

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 9 of this Circular apply *mutatis mutandis* to this entire Circular, including the cover page, except where the context indicates a contrary intention.

### Action required by Shareholders

This Circular is important and should be read in its entirety with particular attention to the sections titled "Action required by Shareholders in relation to the Scheme", which commences on page 17 of this Circular and "Action required by Shareholders in relation to the General Offer", which commences on page 23 of this Circular. If you are in any doubt as to what action you should take, please consult your Broker, banker, legal advisor, CSDP or other professional advisor immediately. If you have disposed of all your ELB Shares, this Circular should be handed to the purchaser of such ELB Shares or to the Broker, banker, CSDP or other agent through whom the disposal was effected.

Shareholders are advised that the Company is in a 'closed period' (as such term is defined in the Listings Requirements) at the date of issue of this Circular due to the financial results for the year ended 30 June 2020 not yet being published. The Company intends to release its reviewed financial results by no later than Tuesday, 8 September 2020 and the General Meeting date of Tuesday, 15 September 2020 is conditional on the reviewed financial results being published by no later than Tuesday, 8 September 2020. Should the financial results not be published by this date, the General Meeting date will be rescheduled accordingly in order to provide Shareholders with sufficient time to consider the financial results as part of their assessment of whether they wish to tender an acceptance to the General Offer and how they wish to vote on the Resolutions set out in the Notice. Should it be required, any change to the General Meeting date will be released on SENS.

Shareholders are cautioned to avoid accepting the General Offer until such time as the Company publishes its financial results for the year ended 30 June 2020, as the acceptance of the General Offer is final and irrevocable, and may not be withdrawn, once an Eligible Shareholder's acceptance of the General Offer in respect of any of its General Offer Shares has been communicated to the Transfer Secretaries.

ELB does not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of any CSDP or Broker of any beneficial owner of ELB Shares to notify such beneficial owner of the transactions as set out in this Circular or to take any action on behalf of such beneficial owner.



### 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 SHAREHOLDERS

### regarding:

- a scheme of arrangement in terms of section 114(1)(e) of the Companies Act, proposed by the ELB Board between ELB and the Scheme Participants, in terms of which, if implemented, ELB will repurchase a maximum of 22 894 611 Shares (constituting 80.41% of ELB's issued share capital) from Scheme Participants for a cash consideration of R2.00 per Scheme Share;
- separate but concurrent to the Scheme, a conditional General Offer by ELB to the Eligible Shareholders in terms of sections 48 and 117(1)(c)(v) of the Companies Act and paragraphs 1.15(c) and 5.69 of the Listings Requirements, to acquire all of the General Offer Shares for a cash consideration of R2.00 per General Offer Share, which will be implemented only if the Scheme fails; and
- the Delisting of all Shares from the JSE pursuant to the implementation of the Scheme or, if the Scheme fails, pursuant to the Delisting Resolution being approved and the General Offer being implemented,

### and enclosing:

- a report prepared by the Independent Expert in terms of both section 114(3) of the Companies Act and the Listings Requirements;
- extracts of sections 114 and 115 of the Companies Act dealing with the approval requirements for fundamental transactions, section 164 of the Companies Act dealing with Dissenting Shareholders' Appraisal Rights and section 124 of the Companies Act dealing with compulsory acquisitions;
- the Notice of General Meeting;
- a Form of Proxy (*white*) (for use by Certificated Shareholders and Own-Name Dematerialised Shareholders only);
- a Form of Surrender and Transfer (*blue*) in respect of the Scheme for use by Certificated Shareholders only; and
- a Form of Acceptance and Transfer (*pink*) in respect of the General Offer for use by Certificated Shareholders only.

### Legal Advisor

**WEBBER WENTZEL**

in alliance with > Linklaters

### Independent Expert



**MOORE**

### Transaction Sponsor



### Date of issue: Friday, 14 August 2020.

This Circular is available in English only. A copy hereof may be obtained during normal business hours from the registered office of ELB, the address of which appears in the "Corporate Information and Advisors" section on page 3 of this Circular, from the date of issue of this Circular up to and including the end of the Offer Period, being Friday, 30 October 2020, both dates inclusive. An electronic version of this Circular is also available on ELB's website [www.elb.co.za/investor-relations-2](http://www.elb.co.za/investor-relations-2).

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## IMPORTANT NOTICES

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***The definitions and interpretations commencing on page 9 of this Circular apply mutatis mutandis to this section, except where the context indicates a contrary intention.***

### **FOREIGN SHAREHOLDERS**

*This Circular is governed by the laws of South Africa and is subject to any applicable laws and regulations and has been prepared for the purposes of complying with the Listings Requirements, the Companies Act and the Takeover Regulations and is published in terms thereof and the information disclosed may not be the same as that which would have been disclosed if this Circular had been prepared in accordance with the laws and regulations of any jurisdiction outside of South Africa. The release, publication or distribution of this Circular in jurisdictions other than South Africa may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction.*

*This Circular is not intended to and does not constitute or form part of an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction. This Circular does not constitute a prospectus or a prospectus-equivalent document. Shareholders are advised to read this Circular, which contains the full terms and conditions of the Transaction, with care.*

*Any decision to approve the Transaction or other response to the proposals should be made only on the basis of the information in this Circular.*

*The Transaction, which is the subject of this Circular, may be affected by the laws of the relevant jurisdictions of Foreign Shareholders. Foreign Shareholders must satisfy themselves as to the full observance of any applicable laws concerning the receipt of the Scheme Consideration and/or the General Offer Consideration, including (without limitation) obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes due in such jurisdiction. Foreign Shareholders who are in any doubt as to their positions should consult their professional advisors immediately.*

### **FORWARD-LOOKING STATEMENTS**

This Circular contains statements about ELB 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 industry; production; cash costs and other operating results; growth prospects and outlook for operations, individually or in the aggregate; liquidity and capital resources and expenditure and the outcome and consequences of any pending litigation proceedings. 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”, “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, anticipated levels of growth, estimates of capital expenditures, acquisition strategy, expansion prospects or 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. ELB 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 ELB operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

All these forward-looking statements are based on estimates and assumptions regarding ELB, as made by ELB, and although ELB believes them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to ELB or not currently considered material by ELB.

ELB Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of ELB 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. ELB has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by law.

Any forward-looking statement has not been reviewed nor reported on by the external auditors.

