



BEHEREND BEPERK • HOLDINGS LIMITED

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

("NWK Holdings" or "the Company")

NOTICE OF 2019 ANNUAL GENERAL MEETING OF NWK HOLDINGS SHAREHOLDERS, ODD-LOT OFFER DECLARATION ANNOUNCEMENT AND DISTRIBUTION OF CIRCULAR TO SHAREHOLDERS

1. NOTICE OF 2019 ANNUAL GENERAL MEETING OF NWK HOLDINGS SHAREHOLDERS:

- 1.1. Shareholders are hereby advised that NWK Holdings' notice of annual general meeting, incorporating the abridged financial statements for the year ended 30 April 2019 (compiled from the audited annual financial statements published on the 4AX News Service on Friday, 26 July 2019), was dispatched to shareholders on Friday, 02 August 2019 ("**the 2019 Annual Report**"). The 2019 Annual Report, as well as the full audited annual financial statements for the year ended 30 April 2019 are also available for download from the Company's website (www.nwk.co.za).
- 1.2. Further to the distribution of the 2019 Annual Report, notice is hereby given to the shareholders of NWK Holdings that the 2019 annual general meeting of the shareholders of NWK Holdings will be held at the NWK Limited Training Centre, situated on the corner of Nelson Mandela Avenue and Daniël Street, Lichtenburg, North West on **Monday, 09 September 2019**, at 14:00 (or at any adjournment or postponement thereof), for purposes of transacting the formal business as set out in the notice of annual general meeting agenda forming part of the 2019 Annual Report.
- 1.3. The date on which shareholders must be recorded as such in the share register of the Company to be eligible to receive the 2019 Annual Report and notice of annual general meeting is Friday, 26 July 2019, being the notice record date set by the NWK Holdings board of directors ("**NWK Holdings Board**") in terms of section 59 of the Companies Act, No 71 of 2008, as amended ("**the Companies Act**").
- 1.4. The date on which shareholders must be recorded as such in the share register of the Company to be eligible to attend and vote at the annual general meeting is **Friday, 30 August 2019**, being the voting record date set by the NWK Holdings Board in terms of section 59 of the Companies Act.

2. ODD-LOT OFFER DECLARATION ANNOUNCEMENT AND DISTRIBUTION OF CIRCULAR TO SHAREHOLDERS

2.1. Introduction and rationale

- 2.1.1. The shareholding base within NWK Holdings is currently comprised of a large number of ordinary shareholders who hold shareholding-lots of 1 or more but less than 1 000 ordinary shares ("**Odd-lot Holding**") ("**Odd-lot Holders**"). The NWK Holdings Board wishes to make an odd-lot offer ("**Odd-lot Offer**") to Odd-lot Holders, in order to reduce the ongoing administrative costs associated with having a large number of shareholders who collectively hold a small percentage of ordinary shares.
- 2.1.2. Additionally, the Odd-lot Offer will facilitate an inexpensive method for minority shareholders in NWK Holdings to realise their investment whereby they receive an Odd-lot Offer price ("**Offer Price**"), without having to incur any transaction costs.

2.2. Salient terms of the Odd-lot Offer

2.2.1. The Odd-lot Offer shall be made to Odd-lot Holders allowing Odd-lot Holders to either:

2.2.1.1. sell their Odd-lot Holdings to NWK Holdings at the Offer Price per share; or

2.2.1.2. retain their Odd-lot Holdings.

2.2.2. If Odd-lot Holders wish to retain their shareholding, they have to specifically make this election by completing and returning the form of election and surrender accompanying the NWK Holdings Odd-lot Circular (referred to in paragraph 2.3 below).

2.2.3. Those Odd-lot Holders who do not make an election will automatically be regarded as having accepted the Odd-lot Offer.

2.2.4. Offer Price:

The Offer Price shall be R2.96774 per share which is equal to the 3-month volume-weighted average traded price of NWK Holdings' shares, as at the last practicable date being 26 July 2019.

2.3. Distribution of Odd-lot circular and shareholder resolutions authorising the Odd-lot Offer

2.3.1. Shareholders are advised that a circular (incorporating a form of election and surrender) containing the salient information relating to the Odd-lot Offer ("**Odd-lot Circular**"), was distributed together with the 2019 Annual Report referred to in paragraph 1.1 above. The Odd-lot Circular is also available for download from the Company's website (www.nwk.co.za).

