board may hold liable the Shareholder concerned for all reasonable out-of-pocket expenses.”*

ABRIDGED AUDITED HISTORICAL FINANCIAL INFORMATION OF NWK HOLDINGS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 April

	2017 R'm	2016 R'm	2015 R'm
ASSETS			
Non-current assets	1 162.1	1 214.4	1 095.6
Property, plant and equipment	394.5	403.4	497.9
Investment property	14.6	14.7	19.3
Intangible assets	26.0	6.5	19.2
Investment in associates and joint ventures	326.2	246.9	218.8
Investment in listed and unlisted entities	8.7	11.8	7.3
Deferred tax assets	15.5	13.0	43.1
Loans	376.6	518.1	290.0
Current assets	1 864.0	2 263.9	2 165.5
Inventory	612.2	1 143.8	966.6
Trade and other receivables	1 135.4	963.1	944.9
Biological assets	47.3	45.8	147.3
Current tax assets	3.5	17.2	10.0
Derivative financial instruments	2.7	47.7	29.1
Cash and cash equivalents	44.9	46.3	67.6
Non-current assets held for sale	56.5	73.1	0.1
Total assets	3 064.6	3 551.4	3 261.2
EQUITY AND LIABILITIES			
Equity attributable to the owners of the holding company	795.1	781.1	812.3
Share capital	43.8	43.8	43.8
Distributable reserves	751.3	737.3	768.5
Equity attributable to non-controlling interests	577.5	567.9	590.8
Total equity	1 372.6	1 349.0	1 403.1
Non-current liabilities	42.5	372.9	342.9
Long-term loans	15.2	316.2	309.7
Long-term provisions	4.9	4.6	4.7
Deferred tax liabilities	22.4	52.1	28.5
Current liabilities	1 649.5	1 829.5	1 515.2
Trade and other payables	388.1	413.2	366.7
Short-term provisions	2.4	2.9	22.1
Current tax liabilities	-	-	0.1
Derivative financial instruments	26.9	-	2.9
Short-term loans and bank overdrafts	1 232.1	1 413.4	1 123.4
Total equity and liabilities	3 064.6	3 551.4	3 261.2

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 30 April

	2017	2016	2015
	R'm	R'm	R'm
Revenue	2 321.3	2 329.2	2 275.8
Income from sale of goods	2 065.2	2 102.9	2 027.1
Cost of Sales	(1 759.6)	(1 788.3)	(1 724.9)
Gross profit	305.6	314.6	302.2
Income from services rendered	132.9	132.4	176.3
Finance income	123.2	93.9	72.4
Other income	66.6	91.9	87.6
Other gains/(losses)	140.5	150.7	205.7
Expenses	(572.5)	(563.2)	(590.2)
Operating profit before finance charges	196.3	220.3	254.0
Finance charges	(118.2)	(142.9)	(97.4)
Operating profit	78.1	77.4	156.6
Equity accounted earnings	44.6	(1.7)	7.7
Profit before tax	122.7	75.7	164.3
Tax	(27.2)	(24.1)	(43.8)
Profit from continued operations	95.5	51.6	120.5
Loss from discontinuing operations	(43.3)	(110.6)	(65.3)
Profit/(loss) for the year	52.2	(59.0)	55.2
Profit/(loss) attributable to the owners of the holding company	30.9	(35.3)	30.6
Profit from continued operations	56.5	30.0	69.2
Loss from discontinued operations	(25.6)	(65.3)	(38.6)
Profit/(loss) attributable to non-controlling interests	(21.3)	(23.7)	24.6
Profit from continued operations	39.0	21.6	51.3
Loss from discontinued operations	(17.7)	(45.3)	(26.7)
Profit for the period	52.2	(59.0)	55.2

	2017	2016	2015
	Cents	Cents	Cents
Basic and diluted earnings per share	40.5	(46.3)	40.2
Basic and diluted earnings per share from continued operations	74.1	39.4	90.8
Basic and diluted earnings per share from discontinuing operations	(33.6)	(85.7)	(50.6)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 April

	2017	2016	2015
	R'm	R'm	R'm
Profit/(loss) for the year	52.2	(59.0)	55.2
Other comprehensive income – reclassifiable items	(28.6)	25.5	4.3
Fair value adjustment of the investment in listed and unlisted entities	(2.4)	2.4	0.4
Currency translation differences on conversion of the interest in foreign entities	(20.9)	25.4	6.3
Equity-accounted fair value adjustment	1.2	1.8	–
Equity-accounted currency translation differences	(6.5)	(4.1)	(2.4)
Total comprehensive income for the year	23.6	(33.5)	59.5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 April

	Share capital R'm	Distributable reserves R'm	Non-controlling interests R'm	Equity R'm
Opening balances on 1 May 2014	43.8	750.6	577.9	1 372.3
Total comprehensive income for the year	–	33.1	26.4	59.5
Profit for the year	–	30.6	24.6	55.2
Other comprehensive income	–	2.5	1.8	4.3
Dividends	–	(15.2)	(13.5)	(28.7)
Equity on 30 April 2015	43.8	768.5	590.8	1 403.1
Total comprehensive income for the year	–	(20.2)	(13.3)	(33.5)
Profit for the year	–	(35.3)	(23.7)	(59.0)
Other comprehensive income	–	15.1	10.4	25.5
Cost of shareholders' transaction recognised directly in equity	–	(0.3)	(0.2)	(0.5)
Dividends	–	(10.7)	(9.4)	(20.1)
Equity on 30 April 2016	43.8	737.3	567.9	1 349.0
Total comprehensive income for the year	–	14.0	9.6	23.6
Profit for the year	–	30.9	21.3	52.2
Other comprehensive income	–	(16.9)	(11.7)	(28.6)
Equity on 30 April 2017	43.8	751.3	577.5	1 372.6

The following dividends were paid to shareholders during the year:

	2017 Cents	2016 Cents	2015 Cents
Final dividend per share from profits of the previous financial year	–	9	10
Interim dividend per share from profits this financial year	–	5	10
Total distribution per share	–	14	20

