



BEHEREND BEPERK • HOLDINGS LIMITED

**NWK HOLDINGS LIMITED**

(Incorporated in the Republic of South Africa)

Registration Number: 1998/007243/06

4AX Share Code: 4ANWKH

ISIN: ZAE400000028

(“NWK Holdings”)



**NWK LIMITED**

(Incorporated in the Republic of South Africa)

Registration Number: 1998/007577/06

4AX Share Code: 4ANWK

ISIN: ZAE400000010

(“NWK”)

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**JOINT ANNOUNCEMENT:**

**NOTICE TO SHAREHOLDERS IN TERMS OF SECTION 45(5) OF THE COMPANIES ACT, NO 71 OF 2008, AS AMENDED, CONFIRMATION OF UNCONDITIONALITY OF THE GRINDROD SALE, NOTIFICATION OF MAJOR INTEREST IN NWK'S ORDINARY SHARES AND RESIGNATION FROM THE NWK BOARD OF DIRECTORS**

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*Save to the extent specifically stated otherwise herein, capitalised terms in this joint announcement shall bear the corresponding meanings as ascribed to such terms in:*

- *the Grindrod Sale terms joint announcement published by NWK Holdings and NWK (“the Companies”) on Monday, 02 September 2019 (“Grindrod Sale Announcement”);*
- *the joint shareholder update announcement published by the Companies on Wednesday, 04 September 2019 (“Shareholder Update Announcement”); and*
- *the joint further shareholder update announcement published by the Companies on Tuesday, 10 September 2019 (“Further Shareholder Updated Announcement”).*

**1. NOTIFICATION IN TERMS OF SECTION 45(5) OF THE COMPANIES ACT, NO 71 OF 2008, AS AMENDED (“the Companies Act”)**

**1.1. Notification in terms of section 45(5) of the Companies Act to NWK Shareholders:**

1.1.1. In accordance with section 45(5) of the Companies Act, shareholders of NWK (“NWK Shareholders”) are hereby advised that, pursuant to the approval by NWK Shareholders of the NWK Sections 44 and 45 Financial Assistance Authority and pursuant further to the authorisation by the NWK Board of the NWK Loan to NWK Holdings for purposes of the Grindrod Sale, NWK and NWK Holdings have consequently entered into a formal loan agreement (“NWK Loan Agreement”), pursuant to which the NWK Loan, amounting to R206 390 095.19 (two hundred and six million three hundred ninety thousand and ninety-five Rand and nineteen cents), was advanced in full to NWK Holdings.

1.1.2. NWK Shareholders should note that the NWK Loan, in aggregate, exceeds one-tenth of one percent of NWK's net worth at the date of adoption of the NWK Board resolution (being 09 September 2019). In accordance with section 45(3)(b) of the Companies Act, the NWK Board is satisfied that:

- immediately after providing the NWK Loan to NWK Holdings, NWK would satisfy the solvency and liquidity test as set out in section 4 of the Companies Act; and
- the terms upon which the NWK Loan is given to NWK Holdings under the NWK Board resolution and NWK Loan Agreement are fair and reasonable to NWK.

1.1.3. In accordance with section 45(5) of the Companies Act, NWK will deliver a copy of this announcement to the trade unions representing NWK's employees.

**1.2. Notification in terms of section 45(5) of the Companies Act to NWK Holdings Shareholders:**

1.2.1. In accordance with section 45(5) of the Companies Act, shareholders of NWK Holdings ("**NWK Holdings Shareholders**") are hereby advised that, pursuant to the approval by NWK Holdings Shareholders of the NWK Holdings Sections 44 and 45 Financial Assistance Authority and pursuant further to the authorisation by the NWK Holdings Board of the NWK Holdings Security in respect of the NWK Loan for purposes of the Grindrod Sale, NWK and NWK Holdings have consequently entered into a formal cession and pledge agreement ("**NWK Holdings Cession and Pledge Agreement**"), in terms of which NWK Holdings ceded and pledged 40 595 822 (forty million five hundred ninety-five thousand eight hundred and twenty-two) NWK ordinary shares to NWK as security for the NWK Loan.

1.2.2. NWK Holdings Shareholders should note that the NWK Holdings Security, in aggregate, exceeds one-tenth of one percent of NWK Holdings' net worth at the date of adoption of the NWK Holdings Board resolution (being 09 September 2019). In accordance with section 45(3)(b) of the Companies Act, the NWK Holdings Board is satisfied that:

- immediately after providing the NWK Holdings Security to NWK, NWK Holdings would satisfy the solvency and liquidity test as set out in section 4 of the Companies Act; and
- the terms upon which the NWK Holdings Security is given to NWK under the NWK Holdings Board resolution and NWK Holdings Cession and Pledge Agreement are fair and reasonable to NWK Holdings.

1.2.3. NWK Holdings Shareholders should further note that, NWK Holdings does not have any employees represented by a trade union.

**2. CONFIRMATION OF UNCONDITIONALITY OF THE GRINDROD SALE**

2.1. Shareholders of NWK Holdings and NWK (collectively referred to hereinafter as the "**Shareholders**") are referred to the Grindrod Sale Announcement, the Shareholder Update Announcement and the Further Shareholder Update Announcement detailing, *inter alia*, the Grindrod Sale.

2.2. Further to the publication of the aforementioned announcements, the NWK Holdings and NWK Boards are pleased to inform Shareholders that the Grindrod Sale has now become unconditional and has consequently, been implemented in accordance with its terms.

2.3. The NWK Holdings and NWK Boards wish to express their gratitude towards the companies' Shareholders for their support of the Grindrod Sale.

**3. NOTIFICATION OF MAJOR INTEREST IN NWK'S ORDINARY SHARES**

3.1. In accordance with section 122(3)(b) of the Companies Act, regulation 121(2)(b) of the Companies Regulations, 2011, promulgated pursuant to the Companies Act and paragraph 11.11 of the Listing Requirements ("**LRs**") of 4 Africa Exchange Proprietary Limited ("**4AX**"), Shareholders are hereby advised that NWK has received formal notification in the prescribed format from:

3.1.1. Grindrod, in respect of the disposal by Grindrod of securities in NWK (being the Grindrod Sale Shares) such that Grindrod now no longer holds any beneficial interest in the securities of NWK pursuant to the implementation of the Grindrod Sale; and

3.1.2. NWK Holdings, in respect of the acquisition by NWK Holdings of securities in NWK such that NWK Holdings now holds 79.45% of NWK's securities pursuant to the implementation of the Grindrod Sale.

3.2. As is required in terms of section 122(3)(a) of the Companies Act, NWK has filed the required notice with the Takeover Regulation Panel.

#### 4. RESIGNATION FROM THE NWK BOARD OF DIRECTORS

- 4.1. Pursuant to the implementation of the Grindrod Sale and in accordance with the Grindrod Sale of Shares Agreement, Shareholders are hereby advised in accordance with paragraph 11.23 of the 4AX LRs that, Mr Murray Grindrod ("**Murray**") has resigned as a non-executive director and as a member of the audit and risk committee of NWK, which resignation will become effective on the closing date of the Grindrod Sale, the closing date being today, 18 September 2019.
- 4.2. The NWK Board wishes to thank Murray for his valued contributions to NWK and the NWK Board during his tenure as a director of NWK and wish him well with his future endeavours.

Lichtenburg

18 September 2019

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**CORPORATE ADVISOR AND 4AX ISSUER AGENT:**

Pallidus Capital Proprietary Limited

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