**MATERIAL RISKS**

*The Group's detailed material risks to its businesses are available on the Company's website at the following link:*

<https://www.elb.co.za/investor-relations-2/>

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## CORPORATE INFORMATION AND ADVISORS

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### **Company Secretary**

Seamless Secretarial Solutions Proprietary Limited  
(Registration number: 2019/148037/07)  
518 Kolbe Street, Roodepoort, 1724

### **Registration number and registered office**

ELB Group Limited  
(Registration number: 1930/002553/06)  
14 Atlas Road, Anderbolt, Boksburg, 1459  
(PO Box 565, Boksburg, 1460)

### **Date and place of incorporation**

26 August 1930, South Africa

### **Legal Advisor**

Webber Wentzel  
90 Rivonia Road, Sandton  
Johannesburg, South Africa, 2196  
(PO Box 61771, Marshalltown, 2107)

### **Independent Expert**

Moore Advisory JHB Proprietary Limited  
(Registration number: 2017/332039/07)  
50 Oxford Road, Parktown, Johannesburg, 2193  
(PO Box 3094, Houghton, 2041)

### **JSE Sponsor**

Questco Corporate Advisory Proprietary Limited  
(Registration number 2011/106751/07)  
First Floor, Yellowwood House  
Ballywoods Office Park  
33 Ballyclare Drive, Bryanston, 2192  
(PO Box 98956, Sloane Park, 2152)

### **Directors**

Johan van Zyl\*\* (Chairman)  
Charles Pettit (Chief Executive Officer)  
Altea Spagnuolo (Financial Director)  
Buyisiwe Makhunga\*\*  
Refilwe Nkabinde\*\*  
Peter Blunden\*

\* *Non-executive*

# *Independent*

### **Transaction Sponsor**

Questco Proprietary Limited  
(Registration number: 2002/005616/07)  
1st Floor Yellowwood House,  
Ballywoods Office Park  
33 Ballyclare Drive, Bryanston, 2196  
(PO Box 98956, Sloane Park, 2152)

### **Transfer Secretaries**

Computershare Investor Services Proprietary Limited  
(Registration number: 2004/003647/07)  
Rosebank Towers, 15 Biermann Avenue, Rosebank,  
2196  
(Private Bag X9000, Saxonwold, 2132)

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## SALIENT DATES AND TIMES

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***The definitions and interpretations commencing on page 9 of this Circular apply mutatis mutandis to this section, except where the context indicates a contrary intention.***

<b>Action</b>	<b>2020</b>
Record date for Shareholders to be recorded in the Register in order to be entitled to receive this Circular (“ <b>Record Date</b> ”)	<b>Friday, 7 August</b>
Posting of this Circular to Shareholders and Notice of General Meeting released on SENS on	<b>Friday, 14 August</b>
Notice of posting of this Circular and Notice of General Meeting published in the South African press on	<b>Monday, 17 August</b>
General Offer Opening Date at 10:00 on	<b>Monday, 17 August</b>
Last day to trade in Shares in order to be recorded in the Register to attend, participate in and vote at the General Meeting on ( <i>refer to note 3 below</i> )	<b>Tuesday, 1 September</b>
Record date for Shareholders to be recorded in the Register in order to be eligible to attend, participate in and vote at the General Meeting, being the “ <b>Scheme Voting Record Date</b> ”, by close of trade on	<b>Friday, 4 September</b>
Forms of Proxy ( <i>white</i> ) to be received by the Transfer Secretaries preferably by 10:00 on ( <i>refer to note 4 below</i> )	<b>Friday, 11 September</b>
Last date and time for ELB Shareholders to give notice to ELB objecting to the Scheme and/or General Offer in terms of section 164(3) of the Companies Act, by 10:00 on	<b>Tuesday, 15 September</b>
Forms of Proxy ( <i>white</i> ) not lodged with the Transfer Secretaries to be handed to the chairperson of the General Meeting at any time before the proxy exercises any rights of the Shareholder at the General Meeting on	<b>Tuesday, 15 September</b>
<b>General Meeting to be held at 10:00 on</b>	<b>Tuesday, 15 September</b>
Results of General Meeting released on SENS on or about	<b>Wednesday, 16 September</b>
Results of General Meeting published in the South African press on or about	<b>Thursday, 17 September</b>

<b>Action</b>	<b>2020</b>
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### **SCHEME**

*If the Scheme is approved by Shareholders at the General Meeting:*

Last day for Shareholders who voted against the Scheme to require the Company to seek Court approval for the Scheme in terms of section 115(3) (a) of the Companies Act, if at least 15% of the total votes of Shareholders at the General Meeting were exercised against the Scheme	<b>Tuesday, 22 September</b>
Last day for the Company to send notice of adoption of the Scheme Resolution to Dissenting Shareholders, in accordance with section 164(4) of the Companies Act on	<b>Wednesday, 30 September</b>
Last day for a Shareholder who voted against the Scheme to apply to Court for leave to apply to Court for a review of the Scheme in terms of section 115(3)(b) of the Companies Act on	<b>Wednesday, 30 September</b>

*The following dates assume that no Court approval or review of the Scheme is required and will be confirmed in the finalisation announcement if the Scheme becomes unconditional:*

Finalisation announcement expected to be released on SENS on	<b>Friday, 16 October</b>
Finalisation announcement expected to be published in the South African press on	<b>Monday, 19 October</b>
Expected last day to trade, being the last day to trade Shares on the JSE in order to be eligible to participate in the Scheme (" <b>Scheme Last Day to Trade</b> ")	<b>Tuesday, 27 October</b>
Suspension of listing of Shares on or about	<b>Wednesday, 28 October</b>
Expected " <b>Scheme Consideration Record Date</b> ", being the date on which Scheme Participants must be recorded in the Register in order to be eligible to receive the Scheme Consideration, by close of trade on	<b>Friday, 30 October</b>
Scheme " <b>Operative Date</b> " on or about	<b>Monday, 2 November</b>
Scheme Consideration expected to be sent by EFT or by cheque to Scheme Participants who are Certificated Shareholders and who have lodged their Form of Surrender and Transfer ( <i>blue</i> ) with the Transfer Secretaries on or prior to 12:00 on the Scheme Consideration Record Date, on or about	<b>Monday, 2 November</b>
Dematerialised Scheme Participants expected to have their accounts (held at their CSDP or Broker) credited with the Scheme Consideration on or about	<b>Monday, 2 November</b>
Termination of listing of Shares at the commencement of trade on or about	<b>Tuesday, 3 November</b>
<b>Action</b>	<b>2020</b>
<b>GENERAL OFFER</b>	
<i>If the Scheme does not become unconditional and the General Offer is implemented:</i>	
Last day for Shareholders who voted against the Repurchase Resolution to require the Company to seek Court approval for the Repurchase Resolution in terms of section 115(3)(a) of the Companies Act, if at least 15% of the total votes of Shareholders at the General Meeting were exercised against the Repurchase Resolution	<b>Tuesday, 22 September</b>
Last day for the Company to send notice of adoption of the Repurchase Resolution to Dissenting Shareholders, in accordance with section 164(4) of the Companies Act	<b>Wednesday, 30 September</b>
Last day for a Shareholder who voted against the Repurchase Resolution to apply to Court for leave to apply to Court for a review of the Repurchase Resolution in terms of section 115(3)(b) of the Companies Act	<b>Wednesday, 30 September</b>
<i>The following dates assume that no Court approval or review of the Repurchase Resolution is required and will be confirmed in the finalisation announcement if the General Offer becomes unconditional:</i>	
Finalisation announcement expected to be released on SENS on	<b>Friday, 16 October</b>
Expected date of lodging an application for the termination of listing of the Shares on the JSE on	<b>Friday, 16 October</b>
Finalisation announcement expected to be published in the South African press on	<b>Monday, 19 October</b>
First date on which the General Offer Consideration is expected to be sent by EFT or by cheque to General Offer Participants who are Certificated Shareholders who have lodged their Form of Acceptance and Transfer ( <i>pink</i> ) with the Transfer Secretaries on or prior to the General Offer being declared wholly unconditional, on or about	<b>Tuesday, 27 October</b>