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 April

	2017 R'm	2016 R'm	2015 R'm
Cash flow from operating activities	516.3	(256.5)	(383.7)
Cash flow from operations	555.4	(208.3)	(308.7)
Finance income	129.5	126.2	95.2
Finance charges	(118.2)	(143.8)	(100.8)
Tax paid	(50.4)	(10.5)	(40.7)
Dividends paid	-	(20.1)	(28.7)
Cash flow from investing activities	(14.7)	(50.1)	(15.8)
Property, plant and equipment purchased, erected or manufactured	(24.9)	(40.0)	(44.7)
Intangible assets purchased	(5.6)	(1.5)	(0.5)
Acquisitions by way of business combinations	-	-	(13.5)
Interest in joint ventures purchased	-	(10.0)	-
Additional investment in joint venture	-	(0.1)	-
Additional investment in associate	-	-	(1.0)
Interest in unlisted companies purchased	-	(2.6)	(5.3)
Proceeds upon the disposal of property, plant and equipment	12.0	2.7	2.1
Proceeds upon the disposal of investment property	3.6	-	-
Proceeds on the disposal of subsidiaries	0.1	-	47.0
Proceeds upon the disposal of interest in listed and unlisted entities	0.1	1.3	-
Dividend income	-	0.1	0.1
Cash flow from financing activities	(46.2)	(23.4)	(40.2)
Cost of shareholders' transaction paid	-	(0.5)	-
Long-term loans effected	-	-	23.2
Repayment of long-term loans	(46.2)	(15.7)	(70.6)
Short-term loans effected	-	-	7.2
Repayment of short-term loans	-	(7.2)	-
Change in cash and cash equivalents	455.4	(330.0)	(439.7)
Cash and cash equivalents at the beginning of the year	(1 349.3)	(1 019.3)	(579.6)
Cash and cash equivalents at the end of the year	(893.9)	(1 349.3)	(1 019.3)

NWK CORPORATE GOVERNANCE REPORT

Unless, specifically stated otherwise, the NWK Corporate Governance Report is applicable to every company within the NWK Group.

The Board accepts the responsibility to ensure the principles of the King Code are considered and applied, and is satisfied that every effort is being made to comply in all material aspects with these principles. While the Board is satisfied with its level of compliance with applicable governance and regulatory requirements, it recognises that its practices can always be improved, and accordingly the Board has and will continuously to review the NWK Group's governance framework against governance best practices. The NWK Group continues to improve its well-established corporate governance processes and remains abreast of the latest industry developments. The Board strives to optimally fulfil its corporate governance and compliance responsibilities and are therefore in the process of aligning such efforts with the newly promulgated King IV report for greater transparency and acquiescence.

Set out in the table below is the NWK Group's extent of compliance with the principles of King III. The following keys apply to the state of maturity column in the table below:

1. Not applied/will not be applied.
2. In process/partially applied.
3. Full application.

No	Principle	Stage of maturity	Comments
1.	Ethical leadership and corporate citizenship		
1.1	The board should provide effective leadership based on an ethical foundation.	3	Applied. Ethics form part of the values of the Company and the Board. The Board provides effective leadership based on an ethical foundation.
1.2	The board should ensure that the company is, and is seen to be, a responsible corporate citizen.	3	Applied. Projects for corporate social investments are regularly assessed and the Board ensures that the Company is a responsible corporate citizen.
1.3	The board should ensure that the company's ethics are managed effectively.	3	Applied. Ethical principles are always applied during decision-making.
2.	Board and directors		
2.1	The board should act as the focal point for and custodian of corporate governance.	3	Applied. The Board as a whole is responsible for effective corporate governance.
2.2	The board should appreciate that strategy, risk, performance and sustainability are inseparable.	3	Applied. Strategy, risk, performance and sustainability are considered collectively by the Board in the decision-making process.
2.3	The board should provide effective leadership based on an ethical foundation.	3	Applied. Ethics form part of the values of the Company and the Board.
2.4	The board should ensure that the company is and is seen to be a responsible corporate citizen.	3	Applied. The Board ensures that the Company is a responsible corporate citizen and in line with the image the Company would like to project.
2.5	The board should ensure that the company's ethics are managed effectively.	3	Applied. Ethics are the responsibility of the Board as a whole.
2.6	The board should ensure that the company has an effective and independent audit committee.	3	Applied. The audit committee consists of non-executive Directors.
2.7	The board should be responsible for the governance of risk.	3	Applied. The Board as a whole is responsible for risk governance.
2.8	The board should be responsible for information technology governance.	3	Applied. The Board as a whole is responsible for information technology governance of the Company.
2.9	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	3	Applied. Compliance with all applicable laws and adherence to non-binding rules, codes and standards form part of the values of the Company.
2.10	The board should ensure that there is an effective risk-based internal audit function.	3	Applied. The Company has an effective internal audit function assisting the Board in line with the principles of good corporate governance.

