

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 4 of this Circular apply *mutatis mutandis* throughout this Circular including this cover page.

If you are in any doubt as to the action you should take, please consult your CSDP, Broker, banker, attorney, accountant or other professional adviser.

Action required:

- This document is important and should be read with particular attention to page 2 entitled “Action required by ELB Shareholders”, which sets out the action required of them with regard to this Circular.
- If you have disposed of all your Shares in ELB, then this Circular should be forwarded to the purchaser to whom, or the Broker, agent or CSDP through whom, you disposed of your Shares.

ELB does not accept any responsibility and will not be held liable for any failure on the part of CSDPs or Brokers of Dematerialised Shareholders to notify such Shareholders of the information set out in this Circular.



ELB Group Limited

(Incorporated in the Republic of South Africa)

(Registration number: 1930/002553/06)

Share code: ELR

ISIN: ZAE000035101

(“ELB” or “the Company”)

CIRCULAR TO ELB SHAREHOLDERS

relating to:

- **the proposed Specific Repurchase by the ELB Share Incentive Trust of ELB Shares held by Specific Participants of the ELB Share Incentive Schemes;**
- **the proposed Specific Repurchase by the Company from the ELB Share Incentive Trust of any Excess Shares; and**

including:

- **a notice of a General Meeting; and**
- **a Form of Proxy for use by Certificated Shareholders and Own Name Dematerialised Shareholders only.**

Date of issue: 20 October 2017

Sponsor



Questco Corporate Advisory (Proprietary) Limited

This Circular is available in English only and copies may be obtained from the registered office of ELB or Questco during normal office hours from the date of issue hereof until the date of the General Meeting. An electronic copy of this Circular will be available on the Company’s website, www.elb.co.za from the issue date of the Circular.

CORPORATE INFORMATION

Directors

Executive

Anthony Garth Fletcher (*Chairman*)
Dr Stephen John Meijers (*Group CEO*)
Michael Craig Easter (*Group Financial Director*)
Peter John Blunden (*CEO – ELB Equipment*)
Mollo Victor Ramollo
Cornelius Johannes Smith (*Alternate*)

Independent Non-Executive

Theunis de Bruyn
Dr John Paul Herselman
Ian Alan Richard Thomson
Johannes Christiaan van Zyl

Company secretary and registered office

Elbex Proprietary Limited
14 Atlas Road
Anderbolt
Boksburg, 1459
(PO Box 565, Boksburg, 1460)

Sponsor

Questco Corporate Advisory Proprietary Limited
1st Floor, Yellowwood House,
Ballywoods Office Park
33 Ballyclare Drive, Bryanston, 2191

Transfer secretaries

Computershare Investor Services Proprietary Limited
2nd Floor, Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)

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ACTION REQUIRED BY ELB SHAREHOLDERS

If you are in any doubt as to what action to take, you should consult your CSDP, Broker, attorney or other professional adviser immediately.

A General Meeting will be held at 12:15 or directly after the ELB Annual General Meeting on Thursday, 23 November 2017 in the Boardroom of ELB Engineering Services Proprietary Limited at 345 Rivonia Road, Rivonia, Johannesburg, to consider, and if deemed fit, approve the Resolutions.

You should read this Circular carefully and decide how you wish to vote on the resolution to be proposed at the General Meeting. The notice convening the General Meeting is attached to and forms part of this Circular.

If you have Dematerialised your ELB Shares without Own Name Registration:

(a) Voting at the General Meeting

- (i) Your CSDP/Broker is obliged to contact you in the manner stipulated in the agreement concluded between you and your CSDP/Broker to ascertain how you wish to cast your vote at the General Meeting and thereafter to cast your vote in accordance with your instructions.
- (ii) If you have not been contacted, it would be advisable for you to contact your CSDP/Broker and furnish it with your voting instructions.
- (iii) If your CSDP/Broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the agreement concluded between you and your CSDP/Broker.
- (iv) You must NOT complete the attached Form of Proxy.

(b) Attendance and representation at the General Meeting

In accordance with the agreement between you and your CSDP/Broker, you must advise your CSDP/Broker if you wish to attend the General Meeting in person or if you wish to appoint a proxy to represent you thereat and your CSDP/Broker will issue the necessary letter of representation for you or your proxy to attend the General Meeting.