First date on which Dematerialised General Offer Participants are expected to have their accounts with their Broker or CSDP credited with the General Offer Consideration, on or about	<b>Tuesday, 27 October</b>
Expected last day to trade to take up the General Offer	<b>Tuesday, 27 October</b>
Suspension of listing of Shares on or about	<b>Wednesday, 28 October</b>
Expected General Offer record date	<b>Friday, 30 October</b>
Expected General Offer Closing Date. Forms to be submitted by 12:00 on	<b>Friday, 30 October</b>
Last date on which the General Offer Consideration is expected to be sent by EFT or by cheque to General Offer Participants who are Certificated Shareholders who have lodged their Form of Acceptance and Transfer ( <i>pink</i> ) with the Transfer Secretaries on or prior to the last day to trade to take up the General Offer, on or about	<b>Monday, 2 November</b>
Last date on which Dematerialised General Offer Participants are expected to have their accounts with their Broker or CSDP credited with the General Offer Consideration on or about	<b>Monday, 2 November</b>
Termination of listing of Shares at the commencement of trade on or about	<b>Tuesday, 3 November</b>

**Notes:**

- All dates and times are subject to change with the approval of the JSE and/or TRP to the extent required. The dates have been determined based on certain assumptions regarding the dates by which certain regulatory approvals including, but not limited to, that of the JSE and TRP, will be obtained and that no Court approval of review of the Scheme and/or the Repurchase Resolution will be required. Any change will be released on SENS and published in the South African press.
- Shareholders are referred to paragraph 4.8 of this Circular (which contains a summary of Dissenting Shareholders' Appraisal Rights in respect of the Scheme and, to the extent applicable, the General Offer) regarding timing considerations relating to the Appraisal Rights held by Shareholders.
- Shareholders should note that as transactions in Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three Business Days after such trade. Therefore, persons who acquire Shares after close of trade on Tuesday, 1 September 2020, will not be eligible to attend, participate in and vote at the General Meeting, as the Scheme Voting Record Date is Friday, 4 September 2020. Provided the Scheme is approved and Shareholders acquire the Shares on or prior to the Scheme Last Day to Trade (expected to be Tuesday, 27 October 2020), Shareholders will be eligible to participate in the Scheme, as the Scheme Consideration Record Date is Friday, 30 October 2020.
- In the event that a Shareholder lodges a Form of Proxy (*white*) with the Transfer Secretaries less than 48 hours (excluding Saturdays, Sundays and official public holidays) before the General Meeting, such Shareholder may submit a Form of Proxy (*white*) at any time before the commencement of the General Meeting (or any adjournment of the General Meeting, or postponed or rescheduled General Meeting) or hand it to the chairperson of the General Meeting before the appointed proxy exercises any of the relevant Shareholder's rights at the General Meeting (or any adjournment of the General Meeting, or postponed or rescheduled General Meeting).
- If the General Meeting is adjourned, postponed or rescheduled, Forms of Proxy (*white*) submitted for the initial General Meeting will remain valid in respect of any adjourned, postponed or rescheduled General Meeting.
- All times given in this Circular are local times in South Africa.
- If the Scheme becomes operative, Certificated Shares may not be Dematerialised or rematerialised after the Scheme Last Day to Trade.
- The date of payment of the Scheme Consideration, which is expected to be Monday, 2 November 2020, in respect of Dematerialised Shareholders and Certificated Shareholders.
- The date of payment of the General Offer Consideration, will take place within six Business Days of the later of the General Offer being declared wholly unconditional and acceptance of the General Offer by the General Offer Participant and in accordance with paragraph 5.11 of this Circular in respect of Certificated Shareholders.
- Should sufficient Shareholders vote against the Scheme Resolution and/or the Repurchase Resolution at the General Meeting so that a Shareholder may require ELB to obtain Court approval regarding the Scheme Resolution and/or the Repurchase Resolution as contemplated in section 115(3)(a) of the Companies Act, and if a Shareholder in fact delivers such a request, the dates and times set out above will need to be amended. Shareholders will be notified separately of the applicable dates and times under this process.
- If any Shareholder who votes against the Scheme Resolution and/or Repurchase Resolution exercises its rights in terms of section 115(3)(b) of the Companies Act and applies to Court for a review of the Scheme and/or the Repurchase Resolution, the dates and times set out above will need to be amended. Shareholders will be notified separately of the applicable dates and times under this process.