No	Principle	Stage of maturity	Comments
2.11	The board should appreciate that stakeholders' perceptions affect the company's reputation.	3	Applied. The Board monitors stakeholders' perceptions, in light of the importance of the Company's reputation.
2.12	The board should ensure the integrity of the company's integrated report.	2	Partially applied. Due care is applied during the completion of the integrated report to ensure its integrity. The current form of the integrated report is aimed to be compliant with the King IV Report on Corporate Governance (when effective for the Company's financial year).
2.13	The board should report on the effectiveness of the company's system of internal controls.	3	Applied. This is reported on in the Company's annual report.
2.14	The board and its directors should act in the best interests of the company.	3	Applied. The Board acts in the best interests of the Company.
2.15	The board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the Companies Act of South Africa.	3	Applied. This will be considered, if applicable.
2.16	The board should elect a chairman of the board who is an independent non-executive director. The CEO of the company should not also fulfil the role of chairman of the board.	3	Applied.
2.17	The board should appoint the chief executive officer and establish a framework for the delegation of authority.	3	Applied. The Board has appointed an acting CEO and a framework for the delegation of power has been established. The Company is in the process of recruiting a CEO.
2.18	The board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent.	2	Partially applied. The majority of Directors are non-executive, however, the majority of the NWK Holdings Directors are not independent as defined by King IV considering the nature of the appointment by regional ward system.
2.19	Directors should be appointed through a formal process.	3	Applied. The appointment of Directors is a matter for the Board as a whole and is conducted in a formal and transparent manner.
2.20	The induction of and ongoing training and development of directors should be conducted through formal processes.	2	Partially applied. The induction of Directors is not conducted through a formal process. This has not been necessary to date as new appointees have been familiar with the NWK Group's operations and the environment in which the NWK Group operates. Consideration will be given to an induction programme for future appointees. Directors have unlimited access to the Company's resources regarding training and development.
2.21	The board should be assisted by a competent, suitably qualified and experienced company secretary.	3	Applied.
2.22	The evaluation of the board, its committees and the individual directors should be performed every year.	2	Partially applied. The Board does not conduct annual appraisals of its members and committees. Consideration will be given to same going forward.
2.23	The board should delegate certain functions to well-structured committees without abdicating its own responsibilities.	3	Applied. Committees make recommendations which are approved at Board level.
2.24	A governance framework should be agreed between the group and its subsidiary boards.	2	Partially applied. Shortcomings in the existing governance framework have been identified and is being attended to proactively.
2.25	Companies should remunerate directors and executives fairly and responsibly.	3	Applied. The Board is of the view that Directors and executives are remunerated on a basis being fair and reasonable to both the employees and the Company.

No	Principle	Stage of maturity	Comments
2.26	Companies should disclose the remuneration of each individual director and certain senior executives.	3	Applied. The remuneration of Directors is disclosed in the Directors' report (included in the annual report). Due to the limited number of individuals employed at an NWK Holdings level, disclosure of the remuneration of senior executives who are not Directors is not deemed to be appropriate as such information is sensitive to peer review and adds no value to stakeholders
2.27	Shareholders should approve the company's remuneration policy.	3	Applied. The Company's remuneration policy is approved by Shareholders annually.
3.	Audit committees		
3.1	The board should ensure that the company has an effective and independent audit committee.	3	Applied. The audit and risk committee consists of non-executive Directors, the majority of whom are independent.
3.2	Audit committee members should be suitably skilled and experienced independent, non-executive directors.	3	Applied. Audit and risk committee members are suitably skilled and experienced.
3.3	The audit committee should be chaired by an independent non-executive director.	2	Applied. The audit and risk committee has appointed a lead independent director, while the Chairman is a non-executive Director acting independently.
3.4	<p>The audit committee should oversee the integrated reporting (integrated reporting, financial, sustainability and summarised information).</p> <p>The audit committee should be responsible for evaluating the significant judgements and reporting decisions affecting the integrated report.</p> <p>The audit committee's review of the financial reports should encompass the annual financial statements, interim reports, preliminary or provisional result announcements, summarised integrated information, any other intended release of price sensitive financial information, trading statements, circulars and similar documents.</p>	3	Applied. Performed by the audit and risk committee.
3.5	The audit committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities.	2	Partially applied. The audit and risk committee is in the process of adopting a combined assurance model which will be reported on in the next integrated report.
3.6	The audit committee should satisfy itself of the expertise, resources and experience of the company's finance function.	3	Applied. The audit and risk committee has satisfied itself in this regard.
3.7	The audit committee should be responsible for overseeing the internal audit function.	3	Applied. On the recommendation of the audit and risk committee, the Board has decided not to establish an internal audit function at NWK Group level given that the Board has satisfied itself that where appropriate, subsidiary and associated companies have their own internal audit departments and that the current system of internal control and risk management processes for the NWK Group are effective.
3.8	The audit committee should be an integral component of the risk management process.	3	Applied. This forms part of the audit and risk committee's role and function.
3.9	The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process.	3	Applied. This forms part of the audit and risk committee's role and responsibilities.
3.10	The audit committee should report to the board and shareholders on how it has discharged its duties.	3	Applied. Reported at Board level and in the annual report.

No	Principle	Stage of maturity	Comments
4.	The governance of risk		
4.1	The board should be responsible for the governance of risk.	3	Applied. Governed by the Board as a whole.
4.2	The board should determine the levels of risk tolerance.	3	Applied. Risk levels are discussed at Board level.
4.3	The risk committee or audit committee should assist the board in carrying out its risk responsibilities.	3	Applied. Performed by the audit and risk committee.
4.4	The board should delegate to management the responsibility to design, implement and monitor the risk management plan.	3	Applied. The Board has delegated to management the responsibility to design, implement and monitor the risk management plan, and management has done so to the satisfaction of the Board.
4.5	The board should ensure that risk assessments are performed on a continual basis	3	Applied. The Board performs risk assessments on a continual basis.
4.6	The board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks.	3	Applied. All risk factors within the current business model are continually monitored.
4.7	The board should ensure that management considers and implements appropriate risk responses.	3	Applied. Responses are monitored and preventative measures implemented to the extent possible.
4.8	The board should ensure continual risk monitoring by management.	3	Applied. Risk monitoring forms part of planning and decision making and is continuously performed.
4.9	The board should receive assurance regarding the effectiveness of the risk management process.	3	Applied. This occurs at Board level.
4.10	The board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.	3	Applied. Disclosed in the annual report and further disclosures are assessed when needed.
5.	The governance of information technology (IT)		
5.1	The board should be responsible for IT governance.	3	Applied. The Board is responsible for IT governance.
5.2	IT should be aligned with the performance and sustainability objectives of the company.	3	Applied. Objectives are aligned.
5.3	The board should delegate to management the responsibility for the implementation of an IT governance framework.	3	Applied. IT plays a significant role in the sustainability of the business. The Board is accordingly satisfied that the current systems of IT governance at Group level are appropriate.
5.4	The board should monitor and evaluate significant IT investments and expenditure.	3	Applied. IT plays a significant role in the sustainability of the business. The Board is accordingly satisfied that the current systems of IT governance at Group level are appropriate.
5.5	IT should form an integral part of the company's risk management.	3	Applied. IT is considered as part of risk management.
5.6	The board should ensure that information assets are managed effectively.	3	Applied. The Board is comfortable with the current practice.
5.7	A risk committee and audit committee should assist the board in carrying out its IT responsibilities.	3	Applied. The audit and risk committee assists the Board in carrying out its responsibilities.