If you have not Dematerialised your ELB Shares or you have Dematerialised your ELB Shares with Own Name Registration:

(a) Voting, attendance and representation at the General Meeting

- (i) You may attend and vote at the General Meeting in person.
- (ii) Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached Form of Proxy in accordance with the instructions contained therein and returning it to the Transfer Secretaries to be received by no later than the commencement of the General Meeting.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 4 of this document have been used in the following table of important dates and times:

Event	2017
Record date as determined by the Board in accordance with Section 59 of the Companies Act for ELB Shareholders to be eligible to receive the Circular and notice of General Meeting	Friday, 13 October
Circular posted to ELB Shareholders and notice convening the General Meeting released on SENS	Friday, 20 October
Last day to trade in order to be eligible to vote at the General Meeting	Tuesday, 14 November
Record date in order to vote at the General Meeting	Friday, 17 November
Receipt of Forms of Proxy by 12:15 (note 3)	Tuesday, 21 November
General Meeting to be held in the boardroom of ELB Engineering Services Proprietary Limited at 345 Rivonia Road, Rivonia, Johannesburg at 12:15 or directly after the ELB Annual General Meeting	Thursday, 23 November
Results of the General Meeting released on SENS	Friday, 24 November

	2018
Determination of the Repurchase Price and execution of the Specific Repurchase	Tuesday, 20 March

Notes:

1. The above dates and times are subject to amendment and any amendment made will be released on SENS.
2. All times given are South African local times.
3. Forms of Proxy may also be handed to the Chairman at the commencement of the General Meeting.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless the context indicates otherwise, the words in the first column shall have the meanings assigned to them in the second column, the singular includes the plural and *vice versa*, an expression which denotes one gender includes the other gender, a natural person includes a juristic person and *vice versa*, and cognate expressions shall bear corresponding meanings:

“Act” or “Companies Act”	the Companies Act, No. 71 of 2008, as amended;
“Board” or “Directors”	the board of directors of ELB from time to time;
“BR Advertising”	the Company’s appointed publisher and printer;
“Broker”	any person registered as a “broking member (equities)” in terms of the Rules of the JSE made in accordance with the provisions of the Financial Markets Act, No. 19 of 2012;
“Certificated Shareholders”	Shareholders holding Shares represented by a paper share certificate or other physical document of title, which Shares have not been surrendered for Dematerialisation in terms of the Strate system and which may no longer be traded on the JSE;
“Circular” or “this document”	this bound document, dated 20 October 2017, which includes the notice of General Meeting and the Form of Proxy;
“CSDP”	Central Securities Depository Participant as defined in the Financial Markets Act, No. 19 of 2012 appointed by an individual shareholder for the purposes of, and in regard to the Dematerialisation of documents of title for the purposes of incorporation into Strate;
“Dematerialise” or “Dematerialisation”	the process by which securities held by Certificated Shareholders are converted or held in an electronic form as uncertificated securities and recorded in a sub-register of security holders maintained by a CSDP or Broker;
“Dematerialised Shareholders”	Shareholders who hold ELB Shares which have been Dematerialised;
“ELB” or “the Company”	ELB Group Limited (registration number 1930/002553/06), a public company incorporated in accordance with the laws of South Africa and listed on the JSE;
“ELB Group” or “Group”	ELB and its Subsidiaries;
“ELB Share Incentive Trust” or “the Trust”	a trust (master’s reference IT 11583/96) used to house Shares for the allocation and distribution to eligible employees of the ELB Group in terms of the rules of the Share Incentive Schemes;
“ELB Shareholders” or “Shareholders”	the holders of ELB Shares;
“ELB Shares” or “Shares”	ordinary shares of 4 cents per share in the issued share capital of ELB;