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## DEFINITIONS AND INTERPRETATIONS

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In this Circular, unless the context indicates a contrary intention, 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:

<b>“Advisory Agreement”</b>	means the advisory engagement letters as entered into between the Company and Apex Partners as at 30 December 2019 and 25 February 2020 governing the scope of work, services and fees for the provision of corporate finance and restructuring support and related services by Apex Partners to ELB, including the services of Charles Pettit as Chief Executive Officer of ELB ( <i>in lieu</i> of a salary), the details of which were set out in a SENS announcement published on 28 February 2020;
<b>“Annexures”</b>	means the annexures attached to this Circular;
<b>“Apex Partners”</b>	means Apex Partners Holdings Proprietary Limited (Registration number: 2011/002794/07), a private company incorporated in South Africa and a 19.6% shareholder in ELB as at the Last Practicable Date (based on ELB’s issued share capital) and a deemed concert party to ELB in terms of the Companies Act;
<b>“Appraisal Rights”</b>	means the rights afforded to ELB Shareholders under section 164 of the Companies Act, as set out in Annexure 8 of this Circular;
<b>“Authorised Dealer”</b>	means a person authorised to deal in foreign exchange as contemplated in the Exchange Control Regulations;
<b>“Broker”</b>	means 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;
<b>“Business Day”</b>	means any day other than a Saturday, Sunday or gazetted national public holiday in South Africa;
<b>“Certificate” or “Certificated”</b>	means the process by which electronic records of ownership of shares are replaced with paper share certificates and/or other Documents of Title;
<b>“Certificated Shareholders”</b>	means all registered holders of Certificated Shares;
<b>“Certificated Shares”</b>	means Shares that have not been Dematerialised, the title to which is evidenced by a share certificate or other Document of Title;
<b>“the/this Circular”</b>	means this entire bound document dated Friday, 14 August 2020 including the Annexures hereto, the Notice and a Form of Proxy ( <i>white</i> ), a Form of Surrender and Transfer ( <i>blue</i> ) and a Form of Acceptance and Transfer ( <i>pink</i> );
<b>“Common Monetary Area”</b>	means South Africa, the Republic of Namibia and the Kingdoms of Lesotho and eSwatini;
<b>“Companies Act”</b>	means the Companies Act, No. 71 of 2008, as amended, and, where appropriate, includes a reference to the Companies Regulations;
<b>“Companies Regulations” or “Regulations”</b>	means the Companies Regulations 2011, promulgated in terms of section 223 of the Companies Act and Item 14 of Schedule 5 to the Companies Act under GN R351 in GG 34239 of 26 April 2011 (which include the Takeover Regulations);

<b>“Court”</b>	means any South African court with competent jurisdiction to approve the implementation of the Scheme Resolution and/or the Repurchase Resolution set out in the Notice of General Meeting pursuant to section 115 of the Companies Act and/or to review the Scheme Resolution and/or the Repurchase Resolution;
<b>“COVID-19”</b>	means corona 2, SARS-CoV-2, a novel respiratory tract virus that has resulted in a global pandemic and restrictions on trade and movement all around the world and in particular in South Africa in terms of a declaration of a National State of Disaster by the President of South Africa on 15 March 2020;
<b>“CSDP”</b>	means a Central Securities Depository Participant registered as a “participant” in terms of the Financial Markets Act;
<b>“Custody Agreement”</b>	means the custody mandate agreement between a Dematerialised Shareholder and a CSDP or Broker, regulating their relationship in respect of Dematerialised Shares held by a Dematerialised Shareholder on ELB’s uncertificated securities register administered by a CSDP or Broker on behalf of that Dematerialised Shareholder;
<b>“Delisting”</b>	means the termination of the listing of the Shares on the JSE pursuant to the Scheme becoming operative or the Delisting Resolution being adopted and the General Offer being implemented, as applicable;
<b>“Delisting Resolution”</b>	means the Ordinary Resolution to be proposed at the General Meeting to approve the Delisting in terms of paragraphs 1.15(a) and 1.16 of the Listings Requirements, should the Scheme not become operative and pursuant to the General Offer;
<b>“Dematerialised”</b> or <b>“Dematerialisation”</b>	means the process whereby paper share certificates or other Documents of Title are replaced with electronic records of ownership in respect of Shares or securities, with a CSDP or Broker, as contemplated in section 49(5) of the Companies Act and under the Strate system;
<b>“Dematerialised Shareholders”</b>	means all registered holders of Dematerialised Shares;
<b>“Dematerialised Shares”</b>	means Shares that have been Dematerialised or have been issued in Dematerialised form, and which are held in electronic form on ELB’s uncertificated securities register administered by a CSDP or Broker;
<b>“Dissenting Shareholders”</b>	means Shareholders who: (i) validly exercise their Appraisal Rights by demanding, in accordance with the requirements of sections 164(5) to 164(8) of the Companies Act, that ELB pay them the fair value of all of their Shares; (ii) do not withdraw that demand before ELB makes an offer to them in accordance with the requirements of section 164(11) of the Companies Act; and (iii) do not, after an offer is made to them by ELB in accordance with the requirements of section 164(11) of the Companies Act, allow such offer to lapse in terms of section 164(12)(b) of the Companies Act;
<b>“Documents of Title”</b>	means valid share certificates, certified transfer deeds, balance receipts or any other proof of ownership of ELB Shares acceptable to ELB;
<b>“EFT”</b>	means an electronic funds transfer;
<b>“ELB”</b> or the <b>“Company”</b>	means ELB Group Limited (Registration number: 1930/002553/06), a public company incorporated in accordance with the laws of South Africa on 26 August 1930, the Shares of which are listed on the Main Board of the JSE;

<b>“ELB Board” or “ELB Directors” or “Directors”</b>	means the directors of ELB as at the Last Practicable Date, whose names are set out on page 3 of this Circular;
<b>“ELB Engineering Services”</b>	means ELB Engineering Proprietary Limited (Registration number: 1971/011234/07), a private company incorporated in accordance with the laws of South Africa, a wholly-owned subsidiary of ELB and in business rescue as at the Last Practicable Date;
<b>“ELB Shareholders” or “Shareholders”</b>	means the holders of ELB Shares recorded in the Register at the relevant time(s);
<b>“ELB Shares” or “Shares”</b>	means the ordinary shares in the share capital of ELB;
<b>“Eligible Shareholders”</b>	means the Shareholders other than the Excluded Shareholders, who are eligible to accept the General Offer;
<b>“Exchange Control Regulations”</b>	means the Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the Currency and Exchanges Act, No. 9 of 1933, as amended;
<b>“Excluded Dissenting Shareholders”</b>	Dissenting Shareholders who accept an offer made to them by ELB in accordance with the requirements of section 164(11) of the Companies Act or, pursuant to an order of Court, tender their Shares to ELB in accordance with the requirements of section 164(15) of the Companies Act;
<b>“Excluded Shareholders”</b>	the Remaining Shareholder and the Excluded Dissenting Shareholders;
<b>“Financial Markets Act”</b>	means the Financial Markets Act, No. 19 of 2012, as amended;
<b>“Firm Intention Announcement”</b>	means the announcement by ELB setting out the terms of a firm intention by ELB to effect the Offer, as released on SENS on Wednesday, 1 July 2020;
<b>“Foreign Shareholders”</b>	means a Shareholder who has a registered address outside South Africa and/or who is a national, citizen or resident of a country other than South Africa;
<b>“Form of Acceptance and Transfer”</b>	means for purposes of accepting the General Offer, the form of acceptance and transfer ( <i>pink</i> ) attached to and forming part of this Circular for use only by General Offer Participants holding Certificated Shares;
<b>“Form of Proxy”</b>	means the form of proxy ( <i>white</i> ) attached hereto and forming part of this Circular;
<b>“Form of Surrender and Transfer”</b>	means the form of surrender and transfer ( <i>blue</i> ) of Documents of Title attached to this Circular;
<b>“General Meeting”</b>	means the general meeting of ELB Shareholders to be held at 10:00 on Tuesday, 15 September 2020 (or any rescheduled, postponed or adjourned date and time in accordance with, amongst others, the provisions of section 64 of the Companies Act and the MOI, as read with the Listings Requirements) entirely via electronic facility/communication in terms of section 63(2)(a) of the Companies Act given the impact of COVID-19 on in-person meetings, to be convened in connection with the Transaction for the purpose of considering and if deemed fit, approving, with or without modification, the Resolutions contained in the Notice;