No	Principle	Stage of maturity	Comments
6.	Compliance with laws, codes, rules and standards		
6.1	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	3	Applied. The Board considers compliance with applicable laws, codes, rules and standards and changes thereto.
6.2	The board and each individual director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the company and its business.	3	Applied. The Board and each individual Director have a working understanding of the effect of the applicable laws, rules, codes and standards on the Company and its business.
6.3	Compliance risk should form an integral part of the company's risk management process.	3	Applied. Compliance duly forms part of the risk management process.
6.4	The board should delegate to management the implementation of an effective compliance framework and processes.	3	Applied.
7.	Internal audit		
7.1	The board should ensure that there is an effective risk-based internal audit.	3	Applied. The Company has an effective internal audit function in compliance with the risk-based objectives imposed by the Board.
7.2	Internal audit should follow a risk-based approach to its plan.		
7.3	Internal audit should provide a written assessment of the effectiveness of the company's system of internal control and risk management.		
7.4	The audit committee should be responsible for overseeing internal audit.		
7.5	Internal audit should be strategically positioned to achieve its objectives.		
8.	Governing stakeholder relationships		
8.1	The board should appreciate that stakeholders' perceptions affect a company's reputation.	3	Applied. The Board monitors stakeholders' perceptions in light of the importance of the Company's reputation.
8.2	The board should delegate to management to proactively deal with stakeholder relationships.	3	Applied. Stakeholder relationships are critical for the Company and performed by the executive team.
8.3	The board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company.	3	Applied. All stakeholders are considered during decision-making.
8.4	Companies should ensure the equitable treatment of shareholders.	3	Applied. Equitable treatment of Shareholders is important and considered during decision-making.
8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.	3	Applied. Communication with stakeholders is the responsibility of the Board, the NWK Group's executive committee and the Company Secretary.
8.6	The board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible.	3	Applied. The Board is informed of any disputes to ensure speedy and effective resolutions.
9.	Integrated reporting and disclosure		
9.1	The board should ensure the integrity of the company's integrated report.	3	Applied. Due care is applied during the compilation of the integrated report to ensure its integrity.
9.2	Sustainability reporting and disclosure should be integrated with the company's financial reporting.	2	Partially applied. This is a focal point for further development of the NWK Group's business.
9.3	Sustainability reporting and disclosure should be independently assured.	1	Not applied. Due to the nature of its business, the NWK Group will not obtain independent assurance over its sustainability reporting.

The Directors are of the opinion that effective corporate governance and ethical values are essential to protect the interests of the Company and its stakeholders, that is, its Shareholders, staff, customers, suppliers and financiers, as well as the authorities, the agricultural community and the general public. Hence the Directors support the principles of responsibility, accountability, fairness and transparency.

The Board acknowledges its responsibility to act in the best interests of the Company, control the Company in accordance with the accepted principles of corporate governance through the implementation of responsible and effective management practices, ensure that the Company acts as and is seen as a responsible corporate citizen that protects and advances the sustainability of the Company, the community and the natural environment, ensure that the strategy and objectives of the Company are ethically sound, create a corporate culture in which ethical actions are encouraged and developed, and implement an effective internal control system that ensures that the rules, the codes of practice and the ethical standards of the Company are adhered to. The Board expects the individual Directors to fulfil the legally prescribed duties of a Director, exercise their powers and carry out the functions of a Director in good faith, within the boundaries of their powers and in the best interests of the Company, keep their discretion unimpeded, attend Shareholders and Board meetings, adhere to the rules and codes of practice of the Company and visibly support its ethical standards. This report describes the approach of the Board to corporate governance and provides the key principles in terms of which the Company is controlled and managed.

COMPOSITION OF THE BOARD

The Shareholders are responsible for the composition of the Board of Directors and the appointment of the vast majority of the non-executive Directors. The knowledge, experience, competence, aptitude and integrity of prospective Directors are assessed beforehand. It is the responsibility of the Board to ensure that the prospective Director is not disqualified by law or the Memorandum of Incorporation from serving as a Director. The Memorandum of Incorporation stipulates that the majority of the Directors must be appointed by the Shareholders, that a non-executive Director may not hold any other office or gainful appointment in the Company or its Subsidiaries during his term of office and that the number of Directors may not be fewer than 6 (six) and not more than 10 (ten) for NWK Holdings, and may not be fewer than 7 (seven) and not more than 15 (fifteen) for NWK.

NWK Holdings Board Composition and election criteria

For the purposes of the election of the NWK Holdings Board, the service area of NWK is divided into not more than 10 (ten) geographical wards ("**NWK Wards**") and the NWK Holdings Directors are elected on a NWK Ward basis.

Any Shareholder of NWK Holdings, including a retiring NWK Holdings Director (collectively "**the Nominee**"), is electable as a NWK Holdings Director and is able to serve as a NWK Holdings Director if:

- at the last day of the financial year that precedes the election, the Nominee is allocated into that specific NWK Ward, permanently residing in that NWK Ward and actively participating in farming activities within that NWK Ward, and who on the day of the election is still a Shareholder in that NWK Ward (collectively "**the Election Criteria**"); and
- the Nominee has been nominated in writing by 2 (two) registered NWK Holdings Shareholders who also complies with the Election Criteria (collectively "**the Proposers**").

The above should also be considered in lieu of the Shareholding limitation imposed by clause 17 the Memorandum of Incorporation of NWK Holdings, in that no NWK Holdings Shareholder (including affiliates or related parties collectively) are entitled to hold more than 10% (ten percent) of the total issued Shares in NWK Holdings.

In this regard, only NWK holds 10% of NWK Holdings' Shares (as treasury) and none of the NWK Holdings Directors hold in excess of 1% (one percent) percent of the total issued NWK Holdings Shares.

No less than 70 (seventy) days before the annual general meeting, the NWK Holdings Shareholders of the applicable NWK Ward in which vacancies on the NWK Holdings Board have arisen will be notified with a general written notice to remind the NWK Holdings Shareholders of the vacancies and, within 30 (thirty) days after such notice, a nomination form, properly signed by the Proposers together with the written declaration by the Nominee, must be submitted at the office of NWK Holdings (collectively "**the Nomination**").