“Excess Scheme Shares”	the Trust is authorised to hold Scheme Shares to the extent of share options that have not yet been exercised by identified Participants. Where the Trust holds Scheme Shares over and above the unexercised share options, these are considered Excess Scheme Shares and will be cancelled as set out in paragraph 2;
“Form of Proxy”	the Form of Proxy attached to and forming part of this Circular;
“General Meeting”	the General Meeting of Shareholders to be held in the Boardroom of ELB Engineering Services Proprietary Limited at 345 Rivonia Road, Rivonia, Johannesburg at 12:15 or directly after the ELB Annual General Meeting, on Thursday, 23 November 2017 for the purposes of considering and, if deemed fit, to pass with or without amendment the Resolutions;
“JSE”	the Johannesburg Stock Exchange, operated by the JSE Limited (registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa and listed on the JSE, which is licensed as an exchange under the Financial Markets Act, No. 19 of 2012;
“Last Practicable Date”	Thursday, 5 October 2017, being the last practicable date prior to the finalisation of this Circular;
“Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time;
“Loan Obligation”	in terms of the Share Incentive Scheme rules, Participants may finance the purchase of their Scheme Shares by means of an interest-free loan from the ELB Share Incentive Trust. Participants have up to ten years from the anniversary of the award of share options to repay their loan obligation;
“Own Name Registration”	Dematerialised Shareholders who have registered their Shares in their own name with a CSDP in terms of the Financial Markets Act, No. 19 of 2012;
“Participants”	certain qualifying Directors and executive management of ELB who have been awarded share options in the Share Incentive Scheme;
“Purchase Consideration”	an amount to be determined which shall be paid by the ELB Share Incentive Trust to Specific Participants as consideration for the Specific Repurchase;
“Questco”	Questco Corporate Advisory Proprietary Limited (registration number 2011/106751/07), a private company incorporated in accordance with the laws of South Africa and the duly appointed Sponsor of the Company in terms of the Listings Requirements;
“Repurchase Agreements”	the agreements between ELB and the Specific Participants dated 20 September 2017, pursuant to which ELB and each of the Specific Participants agreed to the Specific Repurchase;

“Repurchase Price”	the 30-day VWAP as at Tuesday, 20 March 2018;
“Resolutions”	the special and ordinary resolutions required to be approval by Shareholders in order to give effect to the Specific Repurchase;
“SARS”	the South African Revenue Service;
“SENS”	the Stock Exchange News Service of the JSE;
“Scheme Shares”	those ELB Shares held by Participants of the Share Incentive Schemes, of which 852 900 Shares have been specifically identified as being held by the Specific Participants;
“Share Incentive Schemes”	the approved incentive schemes administered by the ELB Share Incentive Trust;
“South Africa”	the Republic of South Africa;
“Specific Participants”	those Participants whose Loan Obligations will fall due on Tuesday, 20 March 2018 and who are specifically identified in paragraph 4 of this Circular for participation in the Specific Repurchase;
“Strate”	Strate Proprietary Limited (registration number 1998/022242/07), a private company incorporated in accordance with the laws of South Africa, a registered central securities depository in terms of the Financial Markets Act, No. 19 of 2012;
“STT”	securities transfer tax in terms of the Securities Transfer Tax Act, No. 25 of 2007;
“Specific Repurchase”	collectively, the proposed repurchase by the Trust of the Scheme Shares held by the Specific Participants and the proposed repurchase by the Company from the Trust of any Excess Shares;
“Subsidiary”	shall have the meaning ascribed thereto in the Companies Act;
“Transfer Secretaries” or “Computershare”	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company incorporated in accordance with the laws of South Africa and the transfer secretary of ELB; and
“VWAP”	volume weighted average price of shares traded on the JSE.



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CIRCULAR TO ELB SHAREHOLDERS

1. INTRODUCTION AND BACKGROUND

The purpose of this Circular is to provide ELB Shareholders with the necessary information regarding the Specific Repurchase. Shareholders will be requested to vote on the Resolutions required to implement the Specific Repurchase at the General Meeting, the notice convening such meeting being attached to and forming part of this Circular.

The Trust through various Share Incentive Schemes rewards certain Participants to allow them to participate in the ownership of the Company.