<b>“General Offer”</b>	means the general offer to the Eligible Shareholders, made by ELB, as contemplated by section 48(8) and section 117(1)(c)(v) of the Companies Act and paragraphs 1.15(c) and 5.69 of the Listings Requirements, to repurchase all of the General Offer Shares for the General Offer Consideration, subject to the General Offer Conditions (subject to any modification or amendment made thereto to which ELB may agree in writing, and which the TRP approves, to the extent that the TRP’s approval is required;
<b>“General Offer Closing Date”</b>	means the last date on which Eligible Shareholders will be entitled to accept the General Offer, which date shall be a Friday and no less than 10 Business Days after the date on which the General Offer is declared wholly unconditional, which date is expected to be Friday, 30 October 2020;
<b>“General Offer Conditions”</b>	means the conditions to the implementation of the General Offer set out in paragraph 5.5 of this Circular;
<b>“General Offer Consideration”</b>	means the gross amount of R2.00 for every General Offer Share repurchased in terms of the General Offer which constitutes a dividend for tax purposes and would be subject to dividends tax depending on the profile of the Shareholder;
<b>“General Offer Last Day to Trade”</b>	Tuesday, 27 October 2020, being the expected last day to trade in Shares in order to be recorded in the Register on the General Offer Closing Date;
<b>“General Offer Opening Date”</b>	means the opening date of the General Offer, being Monday, 17 August 2020;
<b>“General Offer Participants”</b>	means Eligible Shareholders to whom the General Offer is made and who lawfully and validly accept the General Offer by 12:00 on the General Offer Closing Date and who are entitled, subject to the General Offer being implemented, to receive the General Offer Consideration and “General Offer Participant” shall mean any one of them as the context requires, provided Dissenting Shareholders will only become General Offer Participants once they cease to be Dissenting Shareholders;
<b>“General Offer Payment Date”</b>	means in relation to a General Offer Participant, a period of six Business Days after the later of the General Offer being declared unconditional in all respects as contemplated by regulation 102(12)(a) of the Takeover Regulations and acceptance of the General Offer by such General Offer Participant;
<b>“General Offer Period”</b>	means the period beginning at 10:00 on the General Offer Opening Date and ending at 12:00 on the General Offer Closing Date, during which the Eligible Shareholders are entitled to accept the General Offer;
<b>“General Offer Shares”</b>	means all of the Shares, other than the Shares that the Remaining Shareholder owns, being a maximum of 22 894 611 Shares;
<b>“Group”</b>	means ELB and its subsidiaries from time to time;
<b>“Independent Board”</b>	means the independent sub-committee of the Board comprised of the following independent Directors: R Nkabinde, B Makhunga and J van Zyl, appointed to fulfil the role of an “independent board”, as contemplated in regulation 108 of the Takeover Regulations, all of whom are independent as contemplated in regulation 108(8) of the Takeover Regulations;

<b>“Independent Expert”</b>	means the independent expert appointed to provide the appropriate independent advice to the Independent Board in respect of the Transaction, being Moore Advisory JHB Proprietary Limited (Registration number: 2017/332039/07), a private company incorporated in accordance with the laws of South Africa;
<b>“Irrevocable Shareholders”</b>	means ELB Shareholders collectively holding 13 263 526 Shares, representing 46.6% of ELB’s total issued share capital, which have provided the Irrevocable Undertakings, as further set out in paragraph 9 of this Circular;
<b>“Irrevocable Undertakings”</b>	means the undertakings provided by the Irrevocable Shareholders in terms of which the Irrevocable Shareholders have undertaken, <i>inter alia</i> , in respect of their Shares to vote in favour of the Resolutions;
<b>“JSE”</b>	means the JSE Limited (Registration number: 2005/022939/06), a public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act;
<b>“Last Practicable Date”</b>	means Tuesday, 4 August 2020, being the last practicable date prior to the finalisation of this Circular;
<b>“Legal Advisor”</b>	means Webber Wentzel, a partnership formed under the laws of South Africa;
<b>“Listings Requirements”</b>	means the Listings Requirements of the JSE, as amended;
<b>“Longstop Date”</b>	has the meaning given to such term in paragraph 4.2;
<b>“Mandatory Offer”</b>	means the potential mandatory offer of R2.00 per Share in terms of section 123 of the Companies Act, that may be required to be made by the Remaining Shareholder to minority Shareholders as a result of the Remaining Shareholder or persons related or inter-related to or acting in concert with the Remaining Shareholder increasing its beneficial interest to 35% or more of the voting rights attaching to the Shares pursuant to the implementation of the Transaction;
<b>“MOI”</b>	means the memorandum of incorporation of ELB;
<b>“Non-Accepting Shareholders”</b>	means in the event that the Scheme does not become operative but the General Offer is implemented, those Eligible Shareholders who do not accept the General Offer in respect of all of the General Offer Shares held by them and who hold the remaining General Offer Shares, subject to the provisions of section 124(1) of the Companies Act, and “Non-Accepting Shareholder” shall mean any one of them as the context may require;
<b>“Notice of General Meeting” or “Notice”</b>	means the notice of General Meeting attached hereto and forming part of this Circular;
<b>“Offer”</b>	the Scheme and the General Offer, as may be applicable in the circumstances;
<b>“Offer Consideration”</b>	means collectively, the Scheme Consideration and the General Offer Consideration, or any one or each of them, being the gross amount of R2.00 per Scheme Share or General Offer Share, as the context may require;
<b>“Offer Participants”</b>	means collectively, the Scheme Participants and the General Offer Participants, or any one or each of them, as the context may require;
<b>“Offer Period”</b>	means shall bear the meaning ascribed to such term in section 117(1)(g) of the Companies Act;