2.3.2. Shareholders should note that in terms of the 4AX Listing Requirements, the Odd-lot Offer is subject to the approval by shareholders by way of an ordinary resolution and that, to the extent that the Company has a controlling shareholder, such controlling shareholder will be precluded from voting on the said resolution (however may be taken into consideration for purposes of establishing a quorum).

2.3.3. The shareholder resolutions authorising the Odd-lot Offer have been incorporated in NWK Holdings' notice of annual general meeting forming part of the 2019 Annual Report.

2.4. Important dates and times applicable to the Odd-lot Offer

The important dates and times relating to the Odd-lot Offer is contained in the timetable below:

ACTION/EVENT	2019
Record date to determine which shareholders are entitled to receive the Odd-lot Circular on	Friday, 26 July
Publication of the Odd-lot Offer declaration announcement on the 4AX News Service on	Friday, 02 August
2019 Annual Report, incorporating the Odd-lot Circular and notice of annual general meeting distributed to shareholders on	Friday, 02 August
Public holiday	Friday, 09 August
Record date to determine which shareholders will be entitled to attend and vote at the annual general meeting on	Friday, 30 August
For administrative purposes, the date by when forms of proxy must be returned to the Company and/or 4AX Registry, by 14:00 on	Thursday, 05 September
NWK Holdings' Annual General Meeting held at 14:00 on	Monday, 09 September
Results of the NWK Holdings annual general meeting, including the finalisation announcement in relation to the Odd-lot Offer published on the 4AX News Service on	Monday, 09 September
Odd-lot Offer opens at the commencement of trade on	Tuesday, 10 September

Last day to trade in order to be recorded in the securities register on the Odd-lot Offer record date Friday, 20 September

Record date for the Odd-lot Offer (to determine the Odd-lot Holders who will participate in the Odd-lot Offer) on Friday, 20 September

Odd-lot Offer closes by closing of trade on Friday, 20 September

Forms of election and surrender to be received by the Company and/or 4AX Registry by 12:00 on Monday, 23 September

Shares commence trading “ex” the Odd-lot Offer on Monday, 23 September

Public holiday Tuesday, 24 September

Results of the Odd-lot Offer published on the 4AX News Service on Thursday, 26 September

Settlement date of the Odd-lot Offer Price by NWK Holdings on Thursday, 26 September

Notes:

1. The dates and times set out in the timetable above are subject to amendment. To the extent that there should be an amendment, details thereof will be published on the 4AX News Service.
2. All dates and times are local times in South Africa.
3. Odd-lot holders are entitled in terms of the Odd-lot Offer to either:
 - a. retain their Odd-lot Holdings; or
 - b. sell their Odd-lot Holdings to the Company.

ODD-LOT HOLDERS WHO WANTS TO RETAIN THEIR ODD-LOT HOLDINGS WILL HAVE TO SPECIFICALLY ELECT THIS BY COMPLETING AND RETURNING THE FORM OF ELECTION AND SURRENDER FORMING PART OF THE ODD-LOT CIRCULAR.

IN THE ABSENCE OF ANY ELECTION BEING MADE BY ODD-LOT HOLDERS, IT WILL AUTOMATICALLY BE REGARDED BY THE COMPANY THAT SUCH ODD-LOT HOLDERS HAVE ELECTED TO PARTICIPATE IN THE ODD-LOT OFFER AND SELL THEIR ODD-LOT HOLDINGS TO THE COMPANY FOR THE OFFER PRICE.

4. Odd-lot Holders who sold their Odd-lot Holdings in terms of the Odd-lot Offer will have their registry accounts with 4AX Registry credited with the cash consideration on the settlement date. To the extent that such Odd-lot Holders:
 - a. have already opened a share trading account with an authorised user of 4AX, the Odd-lot Holders can instruct their authorised user to withdraw their funds via their share trading account; or
 - b. have not yet opened a share trading account with an authorised user, they are encouraged to do so as soon as possible, as they would not be able to access their funds without a share trading account;
 - c. Currently A-Trade Proprietary Limited (“**A-Trade**”) is the only approved authorised user of 4AX and shareholders who have not yet opened a share trading account can do so in any of the following ways:

By registering and opening an account online	By submitting an emailed request for an A-Trade representative to contact you
By accessing the following link https://platform.atrade.co.za/page, Guest.Register.OpenAccount	Requests can be emailed to general@atrade.co.za , following which an A-Trade representative will contact you to assist in the opening of an account

5. If you are in any doubt as to how to exercise your shareholder rights, please contact NWK’s Secretariat at 018 633 1158 (Please note that NWK’s Secretariat cannot extend financial advice and can only assist with said administration – should you seek financial advice please contact your broker, auditor, attorney or personal financial advisor). Alternatively, Shareholders can contact 4AX Registry.