- 1.1 In terms of these Share Incentive Schemes, the Participants are awarded share options, which upon exercise, require the Participants to purchase a specified number of Scheme Shares.
- 1.2 Participants may finance the purchase of these Scheme Shares by means of a Loan Obligation from the ELB Share Incentive Trust. Participants have up to ten years from the anniversary of the award of share options to pay for their Scheme Shares. In terms of the Rules of the Share Incentive Schemes, for so long as any capital or interest under a Loan Obligation remains owed by a Participant to the Trust, such Participant shall pledge his Scheme Shares (to the extent funded by way of the Loan Obligation) to the Trust.
- 1.3 Specific Participants holding 852 900 Scheme Shares (representing 2.62% of the current issued share capital of the Company) and detailed in paragraph 4 will be required to settle their Loan Obligations by 20 March 2018.
- 1.4 In terms of the Listings Requirements, ELB will enter into a closed period from 1 January 2018 until the release of its interim results, which is expected to be in the second week of March 2018 and, as a result, the Specific Participants will not be in a position to trade their Scheme Shares during this period.
- 1.5 Historically, participants have sold their Scheme Shares in the market in advance of their Loan Obligation falling due in order to settle such Loan Obligation. However, the rules of the Share Incentive Schemes provide that the Trust may sell Scheme Shares on behalf of the Specific Participants in order to assist such Specific Participants to meet their Loan Obligations to the Trust. The Specific Repurchase is not prohibited by the rules of the Share Incentive Schemes.
- 1.6 The Trust has entered into the Repurchase Agreements with the Specific Participants in terms of which the Specific Participants undertake to sell their Scheme Shares to the Trust, which agrees to repurchase them, at the Repurchase Price.
- 1.7 At the annual general meeting of the Company held on 24 November 2016, Shareholders authorised the Board to provide financial assistance relating to the acquisition of Shares or share options in terms of section 44(3)(a)(ii) of the Companies Act and Shareholders will be requested, at the annual general meeting scheduled to be held on 23 November 2017, to renew this authority.

2. RATIONALE FOR THE SPECIFIC REPURCHASE

The Specific Repurchase will allow the Specific Participants to sell Scheme Shares to the Trust in order to assist the Specific Participants to settle their Loan Obligation. This will result in an orderly process which will benefit both the Specific Participants as well as ELB Shareholders as there should be no downward pressure on the ELB Share price as a consequence of all of the Specific Participants attempting to dispose of the Scheme Shares in the market at the same time.

The Scheme Shares will, following the Specific Repurchase, be held by the Trust against unexercised share options. Shareholders will be requested, together with the approval of the Specific Repurchase, to approve the sale to the Company by the Trust of any Excess Scheme Shares in the event that the Trust holds Scheme Shares in excess of the number of unexercised share options immediately following the implementation of this Specific Repurchase.

The Excess Scheme Shares will, following the Specific Repurchase by the Company, be cancelled as issued Shares and be restored to the status of authorised but unissued Shares.

3. TERMS OF THE SPECIFIC REPURCHASE

The Specific Repurchase will be undertaken at the 30-day VWAP at 20 March 2018 per Scheme Share and will be paid out of existing cash reserves within the Group.

If the Scheme Shares repurchased by the Trust are in excess of the unexercised share options at the date of the implementation of the Specific Repurchase, the Excess Scheme Shares will be sold by the Trust to ELB at the 30-day VWAP at 20 March 2018 per Excess Scheme Share. An application will be made to the JSE for the delisting of the Excess Scheme Shares once they have been repurchased by the Company.

The Specific Participants are considered to be related parties in terms of the Listings Requirements. However, as the Specific Repurchase will not be at a premium to the Repurchase Price, the Specific Repurchase will not require a fairness opinion in terms of paragraph 5.69(e) of the Listings Requirements.

The Specific Repurchase will not result in the Company acquiring in excess of 5% of the entire issued Share capital of the Company and is therefore not subject to the provisions of sections 48(8)(b), 114 and 115 of the Companies Act.

In terms of the Listings Requirements, the Trust and the Specific Participants will be taken into account in determining the quorum for the General Meeting, however their votes will not be taken into account in determining the results of the special resolution to approve the Specific Repurchase.

4. SPECIFIC PARTICIPANTS

The names of the Specific Participants are as follows:

Participant	Number of Scheme Shares
Directors of the Company	
SJ Meijers	509 900
CJ Smith	75 000
Directors of major subsidiaries of the Company	
AMM Pinto	30 000
Executive management	238 000
	852 900

The number of Scheme Shares repurchased may be in excess of the number of Scheme Shares required to be sold by the Specific Participants in order to settle their Loan Obligation to the Trust.

5. ADEQUACY OF CAPITAL

The Directors have considered the impact of the Specific Repurchase and are of the opinion that, for a period of 12 months after the date of the approval of this Circular, the:

- provisions of section 4 and section 48 of the Companies Act will have been complied with;
- the Company and the Group will be able to pay their respective debts as they become due in the ordinary course of business;
- assets of the Company and the Group will be in excess of the liabilities of the Company and the Group. For this purpose, the assets and liabilities were recognised and measured in accordance with the accounting policies used in the latest audited consolidated financial statements of the Company and the Group;
- Share capital and reserves of the Company and the Group will be adequate for ordinary business purposes; and
- working capital of the Company and the Group will be adequate for ordinary business purposes.