<b>“Operative Date”</b>	means the Business Day on which ELB will commence settling the Scheme Consideration to Scheme Participants, being the first Business Day following the Scheme Consideration Record Date, which is expected to be Monday, 2 November 2020;
<b>“Ordinary Resolution”</b>	a resolution adopted by Shareholders with the support of more than 50% of the voting rights exercised on the resolution;
<b>“Own-Name Dematerialised Shareholders”</b>	means Dematerialised Shareholders who have instructed their CSDP to hold their Shares in their own-name on the Sub-Register;
<b>“Prior Circular”</b>	means the circular dated and posted to shareholders on 23 April 2020 which set out the terms of <i>inter alia</i> the category 1 disposal of 100% of the shares in and claims against ELB Australia and the cancellation of the treasury shares as a result of the series of transactions to ultimately cancel the Employee Scheme (as defined in the Prior Circular);
<b>“Rand” or “R”</b>	means South African Rand, the official currency of South Africa;
<b>“Register”</b>	means ELB’s securities register maintained by the Transfer Secretaries in accordance with sections 50(1) and 50(3) of the Companies Act, including the relevant Sub-Registers and the register of disclosures of ELB;
<b>“Remaining Shareholder”</b>	means Apex Partners which is deemed to be acting in concert with ELB in respect of the Offer by virtue of Apex Partners’ majority shareholder, Charles Pettit, also being a Director of ELB;
<b>“Repurchase”</b>	means the repurchase by ELB of its own Shares in terms of section 48 of the Companies Act, as further defined in paragraph 5.2.1 of this Circular;
<b>“Repurchase Resolution”</b>	means the Special Resolution required to be approved by Shareholders in order to implement and give effect to the Repurchase under the General Offer, in terms of section 48(8) of the Companies Act;
<b>“Resolutions”</b>	means the Ordinary Resolution and Special Resolutions to be approved by the requisite majority of Shareholders at the General Meeting as set out in the Notice, which resolutions will, <i>inter alia</i> , authorise and approve the Transaction;
<b>“RMB”</b>	means FirstRand Bank Limited (acting through its Rand Merchant Bank Division) (Registration Number: 1929/001225/06) a public company incorporated in accordance with the laws of South Africa, the Shares of which are listed on the Main Board of the JSE;
<b>“Scheme”</b>	means the scheme of arrangement in terms of section 114(1)(e) of the Companies Act, proposed by the ELB Board between ELB and Scheme Participants, in terms of which, if the Scheme becomes operative, ELB will repurchase all of the Scheme Shares, representing all Shares held by Scheme Participants, with the Scheme Participants being obliged to transfer their rights, title and interest in and to the Scheme Shares to ELB in exchange for the Scheme Consideration, subject to the Scheme Participants’ Appraisal Rights;
<b>“Scheme Conditions Precedent”</b>	means the scheme conditions precedent to which the Scheme is subject, as set out in paragraph 4.2 of this Circular;
<b>“Scheme Consideration”</b>	means the gross amount of R2.00 per Scheme Share held by Scheme Participants on the Scheme Consideration Record Date which constitutes a dividend for tax purposes and would be subject to dividends tax depending on the profile of the Shareholder;

<b>“Scheme Consideration Record Date”</b>	means the third Business Day after the Scheme Last Day to Trade, being the latest date for holders of Shares to be registered as such in the Register in order to receive the Scheme Consideration, which date is expected to be Friday, 30 October 2020;
<b>“Scheme Last Day to Trade”</b>	means the last day to trade Shares on the JSE in order to be registered in the Register on the Scheme Consideration Record Date, which date is expected to be Tuesday, 27 October 2020;
<b>“Scheme Participants”</b>	means the Shareholders, other than the Excluded Shareholders, who are registered as such in the Register on the Record Date and are therefore entitled to receive the Scheme Consideration; provided Dissenting Shareholders will only become Scheme Participants once they cease to be Dissenting Shareholders;
<b>“Scheme Resolution”</b>	means the Special Resolution required to be approved by Shareholders in order to implement and give effect to the Scheme;
<b>“Scheme Shares”</b>	means all of the Shares held by Scheme Participants on the Scheme Consideration Record Date;
<b>“Scheme Voting Record Date”</b>	means the last date to be recorded in the Register in order for Shareholders to be eligible to attend, speak and vote at the General Meeting (or any adjourned, postponed or rescheduled General Meeting), being Friday, 4 September 2020;
<b>“SENS”</b>	means the Stock Exchange News Service, operated by the JSE;
<b>“South Africa”</b>	means the Republic of South Africa;
<b>“Specific Repurchase”</b>	means the specific repurchase by ELB of its own Shares from the General Offer Participants in terms of the Listings Requirements, as further defined in paragraph 5.2.2 of this Circular;
<b>“Specific Repurchase Resolution”</b>	means the Special Resolution required to be approved by Shareholders in order to implement and give effect to the Specific Repurchase, contemplated in paragraph 5.69(b) of the Listings Requirements;
<b>“Sponsor”</b>	means Questco Corporate Advisory Proprietary Limited (Registration number: 2002/005616/07), a private limited liability company incorporated in accordance with the laws of South Africa and the JSE sponsor to ELB;
<b>“Strate”</b>	means Strate Proprietary Limited (Registration number: 1998/022242/07), a private company incorporated in accordance with the laws of South Africa, which is a registered central securities depository in terms of the Financial Markets Act and which is responsible for the electronic clearing and settlement system for transactions that take place on the JSE and off-market trades;
<b>“Sub-Register”</b>	means the sub-register of Dematerialised Shareholders, maintained by a CSDP and forming part of the Register;
<b>“Takeover Regulations”</b>	means the regulations published in terms of section 120 of the Companies Act and set out in Chapter 5 of the Companies Regulations;
<b>“Tender” or “Tendered”</b>	means the tender by Eligible Shareholders of all of the General Offer Shares held by them, for disposal in terms of the General Offer;
<b>“Transaction”</b>	means the transactions proposed in this Circular, being collectively, the Scheme or the General Offer and Delisting if the Scheme fails;

**“Transfer Secretaries”**

means 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 Secretaries of ELB;

**“Treasury Shares”**

means treasury shares defined in the Listings Requirements and including Shares held subject to an employee share incentive scheme approved under schedule 14 of the Listings Requirements (in each case which are non-voting on any resolution proposed in terms of the Listings Requirements); and

**“TRP”**

means the Takeover Regulation Panel, established in terms of section 196 of the Companies Act.