The Nomination must clearly state for what NWK Ward a NWK Holdings Shareholder is nominated. The NWK Holdings Board may at its discretion instruct the nomination committee to undertake an investigation into the suitability of the Nominee, where after the committee will accordingly report to the NWK Holdings Board.

The NWK Holdings Board may, if the NWK Holdings Board finds that a Nominee is not suitable for the office of NWK Holdings Director, refuse such a Nomination.

If only one Nominee with the necessary requirements is nominated in respect of a particular NWK Holdings Ward in which a vacancy exists, the Nominee will be declared elected at the next annual general meeting.

If more than one Nominee in respect of a vacancy in a particular NWK Ward is nominated, a Director will be elected from the Nominees by means of a cast of votes by poll by the NWK Holdings Shareholders of that NWK Holdings Ward as recorded in the register of NWK Holdings Shareholders on the last day of the financial year presiding the election and who are still on the day of election registered NWK Holdings Shareholders in that NWK Holdings Ward, on the date, time and place determined by the NWK Holdings Board in respect of that NWK Ward.

Such a NWK Ward election will be held before the annual general meeting and the notice in which the details of the Nominees, as well as the date, time and place of the NWK Ward election are stated, must be posted at least 14 (fourteen) days before the date of the NWK Ward election to the registered addresses of the NWK Holdings Shareholders in that NWK Ward.

The Nominee in such NWK Ward election who obtains a clear majority of votes, or who is appointed under clause 26.2.13 of the NWKH MOI, will at the NWK Holdings annual general meeting be declared elected.

If more than 2 (two) Nominees are nominated and 1 (one) of the Nominees in such a NWK Ward election does not obtain a majority of votes, then a second and final NWK Ward election will be held during which there will be a vote between the 2 (two) Nominees who obtained the most votes during the first election, and the provisions applicable to the first NWK Ward election, and the further provisions that the NWK Holdings Board may decide on, will be applicable to such second NWK Ward election.

When a tied vote arises between 2 (two) or more Nominees, the NWK Holdings Director will be chosen according to such procedures decided on by the NWK Holdings Board.

If no candidate for a particular NWK Ward is nominated, the Board will at its sole discretion decide whether or not to fill that vacancy in the interim under the provisions of clause 26.3.10 of the NWK Holdings MOI, pursuant to which, any NWK Holdings Shareholder from any other NWK Ward can then be appointed by the NWK Holdings Board as the Board deems fit.

NWK Board Composition

The NWK Board of Directors is composed as follows:

- A maximum of 8 (eight) of the Directors of the holding company, NWK Holdings, ex officio the chairperson and the vice-chairperson who act as the chairperson and the vice-chairperson of NWK's Board, and not more than 6 (six) but not less than 4 (four) other non-executive Directors whom the Board of NWK Holdings appoints annually after the adjournment of its annual general meeting;
- 1 (one) managing director, appointed by the non-executive Directors of the NWK Holdings Board;
- a maximum of 2 (two) other executive Directors, appointed by the non-executive Directors of NWK Holdings and the managing director;
- a maximum of 2 (two) independent non-executive Directors, appointed by the 8 (eight) non-executive Directors of NWK Holdings, the managing director and the executive Directors; and
- a maximum of 2 (two) non-executive Directors appointed by other significant NWK Shareholders (institutional shareholders); provided that such NWK Shareholder must hold at least 15% (fifteen percent) of the issued NWK Shares in order to exercise his right and needed to have been invited by the Board of Directors as depicted above to participate in such manner.

The provisions of the NWK Memorandum of Incorporation are set out in such a manner that the positions of the 8 (eight) non-executive Directors of NWK Holdings and the managing director have to be filled at all times.

DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The central responsibility of the Board is to ensure the positive performance of the Company in its quest to add value. The result is that the Board of Directors is responsible for the following matters:

APPOINTMENT OF DIRECTORS, THE COMPANY SECRETARY AND THE PRESCRIBED OFFICERS

The Board appoints persons from time to time to serve as non-executive Directors and prescribed officers. The Board also appoints persons to serve on the boards of entities in which the Company has an interest, including subsidiaries, joint ventures and associate entities. The directors of wholly-owned subsidiaries are appointed at the annual general meetings of these subsidiaries. The boards of directors of subsidiaries in which non-controlling shareholders hold a significant interest, joint ventures and associate entities are composed in terms of the provisions of the relevant entity's Memorandum of Incorporation and, where applicable, the provisions of the shareholder agreements concerned. The Board must identify suitable persons with the necessary knowledge, experience, competence and capabilities and it is its duty to ensure that such persons are not disqualified to serve as a director or prescribed officer. The Board ensures in cooperation with the Company Secretary that the appointment of directors and the prescribed officers is carried out in accordance with the prescribed procedure. The Memorandum of Incorporation requires the Board to appoint a competent Company Secretary to assist the Directors with the execution of their duties and the discharge of their responsibilities. The Board is aware of the legally prescribed duties and responsibilities of a Company Secretary and is of the opinion that the Company Secretary fulfils a key function in the corporate governance process. Therefore, all the appropriate powers have been delegated to the Company Secretary to enable him to perform his duties effectively and meet his responsibilities.

STRATEGY, RISKS AND PERFORMANCE

The Board accepts that strategy, risks, performance and sustainability are inseparable; hence the Board plays an active role in the development of short- and long-term strategies. The Board of Directors determines the strategy of the Company and controls its implementation, hence it is its responsibility to ensure that the strategy is in line with the objectives of the Company, that it meets the expectations of its Shareholders and leads to sustainable results.