In addition, in terms of section 46(1) of the Companies Act, the Board has by resolution:

- authorised the Specific Repurchase in terms of section 46(1)(a)(ii) of the Companies Act, and
- acknowledged that it has applied the solvency and liquidity test, confirmed that there have been no material changes to the financial position of the Company and Group since the test was applied and has reasonably concluded that the Company and Group will satisfy the solvency and liquidity test immediately after completing the Specific Repurchase in terms of section 46(1)(c) of the Companies Act.

6. MAJOR SHAREHOLDERS

The Shareholders, who hold a 5% or greater beneficial (direct and indirect) shareholding in the issued ordinary Share capital of ELB as at the Last Practicable Date are:

Shareholder	Number of shares held	Percentage of issued share capital
Tanjo One (Pty) Ltd*	3 294 612	10.1
Investec Asset Management	1 690 663	5.2

*- Entity through which AG Fletcher, a Director, holds an indirect beneficial interest in the Company.

7. MATERIAL CHANGES

There have been no material changes in the financial or trading position of the ELB Group since the Company's financial year ended 30 June 2017.

8. DIRECTORS' INTERESTS

The interests of the directors and their associates in the Share capital of ELB as the Last Practicable Date are set out below:

Director	Direct Beneficial	Indirect beneficial	Percentage of total issued ordinary share capital	Number of unexercised share options
PJ Blunden	860 000	–	2.6	
T de Bruyn	15 000	10 100	0.1	
MC Easter	–	–	–	225 000
AG Fletcher	100	3 294 612	10.1	
Dr JP Herselman	–	158 600	0.5	
Dr SJ Meijers	1 310 000	–	4.0	
MV Ramollo	12 376	–	0.0	30 000
CJ Smith	402 000	–	1.2	
IAR Thomson	100	7 000	0.0	
JC van Zyl	–	–	–	
	2 599 576	3 470 312	18.5	255 000

There has been no change to the Board since 30 June 2017 nor has there been any change to the aforementioned interests since that date.

9. SHARE CAPITAL

The table below sets out the authorised and issued Share capital of ELB before and after the Specific Repurchase on the assumption that there will be no Excess Scheme Shares:

	R'000
Authorised	
50 000 000 Shares of 4 cents each	2 000
Issued	
32 518 579 Shares of 4 cents each	1 301
Share premium	108 178
	109 479
	Number
Treasury Shares held before and after the Specific Repurchase*	4 151 152

* Assuming all Scheme Shares are repurchased and held as treasury shares.

Changes may occur to the issued share capital subsequent to the Specific Repurchase in the event that any Excess Scheme Shares are sold by the Trust to the Company and thereafter cancelled by the Company.

10. FINANCIAL EFFECTS

The difference between the Specific Participants' Loan Obligation and the Repurchase Price may, depending on the VWAP at 20 March 2018, represent a net cash outflow to the Group. Assuming a Repurchase Price of 1 950 cents per Scheme Share (being the VWAP of an ELB share as at the Last Practicable Date), the net expected cash outflow to the Group will amount to R2.2 million and will represent a distribution to Scheme Participants.

There will be no impact on the total issued Share capital or on the number of treasury Shares in the event that there are sufficient unexercised share options to allocate against the repurchased Scheme Shares.

There will be no impact on the weighted average number of Shares in issue for financial reporting purposes, as Scheme Shares are treated as treasury shares in the determination of the weighted average number of Shares in issue.

11. COSTS OF THE SPECIFIC REPURCHASE

The costs relating to the Specific Repurchase are anticipated to be approximately R0.2 million (VAT exclusive) which represents less than 0.03% of the ELB Group equity of R802.2 million, as at 30 June 2017:

Description	Name	R'000
Sponsor fees	Questco	75
Regulator fees	JSE	21
Printing, publishing and distribution costs	BR Advertising	25
Securities Transfer Tax	SARS	52
		173

No other preliminary expenses have been incurred by ELB in the three years preceding the date of this Circular.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are set out in "Corporate Information", and in paragraph 8 above, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law and the Listings Requirements.

13. CONSENT

Questco has consented in writing to act in the capacity stated in this Circular and to its name being stated in this Circular and have not withdrawn their consent prior to the publication of this Circular.

14. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or copies thereof will be available for inspection at the registered office of ELB during normal office hours from 09:00 to 16:30 from the date of posting of this Circular up until the General Meeting to be held on Thursday, 23 November 2017:

1. the Memorandum of Incorporation of ELB;
2. the Share Incentive Schemes;
3. Integrated Annual Report of ELB for each of the years ended 30 June 2017, 2016 and 2015;
4. copies of the resolutions passed by the Company and the Trust authorising the Specific Repurchase, dated 19 September 2017.; and
5. copies of the Repurchase Agreements.

Authorised on behalf of the Board

MC EASTER

Group Financial Director

ELB Group Limited

ELB Group Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1930/002553/06)
Share code: ELR
ISIN: ZAE000035101
("ELB" or "the Company")

NOTICE OF GENERAL MEETING

All the terms defined in the Circular, to which this notice of General Meeting is attached, shall bear the same meaning when used in this notice of General Meeting.

Notice is hereby given that a General Meeting of the Company's Shareholders will be held in the Boardroom of ELB Engineering Services Proprietary Limited, 345 Rivonia Road, Rivonia, Johannesburg at 12:15 or directly after the ELB Annual General Meeting on Thursday, 23 November 2017, for the purpose of considering and, if deemed fit, passing, with or without modification, the Resolutions set out below.

The following dates apply to the General Meeting:

2017

Record date to receive the notice of General Meeting in terms of section 59(1) of the Companies Act	Friday, 13 October
Last day to trade in order to be eligible to participate in and vote at the General Meeting	Tuesday, 14 November
Record date (for voting purposes)	Friday, 17 November

Shareholders entitled to attend and vote at the General Meeting may, in terms of section 58 of the Companies Act, appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a Shareholder of the Company. A Form of Proxy, which sets out the instructions for its completion, is enclosed for the use of Certificated Shareholders or Own Name Registered Dematerialised Shareholders who wish to be represented at the General Meeting.

Completion of a Form of Proxy will not preclude such Shareholders from attending and voting (in preference to that Shareholder's proxy) at the General Meeting. It is requested that the Form of Proxy reach the Transfer Secretaries at the address given below by 12:15 on Tuesday, 21 November 2017. Alternatively, they may be handed to the Chairman at any time before the commencement of the General Meeting.

IDENTIFICATION OF MEETING PARTICIPANTS

In terms of Section 63(1) of the Companies Act, before any person may attend or participate in a shareholders' meeting, that person must present reasonable satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a Shareholder, or as a proxy of a Shareholder, has been reasonably verified.

ELECTRONIC PARTICIPATION IN THE GENERAL MEETING

Shareholders or their proxies may participate in the General Meeting by way of a teleconference call, provided that if they wish to do so:

- they should contact the company secretary by email at the address admin@elb.co.za by no later than 12:15 on Friday, 17 November 2017 in order to obtain a pin number and dial-in details for that conference call;
- they will be required to provide reasonably satisfactory identification; and
- they will be billed separately by their own telephone service providers for their telephone call to participate in the General Meeting.

SPECIAL RESOLUTION NUMBER 1 – SPECIFIC AUTHORITY TO REPURCHASE SCHEME SHARES FROM THE SPECIFIC PARTICIPANTS

“Resolved that the Trust be and is hereby authorised, by way of a specific authority, in terms of the Listings Requirements and the memorandum of incorporation of the Company, to acquire 852 900 Scheme Shares from the Specific Participants at the 30-day VWAP as at 20 March 2018.”

In terms of the Listings Requirements, the Trust and the Specific Participants will be taken into account in determining the quorum for the General Meeting however their votes will not be taken into account in determining the results of the special resolution to approve the Specific Repurchase.

Reason for and effect of Special Resolution Number 1

The *reason* for Special Resolution Number 1 is the legal requirement to grant the Trust specific authority to repurchase 852 900 Scheme Shares from the Specific Participants at a price to be determined as the 30-day VWAP on 20 March 2018.

The *effect* of Special Resolution Number 1, if adopted, is to grant the Trust specific authority to approve the repurchase of 852 900 Scheme Shares from the Specific Participants at a price to be determined as the 30-day VWAP on 20 March 2018.