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## ACTION REQUIRED BY SHAREHOLDERS IN RELATION TO THE SCHEME

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***This Circular is important and requires your immediate attention. The actions you need to take are set out below.***

***The definitions and interpretations commencing on page 9 of this Circular apply mutatis mutandis to this section, except where the context indicates a contrary intention.***

Please take careful note of the following provisions regarding the actions required of Shareholders in respect of the Scheme:

- if you are in any doubt as to the action you should take, please consult your CSDP, Broker, legal advisor, accountant, banker or professional advisor immediately;
- if you have disposed of all your Shares, then this Circular, together with the accompanying Notice of General Meeting, Form of Proxy (*white*) and Form of Surrender and Transfer (*blue*), should be forwarded to the purchaser to whom, or the Broker, agent, CSDP or banker through whom you disposed of your Shares;
- in order for the Scheme to become operative, among other things, the Scheme Resolution must be adopted at the General Meeting; and
- the Independent Board and the ELB Board have recommended that Shareholders vote in favour of the Scheme Resolution.

### 1. **ELECTRONIC GENERAL MEETING**

The General Meeting will be held entirely via electronic facility/communication in terms of section 63(2) (a) of the Companies Act given the impact of COVID-19 on in-person meetings, at 10:00 on Tuesday, 15 September 2020 (or any other adjourned, postponed or rescheduled date and time in accordance with, amongst others, the provisions of section 64 of the Companies Act and the MOI, as read with the Listings Requirements) to consider and, if deemed fit, pass, with or without modification, the Resolutions required to authorise and effect the implementation of the Transaction. The Notice of General Meeting is attached to, and forms part of, this Circular. Shareholders are referred to paragraph 2.4 for details to enable Shareholders or their proxies to access the electronic General Meeting.

Shareholders are advised that the Company is in a 'closed period' (as such term is defined in the Listings Requirements) at the date of issue of this Circular due to the financial results for the year ended 30 June 2020 not yet being published. The Company intends to release its reviewed financial results by no later than Tuesday, 8 September 2020 and the General Meeting date of Tuesday, 15 September 2020 is conditional on the reviewed financial results being published by no later than Tuesday, 8 September 2020. Should the financial results not be published by this date, the General Meeting date will be rescheduled accordingly in order to provide Shareholders with sufficient time to consider the financial results as part of their assessment of how they wish to vote on the Resolutions set out in the Notice. Should it be required, any change to the General Meeting date will be released on SENS.

### 2. **ATTENDANCE AND VOTING AT THE GENERAL MEETING**

#### 2.1 **Dematerialised Shareholders without own-name registration:**

If you (or the relevant holder of voting rights as contemplated in section 57(1) of the Companies Act) wish to attend the General Meeting, you (or the relevant holder of voting rights) should instruct your CSDP or Broker to issue you (or the relevant holder of voting rights) with the necessary letter of representation to attend the General Meeting in person, in the manner stipulated in the Custody Agreement. These instructions must be provided to the CSDP or Broker by the cut-off time and date advised by the CSDP or Broker for instructions of this nature.

You will not be permitted to attend, participate in or vote at the General Meeting, nor appoint a proxy to represent you at the General Meeting, without the necessary letter of representation being issued to you.

If you (or the relevant holder of voting rights) do not wish to, or are unable to attend the General Meeting, but wish to vote at the General Meeting, you (or the relevant holder of voting rights) should

provide the CSDP or Broker with your voting instructions, in the manner stipulated in the Custody Agreement. These instructions must be provided to the CSDP or Broker by the cut-off time and date advised by the CSDP or Broker for instructions of this nature. If the CSDP or Broker does not obtain voting instructions, it will be obliged to vote in accordance with the instructions contained in the Custody Agreement.

If your CSDP or Broker does not obtain instructions from you, your CSDP or Broker will be obliged to act in accordance with the instructions contained in the Custody Agreement concluded between you and your CSDP or Broker.

If you have not been contacted, it would be advisable for you to contact your CSDP or Broker immediately and furnish your CSDP or Broker with your instructions.

You must NOT complete the attached Form of Proxy (*white*).

## 2.2 **Own-Name Dematerialised Shareholders:**

Subject to section 57(1) of the Companies Act, you may attend, participate and vote at the General Meeting in person.

Alternatively, if you (or the person entitled to do so in terms of section 57(1) of the Companies Act, as the case may be) do not wish to or are unable to attend the General Meeting and wish to be represented thereat, you (or such person) must complete the attached Form of Proxy (*white*) in accordance with the instructions therein and return it to the Transfer Secretaries, to be received preferably by no later than 48 hours before the General Meeting, i.e. by 10:00 on Friday, 11 September 2020. Should the Form of Proxy (*white*) not be lodged with the Transfer Secretaries by 10:00 on Friday, 11 September 2020, it may be handed to the chairperson of the General Meeting before the proxy exercises the voting rights of the Shareholder at the General Meeting or adjourned, postponed or rescheduled General Meeting (as the case may be).

The Form of Proxy (*white*) may be delivered by hand or sent by email or mail to the following addresses:

### **If delivered by hand**

Computershare Investor Services  
Proprietary Limited  
Rosebank Towers, 15 Biermann Avenue,  
Rosebank, 2196

### **If sent by mail**

Computershare Investor Services  
Proprietary Limited  
Private Bag X9000,  
Saxonwold, 2132

### **If sent by email**

proxy@computershare.co.za

## 2.3 **Certificated Shareholders:**

Subject to sections 56 and 57 of the Companies Act, you may attend, participate and vote at the General Meeting in person.

Alternatively, if you (or the person entitled to do so in terms of section 57(1) of the Companies Act, as the case may be) do not wish to or are unable to attend the General Meeting and wish to be represented thereat, you (or such person) must complete the attached Form of Proxy (*white*) in accordance with the instructions therein and return it to the Transfer Secretaries, to be received preferably by no later than 48 hours before the General Meeting, i.e. by 10:00 on Friday, 11 September 2020. Should the Form of Proxy (*white*) not be lodged with the Transfer Secretaries by 10:00 on Friday, 11 September 2020, it may be handed to the chairperson of the General Meeting or adjourned, postponed or rescheduled General Meeting before the proxy exercises the voting rights of the Shareholder at the General Meeting or adjourned, postponed or rescheduled General Meeting (as the case may be).