Management prepares budgets for the operational, investment and financing activities of the Company and regularly reports to the Board on the financial position of the Company, its financial and other performances, financial and operating risks, and other sustainability matters. The Board uses these budgets and reports to continually appraise the position and the achievements of the Company. The Board of Directors is responsible for managing the potential events that may influence the Company adversely. In terms of this responsibility it is the duty of the board to determine the Company's risk appetite and to ensure that a risk management plan is developed and maintained. Although the responsibility for the development, implementation and assessment of the risk management plan has been delegated to management, the Board approves the risk management policy and plan and it is its responsibility to ensure that the risk management plan is formally documented, that the appropriateness and the effectiveness of the risk management plan are assessed continually, that the implementation of and the adherence to the risk management policy and plan are constantly monitored, that risk analyses are done on an ongoing basis and that risks are managed within the allowable parameters.

ETHICS

It is the responsibility of the Board of Directors to ensure that ethics are effectively managed, that an ethical corporate culture is entrenched and that the moral values of the Company that guide its relationship with its stakeholders are identified and articulated.

The Board of Directors ensures that management develops, implements and upholds an ethics management process and that ethics are being integrated with the mission, vision, strategy, goals, policy, procedures and activities of the Company by means of this process. It also has to include a code of conduct and an ethics-related policy with guidelines for specific issues, a risk-reward profile, as well as the assessment, monitoring, reporting and disclosure of the Company's ethics achievements

CONFLICTING INTERESTS, INSIDER KNOWLEDGE AND COMPETITION

The vast majority of the non-executive Directors are associated with the agricultural sector. Consequently, several credit agreements, grain delivery and grain storage contracts as well as grain and trade transactions are concluded on a direct and an indirect basis between these Directors and the NWK Group. The Board of Directors is responsible for managing the potential conflict of interests.

The Memorandum of Incorporation stipulates that Directors must disclose their interests in contracts, the Company's issued Shares and Share transactions and that a Director may not vote on resolutions regarding contracts or transactions in which he has interests. Directors must also disclose interests in contracts with any holding company, subsidiary or associated company of the NWK Group as if such an interest in a contract is with the Company itself.

A register of interests is available for inspection at every Board meeting, and the charter of the Board requires Directors to declare all their interests to the Company Secretary in writing and in the prescribed format as soon as possible. The Board expects Directors to recuse themselves from the discussion of matters where conflicting interests arise. If not, it is the duty of the chairman of the Board ("Chairman") to request the members concerned to recuse themselves. The Chairman is authorised to ask these members to give input before they are recused if he is of the opinion that the members have specific information on the matter under discussion.

Directors are constantly reminded that they fill a confidential position and hence they may not use their office as Directors or any knowledge gained in the execution of their office for personal gain, or to benefit any external party or to the detriment of the Company. In terms of the provisions of the Memorandum of Incorporation a person is disqualified from being appointed or acting as a Director if he conducts, manages or has a direct interest in any ventures or business practice of which the nature of the venture or business practice is in the opinion of the Board in competition with NWK, its subsidiaries or associates. The Board is responsible for managing the potential competition between Directors and the Company, its subsidiaries or joint ventures. Consequently, guidelines are included in the charter for the Board of Directors to assist the Board in identifying and monitoring possible competition between a Director and the Company. These guidelines take into account the nature and extent of the knowledge that the Director obtains in the execution of the office, the nature and extent of the business activities in which the Director is involved, the nature and extent of the Director's interest in the business activities, the ability or potential of the business activities to deprive the Company, its subsidiaries or joint ventures of existing or potential business, and the potential influence of the business activities on the Company, its Shareholders and staff.

The Board takes into account possible competition with the Company when assessing the prospective Directors. The circumstances of a member may change such after his election as a Director that they influence his independence and relationship with the Company. The charter for the Board of Directors requires that members declare these circumstances in writing to the Company Secretary as soon as possible. Over and above their directorships in entities in which the Company has an interest, the non-executive Directors appointed by the Company may hold directorships in other entities in the NWK Group and various private enterprises. A register of these directorships is kept up to date and is available for inspection by the Directors.

REMUNERATION OF DIRECTORS, PRESCRIBED OFFICERS AND STAFF

The Board determines the remuneration of the Directors, the members of management and the Company Secretary, as well as general adjustments in the remuneration of staff within the NWK Group. It is the duty of the Board to develop a remuneration policy and to ensure that the policy supports the long-term strategy and goals of the Company and leads to the fair and responsible remuneration of Directors, prescribed officers and staff. Such a policy must also lead to the recruitment and retention of expert Directors, prescribed officers and staff, must comply with the acts of the country where business is conducted and the principles of good corporate governance, communication channels and sound labour practices and it must link variable remuneration to clearly defined and understandable goals. A sound balance between fixed and variable remuneration must be prescribed by the remuneration policy to prevent the Company from being exposed to the risks related to variable remuneration that is proportionately too wide. In terms of the Memorandum of Incorporation, the Company may pay remuneration to the Directors for their services as Directors in accordance with a special resolution approved by the Shareholders.

INFORMATION TECHNOLOGY

Information and communication technology have a key function in the activities of the NWK Group and consequently the Board has to ensure that information technology is properly managed, forms part of business processes and is in line with the goals and the sustainability strategy of the Company. Although the responsibility for the development, the implementation and the maintenance of an information technology framework has been delegated to management, it is the duty of the Board to assess and approve material investments in information technology and information technology expenses, ensure that information technology forms part of the risk management plan, and that immaterial property contained in information technology is protected.

COMPLIANCE WITH THE LAW

The Company is committed to conducting its business without contravening the acts and regulations of the jurisdictions in which it runs its business. The Board of Directors is responsible for developing and maintaining an effective framework that will ensure adherence to legal provisions and regulations and it is its duty to ensure that the risk of breaching the law forms part of the risk management plan.

INTERNAL AUDIT FUNCTION

The Board of Directors is responsible for establishing and maintaining an internal audit function that acts independently from management, has the necessary resources, budget and expertise, is effective and follows a risk-based audit approach. The internal audit function reports to the audit and risk committee and carries out its duties in terms of a formal charter, which has been approved by the Board of Directors. The internal audit function, comprising the NWK Group Manager: Internal Audit and a number of internal auditors, analyses and assesses the corporate governance processes, the business and the risk management processes, as well as the accompanying control measures and the internal financial control system. The internal audit function investigates allegations of fraud, corruption, unethical conduct and irregularities received from external and internal information sources. It is the duty of the internal audit function to report annually in writing to the audit and risk committee on the appropriateness and the effectiveness of the risk management process and the internal financial control system.