SPECIAL RESOLUTION NUMBER 2 – AUTHORITY FOR ANY EXCESS SHARES TO BE SOLD BY THE TRUST TO THE COMPANY

“Resolved that the Trust is hereby authorised to sell and the Company authorised to purchase any Excess Scheme Shares at a price equal to the 30-day VWAP on 20 March 2018. Any such Excess Scheme Shares will, following the Specific Repurchase, be cancelled as issued Shares and restored to the status of authorised but unissued Shares.”

Reason for and effect of Special Resolution Number 2

The *reason* for Special Resolution Number 2 is to grant the Company specific authority to repurchase any Excess Scheme Shares from the Trust at a price to be determined as the 30-day VWAP on 20 March 2018. The Excess Scheme Shares will, following the Specific Repurchase by the Company, be cancelled as issued Shares and be restored to the status of authorised but unissued Shares.

The *effect* of Special Resolution Number 2 is to grant the Company specific authority to repurchase any Excess Scheme Shares from the Trust at a price to be determined as the 30-day VWAP on 20 March 2018. The Excess Scheme Shares will, following the Specific Repurchase by the Company, be cancelled as issued Shares and be restored to the status of authorised but unissued Shares.

Voting requirement:

In terms of sections 48(8)(b), 62(3)(c) and 65(9) of the Companies Act and paragraph 5.69(b) of the Listings Requirements, in order for the special resolutions to be adopted, the support of at least 75% of the voting rights exercised thereon by Shareholders, present or by proxy at the General Meeting, is required.

ORDINARY RESOLUTION NUMBER 1

“RESOLVED as an ordinary resolution that any Director of the Company or the Company Secretary be, and hereby is authorised, on behalf of the Company, to do or cause to be done, all such things, and to sign all such documentation as may be necessary or requisite so as to give effect to and implement Special Resolutions Numbers 1 and 2 to be considered at the General Meeting at which this ordinary resolution will be proposed and considered.”

In order for Ordinary Resolution Number 1 to be approved by ELB Shareholders, such resolution must be supported by more than 50% of the voting rights exercised thereon.

VOTING AND PROXIES

ELB Shareholders who have not Dematerialised their Shares or who have Dematerialised their Shares with Own Name Registration, and who are entitled to attend and vote at the General Meeting, are entitled to appoint one or more proxies to attend, speak and vote in their stead. A proxy need not be a Shareholder and shall be entitled to vote on a show of hands or poll. Forms of Proxy must only be completed by ELB Shareholders who have not Dematerialised their Shares or who have Dematerialised their Shares with Own Name Registration.

On a show of hands, every ELB Shareholder present in person or represented by proxy and entitled to vote shall have only one vote irrespective of the number of Shares such member holds. On a poll, every ELB Shareholder present in person or represented by proxy and entitled to vote shall be entitled to one vote for every Share held or represented by that Shareholder. On a poll taken at any such meeting a Shareholder entitled to more than one vote need not, if he votes, use all of his votes, or cast all the votes he uses in the same way.

ELB Shareholders who have Dematerialised their Shares, other than those Shareholders who have Dematerialised their Shares with Own Name Registration, should contact their CSDP or Broker in the manner and time stipulated in the agreement entered into between them and their CSDP or Broker:

- to furnish them with their voting instructions; or
- in the event that they wish to attend the General Meeting, to obtain the necessary Letter of Representation to do so

By order of the board

Company Secretary

Boksburg
20 October 2017

Registered office
14 Atlas Road
Anderbolt
Boksburg, 1459
(P.O. Box 565, Boksburg, 1460)

Transfer Secretaries
Computershare Investor Services Proprietary Limited
2nd Floor, Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
(P.O. Box 61051, Marshalltown, 2107)



ELB GROUP LIMITED

(Incorporated in the Republic of South Africa)

Registration No: 1930/002553/06

ISIN : ZAE000035101 Share Code ELR

("ELB" or "the Company")

Form of Proxy

For use by Certificated Shareholders and Own Name registered Dematerialised Shareholders, at the General Meeting of the Company to be held at 12:15 or directly after the ELB Annual General Meeting on Thursday, 23 November 2017 in the Boardroom of ELB Engineering Services Proprietary Limited, 345 Rivonia Road, Rivonia, Johannesburg.

Dematerialised Shareholders (other than Own Name Dematerialised Shareholders) who wish to attend the General Meeting must obtain from their CSDP or Broker the necessary authorisation to attend the General Meeting or advise their CSDP or Broker as to what action they wish to take in respect of voting at the General Meeting.