2.5. Odd-lot Offer transaction costs

2.5.1. Odd-lot Holders will not have to bear any transaction costs in relation to the Odd-lot Offer.

2.5.2. The transfer costs of Odd-lot Holders who sell their Odd-lot Holdings to NWK Holdings will be borne by the Company.

2.5.3. NWK Holdings, by proposing the Odd-lot Offer, is therefore making it possible for the Odd-lot Holders who wish to dispose of their shareholding to do so in a cost-effective manner.

2.6. Tax implications

The summary below is only applicable to Odd-lot Holders that are subject to South African tax legislation whose receipts and accruals are not otherwise exempt from income tax. It is a general

guide and is not intended to constitute a complete analysis of the tax consequences of the Odd-lot Offer in terms of South African tax law.

This summary neither purports to constitute tax advice in any form whatsoever, nor does it intend to deal with the tax position of any specific Odd-lot Holder. This summary is therefore intended solely to draw the Odd-lot Holders' attention to certain key aspects of the tax legislation that may be relevant to them pursuant to the Odd-lot Offer. Neither NWK Holdings, NWK, Pallidus Capital and/or 4AX and their directors, employees, advisers and/or associates can be held liable and/or responsible for the tax consequences of the Odd-lot Offer.

Odd-lot Holders should seek advice from their professional advisors if they are in any doubt about their tax position. They should also confirm how the general comments below apply to their specific personal circumstances and, in particular, ascertain whether there are any additional or exceptional tax consequences which could apply to them.

- 2.6.1. The first R1.00 per NWK Holdings Odd-lot Offer share repurchased by the Company will be distributed as a "*return of capital*" by NWK Holdings and is accordingly paid out of the Company's contributed tax capital ("**CTC**") as defined in section 1 of the Income Tax Act, No.58 of 1962 as amended from time to time ("**Income Tax Act**"). The cash consideration paid from CTC will not be regarded as a "*dividend*" for South African tax purposes but as proceeds on the disposal of Odd-lot Holdings.
- 2.6.2. The cash consideration received from CTC will constitute "*income*" or "*proceeds*" on the disposal of the Odd-lot Holding and the difference between such amount and the expenditure attributable to the Odd-lot Holding, will either be subject to normal tax or capital gains tax depending on the personal circumstances of the Odd-lot Holder.
- 2.6.3. The tax base cost for Odd-lot Holders who acquired their Odd-lot Holding on the exchange operated by 4AX will be equal to the expenditure incurred on acquiring such Odd-lot Holding.
- 2.6.4. The balance of the cash consideration not payable from CTC to Odd-lot Holders will constitute a "*dividend*" as defined in section 1 of the Income Tax Act. This applies to resident and non-resident shareholders.
 - 2.6.4.1. the gross dividend amount to be used in determining the dividend tax is 196.774 cents per NWK Holdings share;
- 2.6.5. The balance of the cash consideration not payable from CTC will give rise to a liability for dividends tax at the applicable rate, currently being 20%, in accordance with the Income Tax Act in the event that any Odd-lot Holder does not qualify for an exemption from dividends tax.
 - 2.6.5.1. the dividend tax to be withheld by the Company is equal to 39.3548 cents per NWK Holdings share;
 - 2.6.5.2. the net local dividend amount is 157.4192 cents per NWK Holdings share for shareholders not exempt from dividends tax;
- 2.6.6. In the event that any Odd-lot Holder does not qualify for an exemption from dividends tax, NWK Holdings will withhold the relevant portion from the cash consideration in relation to a particular Odd-lot Holder in order to make payment of such liability for dividends tax.
- 2.6.7. The net local dividend amount is 196.774 cents per NWK share for shareholders exempt from dividends tax.

Lichtenburg
02 August 2019

4AX ISSUER AGENT:
Pallidus Capital Proprietary Limited