Although the NWK Group Manager: Internal Audit reports to the audit and risk committee with regard to this audit function, control over administrative matters is for practical reasons handled by the managing director.

The Board is of the opinion that the internal audit function acts independently of management and has the necessary resources, budget and expertise to carry out its activities effectively.

INTEGRATED REPORTING

Mutual trust between the Company and its Shareholders is of the utmost importance. The Directors recognise the value of transparent communication with Shareholders and other stakeholders in this regard and support the principle of triple bottom line reporting, that is, economic, social and environmental reporting. Consequently, the Board of Directors presents the separate and the consolidated annual financial statements, the Directors' report and the sustainability information in one integrated report.

The Board of Directors is responsible for the integrated report. In terms of this responsibility it is the duty of the Board of Directors to ensure that the separate and the consolidated annual financial statements fairly present the financial position and performances of the Company, are complete and accurate, comply with the provisions of the Companies Act and have been prepared in accordance with the prescriptions of IFRS, and that the Directors' report and the sustainability information contain a proper discussion of the business of the Company, its sustainability matters, objectives, achievements and corporate governance. When preparing financial statements, the Directors scrutinise and assess the going concern principle, the effectiveness of the internal financial control system, the appropriateness of the accounting policies and estimates, assumptions and reporting decisions of management.

FUNCTIONING OF THE BOARD

Although the Memorandum of Incorporation is not prescriptive in this regard, the Directors meet at least 5 (five) times a year to do strategic planning, set and monitor objectives, authorise the material acquisition or disposal of assets, and to discuss the financial position, achievements and business of the Company, financial and operating risks, economic and agricultural conditions, staff matters, social responsibilities, corporate image and general sustainability matters. The Board expects the Directors to attend the Board meetings, be thoroughly prepared, take part in the discussions frankly and constructively and apply their specific knowledge, experience, competence and capabilities for the benefit of the Company.

The Company Secretary assists the Directors with the scheduling, planning and organising of Board meetings and it is his duty to ensure that discussion documents are duly compiled and that meetings are fully minuted. The Company Secretary uses the electronic media and, if circumstances dictate, internal and external courier services to circulate to the Directors the agendas, minutes, reports and other information that the Board of Directors needs in the execution of its duties. Between meetings the Directors communicate electronically with one another to discuss urgent matters.

The General Manager: Strategic Projects and the General Manager: Grain in their capacity as members of management and directors of subsidiaries have a standing invitation to attend the Board of Directors' meetings. Over against that, the Board of Directors, at its discretion, invites prescribed officers, staff and independent experts to attend the meetings in an advisory capacity.

The Board meetings of the Company and its wholly-owned subsidiaries are mostly held simultaneously for the sake of broad consultation and with the idea of striving for consensus. Although the Boards of the Company and its subsidiaries mostly meet jointly, the respective Boards may schedule separate meetings if any of such Boards are of the opinion that a matter must be dealt with at a separate meeting. The Board of Directors expects the directors of subsidiaries to act in the subsidiary's best interests when dealing with the subsidiary's business, irrespective of whether the Board of Directors' meetings of the Company and its subsidiaries are held jointly or separately.

QUORUM

At any Board meeting the majority of the Directors form a quorum. At any board meeting of the wholly-owned subsidiaries 2 (two) directors form a quorum if 2 (two) or 3 (three) directors serve on the board. In cases where 4 (four) or more directors have been appointed at a wholly-owned subsidiary, 3 (three) directors form a quorum.

THE CHAIRMAN'S DUTIES

The Chairman of the Board provides general guidance to the Board and is responsible for ensuring the integrity and effectiveness of the Board. The Chairman leads the Board meetings, determines and formulates (in cooperation with the managing director and the group Company Secretary) the annual working plan, is actively involved in compiling agendas for the Board meetings and ensures that appropriate, reliable and comprehensive information is submitted to the Directors timeously, that Board meetings proceed in an orderly manner and that time is used effectively. It is the duty of the Chairman to manage potential conflicts of interest and ensure that Board decisions are carried out.

The Chairman represents the Board to the Shareholders of the Company, leads annual general meetings, acts as liaison between the Board and management and discusses important matters on the agendas of Board meetings with the managing director, the financial director, the Company Secretary, and if circumstances require, the chairmen of the various Board committees beforehand. The Chairman is always available as adviser and consultant, encourages individual Directors to participate in Board discussions, ensures that the Directors play an active role in the affairs of the Company, monitors the functioning of the Board and leads the annual performance appraisals of Directors. The Chairman, via the nomination committee, is actively involved in the appointment or the dismissal of Directors and ensures that the Directors are trained in the responsibilities and duties of a Director.

DUTIES OF THE MANAGING DIRECTOR (in relation to NWK)

Management is responsible for the day-to-day management of NWK. In his capacity, as chief executive officer, the managing director of NWK is responsible and accountable for the operational activities and the achievements of NWK. The Board expects the managing director to manage the operations of NWK in a competent and expert manner, pursue the financial and operational objectives of NWK, provide guidance with effective and ethical leadership, provide inputs on the composition and appointment of the management team, act as chief spokesman of NWK and create a corporate climate in which ethical actions and personal integrity are encouraged and developed. It is the managing director's duty to develop strategy and submit it to the Board for approval, prepare business plans and budgets that support the objectives and the strategy of NWK and lead to sustainable results, establish the organisational structure that NWK needs to carry out its objectives and strategy, measure the achievements of NWK and report to the Board accordingly, and to ensure that NWK complies with the applicable legislation and accepted principles of corporate governance.

PERFORMANCE APPRAISAL

The Board annually appraises the composition and effectiveness of the Board and the appropriateness of its charter, the composition and effectiveness of the Board committees and the appropriateness of their charters, as well as the achievements of the individual Directors, including the Chairman in his capacity as Chairman. The Chairman recuses himself during the discussion of his achievements. In the performance appraisal of the Directors the achievements of the managing director and the other executive Directors are assessed separately from their achievements as executives. The Board of Directors expects the respective Board committees to assess their composition and effectiveness, the appropriateness of their charters, as well as the achievements of the committee members and to report to the Board in this regard annually. In the case of the Board of Directors the assessment is performed under the guidance of the Chairman of the Board and in the case of the Board committees, the Chairman of the relevant committee.