I/We (please print)

of address (please print)

Telephone numberCellphone numberEmail.....

being the holder/s of shares in the Company, do hereby appoint

1. or failing him/her

2. or failing him/her

3. the Chairman of the shareholder meeting;

as my/our proxy to act for me/us and on my/our behalf at the General Meeting which will be held for the purposes of considering and, if deemed fit, for the passing, with or without modification, the special and ordinary resolutions to be proposed thereat and at any adjournment thereof, and to vote for and/or against such resolutions and/or abstain from voting in respect of the Shares registered in my/our name(s), in accordance with the following (see note 4):

	In Favour	Against	Abstain
Special Resolution number 1 (Specific Repurchase)			
Special Resolution number 2 (Sale of Excess Scheme Shares)			
Ordinary Resolution number 1 (Directors' authorisation)			

Shareholders entitled to attend and vote at the General Meeting may, in terms of section 58 of the Companies Act, appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a Shareholder of the Company.

Signed at on 2017

Signature (see note 6)

Assisted by me where applicable (see note 9) (State capacity and full name)

Please read the notes on the reverse side hereof.

Notes to the proxy form

Summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Companies Act:

1. A proxy appointment must be in writing, dated and signed by the Shareholder appointing a proxy and, subject to the rights of a Shareholder to revoke such appointment (as set out below), remains valid only until the end of the meeting.
2. A proxy may delegate the proxy's authority to act on behalf of a Shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.
3. The appointment of a proxy is suspended at any time and to the extent that the Shareholder who appointed such proxy chooses to act directly and in person in the exercise of any rights as a Shareholder.
4. The appointment of a proxy is revocable by the Shareholder in question cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the Shareholder as of the later of (a) the date stated in the revocation instrument, if any; and (b) the date on which the revocation instrument is delivered to the Company as required in the first sentence of this paragraph.
5. If the instrument appointing the proxy or proxies has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the Company's Memorandum of Incorporation to be delivered by the Company to the Shareholder, must be delivered by the Company to (a) the Shareholder, or (b) the proxy or proxies, if the Shareholder has (i) directed the Company to do so in writing; and (ii) paid any reasonable fee charged by the Company for doing so.
6. Attention is also drawn to the "Notes to the Form of Proxy"
7. The completion of a Form of Proxy does not preclude any Shareholder attending the meeting.

Notes to the Form of Proxy

1. A Shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a Shareholder of the Company. Satisfactory identification must be presented by any person wishing to attend the meeting.
2. A Form of Proxy is only to be completed by those Shareholders who hold Shares in Certificated form or are recorded on sub-register electronic form in "own name". All other beneficial owners who have Dematerialised their Shares through a CSDP or Broker and wish to attend the meeting must provide the CSDP or Broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or Broker.
3. A Shareholder may insert the name of a proxy or the names of two alternative proxies of his/her choice in the spaces provided, with or without deleting "the Chairman of the meeting", but any such deletion must be initialed by the Shareholder. The person whose name is first on this Form of Proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.
4. Please insert an "X" in the relevant spaces indicating how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of Shares than you own in the Company, insert the number of Shares held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the meeting as he/she deems fit in respect of all the Shareholders' votes exercisable thereat. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder or by his/her proxy, but the total of the votes cast in respect of which abstention is recorded may not exceed the total of the votes exercisable by the Shareholder or by his/her proxy.
5. The Form of Proxy must reach the Transfer Secretaries, Computershare Investor Services Proprietary Limited, 2nd Floor, Rosebank Towers 15 Biermann Avenue Rosebank, 2196 (PO Box 61051, Marshalltown, 2107) by not later than the commencement of the meeting at 12:15 on Tuesday, 21 November 2017. Alternatively, they may be handed to the Chairman at any time before the commencement of the General Meeting.
6. The completion and lodging of this Form of Proxy will not preclude the relevant Shareholder from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
7. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity must be attached hereto, unless previously recorded by the Transfer Secretaries or waived by the Chairman of the meeting.
8. Any alteration or correction made to this Form of Proxy must be initialed by the signatory/ies.
9. A minor must be assisted by his/her parents or guardian unless the relevant documents establishing his/her capacity are produced or have been registered by the Transfer Secretaries.
10. The Chairman of the meeting may reject or accept any Form of Proxy which is completed other than in accordance with these instructions provided he is satisfied as to the manner in which the Shareholder wishes to vote.