DELEGATING POWERS

The Board is responsible for managing the Company in accordance with accepted principles of corporate governance. To enable NWK management to carry out its day-to-day tasks in relation to the NWK Group, the necessary powers and responsibilities have been delegated to NWK management, members of NWK management, the Company Secretary and staff. The delegation of powers takes the provisions of the Memorandum of Incorporation, applicable legislation, accepted principles of corporate governance as well as financial and operating risks into account, is fully documented and reviewed on a regular basis. Although the Board has delegated certain responsibilities, the ultimate responsibility and accountability remain with the Board. To ensure that the Board retains effective control, strategic and policy matters have been reserved for approval by the Board.

MATTERS RESERVED FOR APPROVAL BY THE BOARD OF DIRECTORS

The following matters are reserved for the approval by the Board of Directors:

- Company objectives;
- short- and long-term strategy;
- the charters of the Board and the Board committees;
- the charter of the internal audit function;
- dividend distributions;
- policy matters;
- capital and operating budgets, with the accompanying return requirements;
- acquisitions by way of business combinations;
- the acquisition or disposal of property and other significant non-financial assets;
- agreements with financial institutions;
- the appointment, replacement or dismissal of the executive Directors, members of management and the Company Secretary;
- the remuneration of the Directors, members of management, the Company Secretary and staff;
- significant maintenance costs and information technology expenses;
- the writing-off of unrecoverable financial assets;
- the presentation of financial information; and
- the solvency and liquidity test.

BOARD COMMITTEES *(in relation to the NWK Group)*

To assist the Board in meeting its responsibilities and carrying out its duties, the Board has delegated certain powers, duties and responsibilities to committees, without relinquishing its responsibility. The duties and responsibilities of the committees were determined by the Board with due consideration of the provisions of the Companies Act, the needs of the Company and accepted principles of good corporate governance. Each of the committees below reports to the Board and carries out its duties and responsibilities in terms of a formal charter that has been approved by the Board. The committees have free access to the Chairman of the Board and are authorised to consult independent experts at the Company's expense, compel the Directors, the prescribed officers and the staff to provide the information that the committee needs in the execution of its duties or advise the committee on matters, and require accountability from management on the matters within the scope of the committee's responsibilities.

Audit and risk committee

The Board has delegated the responsibility for screening the appointment of the external auditor, ensuring the independence of the external and the internal auditor, checking the integrity and the completeness of the financial statements, the Directors' report and the sustainability information, assessing the effectiveness of the external and the internal audit functions and the applicability and effectiveness of the corporate governance process, the risk management process, the accounting policy and practices and the internal financial control system to the audit and risk committee.

The audit and risk committee consists of a number of non-executive Directors who are annually appointed by the Shareholders at the annual general meeting. The Board annually appoints the chairperson of the audit and risk committee from the ranks of the members of the committee. In terms of provisions of the charter of the Board, the Chairman of the Board and the executive Directors may not be elected as members of the committee. The composition, powers, duties, responsibilities and activities of the committee are fully discussed in the audit and risk committee's report.

Nomination committee

The nomination committee was appointed by the Board to pre-assess the knowledge, experience, competence, abilities and integrity of prospective Directors, nominate suitable persons for appointment as independent non-executive Directors, executive Directors, Company Secretary and members of management, Directors for appointment in the other Board committees and identify suitable persons for appointment as directors of the subsidiaries, the joint ventures, the associated and other entities in which the Company has an interest. As part of this responsibility, it is the duty of this committee to ensure that the prospective Director is not disqualified to serve as a Director in terms of legislation or the memorandum of incorporation, and establish a formal and transparent procedure in terms of which prospective Directors are identified, assessed and appointed and to present the appointment of Directors to the Shareholders. The Board tasked the nomination committee to assess the composition and the functioning of the Board, the composition and the effectiveness of the Board committees and the achievements of the individual Directors, and to advise the Board in this regard.

The nomination committee, comprising a number of non-executive Directors appointed annually by the Board and the managing director, meets at least once a year. The Board annually appoints the chairperson of the committee from the ranks of the elected members. In terms of the provisions of the charter of the committee, a non-executive Director must be appointed as chairman of the committee.

Social and ethics committee

The Board tasked the social and ethics committee to assess the Company's actions with regard to its social and economic development, corporate citizenship, environmental management, health and public safety, relationship with consumers, labour relations and employment. The social and ethics committee comprises a number of non-executive Directors who are annually appointed by the Shareholders at the annual general meeting, and the managing director. The Board annually appoints the chairman of the committee from the ranks of the elected members. In terms of the provisions of the charter of the committee, a non-executive Director must be appointed as chairman of the committee and the Chairman of the Board may not be elected as a member of the committee. The composition, powers, duties, responsibilities and activities of the committee are fully detailed in the report of the social and ethics committee.

Remuneration committee

The remuneration committee should assess the remuneration philosophy and policy, scrutinise the remuneration and the conditions of service of the Directors, the Company Secretary, members of management and the staff and advise the Board in this regard. As part of this responsibility it is the committee's duty to create a procedure in terms of which the basis upon which the Board determines the remuneration of the Directors is presented to the Shareholders for approval at least every second year and prepares the presentation or supervises its preparation. The committee ensures that the remuneration and the contracts of employment of the Directors and the prescribed officers are disclosed in the integrated report in accordance with the provisions of the Companies Act, IFRS and accepted principles of corporate governance and that management develops, documents and implements a remuneration policy that supports the long-term strategy and goals of the Company and checks its appropriateness, effectiveness and adherence. The remuneration committee, comprising a number of non-executive Directors appointed annually by the Board, and the managing director meets at least once a year. The Board annually appoints the chairman of the committee from the ranks of the elected members. In terms of the provisions of the charter of the committee, a non-executive Director must be appointed as chairman of the committee.