The Form of Proxy (*white*) may be delivered by hand or sent by email or mail to the following addresses:

**If delivered by hand**

Computershare Investor Services Proprietary  
Limited  
Rosebank Towers, 15 Biermann Avenue,  
Rosebank, 2196

**If sent by mail**

Computershare Investor Services Proprietary  
Limited  
Private Bag X9000,  
Saxonwold, 2132

**If sent by email**

proxy@computershare.co.za

## 2.4 **Electronic participation and voting at the General Meeting**

The General Meeting will only be accessible via electronic facility/communication in terms of section 63(2)(a) of the Companies Act, and as permitted in terms of the Listings Requirements and the Company's MOI.

Shareholders who wish to electronically participate in and/or vote at the General Meeting are required to contact Computershare on proxy@computershare.co.za as soon as possible, but in any event, for administrative purposes only, by no later than 10:00 am on Friday, 11 September 2020. However, this will not in any way affect the rights of Shareholders to register for the General Meeting after this date, provided, however, that only those Shareholders who are fully verified (as required in terms of section 63(1) of the Companies Act) and subsequently registered at the commencement of the General Meeting will be allowed to participate in and/or vote by electronic means. Shareholders are strongly encouraged to submit votes by proxy before the General Meeting. If Shareholders wish to attend the General Meeting, they should instruct their CSDP or Broker to issue them with the necessary letter of representation to attend the General Meeting in person, in the manner stipulated in your Custody Agreement. These instructions must be provided to the CSDP or Broker by the cut-off time and date advised by the CSDP or Broker for instructions of this nature.

Computershare will assist Shareholders with the requirements for electronic participation in, and/or voting at, the General Meeting. Computershare is further obliged to validate (in correspondence with ELB and, in particular, the Transfer Secretaries and your CSDP) each such Shareholder's entitlement to participate in and/or vote at the General Meeting, before providing it with the necessary means to access the General Meeting and/or the associated voting forms.

Shareholders will be liable for their own network charges and expenses in relation to electronic participation in the General Meeting. Any such charges will not be for the account of ELB or the Transfer Secretaries. None of ELB or the Transfer Secretaries can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which may prevent any such Shareholder from participating in the General Meeting.

Notwithstanding the above, Shareholders are reminded that they are still able to vote normally through proxy submission, despite deciding to participate either electronically or not at all in the General Meeting. Shareholders are strongly encouraged to submit votes by proxy in advance of the General Meeting.

Please forward all relevant information to the below mentioned:

Computershare Investor Services Pty Ltd  
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or Private Bag X9000, Saxonwold, 2132  
Tel: +27 11 370 5000  
Email: proxy@computershare.co.za

## 2.5 **General**

The Remaining Shareholder is an "*acquiring party*", as contemplated in section 115(4) of the Companies Act, and therefore will not be entitled to vote on the Scheme Resolution and the Repurchase Resolution.

## 2.6 Tax

The Scheme Consideration constitutes a dividend for tax purposes and would be subject to dividends tax depending on the profile of the Shareholder. To the extent that any Shareholder is exempt from dividends tax, it will be required to complete the prescribed declaration and undertaking before the distribution, as it would in the course of normal dividends being declared. Shareholders should consult their professional advisors immediately if they are in any doubt as to their tax position. Should the Scheme become unconditional and be implemented in accordance with its terms, the gross Scheme Consideration of R2.00 per Scheme Share will be paid or credited to the accounts of Scheme Participants net of dividends tax on the gross consideration at a rate of 20%. Scheme Participants who are not exempt from paying dividends tax will be paid a net Scheme Consideration of R1.60 per Scheme Share.

## 3. GENERAL

### 3.1 Approval of the Scheme at the General Meeting

The Scheme and repurchase of Shares must be approved by a Special Resolution of Shareholders, in accordance with sections 48(8)(a), 48(8)(b), 114(1)(e) and 115(2)(a) of the Companies Act, at the General Meeting at which sufficient Shareholders must be present to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised on the Scheme Resolution.

In order to be approved, the Scheme Resolution must be supported by at least 75% of the voting rights exercised on the resolution. The Remaining Shareholder will not vote on the Scheme Resolution.

### 3.2 Court approval

Shareholders are advised that, in terms of section 115(3) of the Companies Act, ELB may in certain circumstances not proceed to implement the Scheme without the approval of the Court, despite the fact that Scheme Resolution has been adopted at the General Meeting.

A copy of section 115 of the Companies Act pertaining to the required approval for the Scheme is set out in Annexure 6 to this Circular and a summary is contained in paragraph 4.5 of this Circular.

### 3.3 Dissenting Shareholders

A Shareholder who is entitled to vote at the General Meeting is entitled to seek relief in terms of section 164 of the Companies Act if that Shareholder:

- notified ELB in advance and in writing of its intention to oppose the Scheme Resolution;
- was present at the General Meeting;
- voted against the Scheme Resolution; and
- sent ELB a demand contemplated in section 164(5) of the Companies Act.

A copy of section 164 of the Companies Act pertaining to Dissenting Shareholders' Appraisal Rights is set out in Annexure 8 to this Circular and a summary is contained in paragraph 5.8 of this Circular.

## 4. TRP APPROVALS

Shareholders should take note that the TRP does not consider commercial advantages or disadvantages of "*affected transactions*", as defined in section 117(1)(c) of the Companies Act, when it approves such transactions.

## 5. LOST OR DESTROYED DOCUMENTS OF TITLE IN RESPECT OF CERTIFICATED SHAREHOLDERS

If Documents of Title have been lost or destroyed, Certificated Shareholders should nevertheless return the Form of Surrender and Transfer (*blue*) duly signed and completed. The Transfer Secretaries shall issue a suitable indemnity form to such Certificated Shareholder, such indemnity form to be in a form and substance acceptable to ELB (in its sole and absolute discretion) and ELB and the Transfer Secretaries must be satisfied that the Documents of Title have been lost or destroyed.

Only upon receipt of such indemnity form duly completed and signed by such Certificated Shareholder to be received by 12:00 on the Scheme Consideration Record Date, will ELB consider the action taken by such Certificated Shareholder in terms of the Scheme.

## 6. SURRENDER OF DOCUMENTS OF TITLE

### 6.1 Dematerialised Shareholders

You do not have to surrender any Documents of Title. This will be done by your CSDP or Broker. You must NOT complete the attached Form of Surrender and Transfer (*blue*).

### 6.2 Certificated Shareholders

If the Scheme becomes operative, you will be required to surrender your Documents of Title in respect of all your Shares in order to claim the Scheme Consideration payable or deliverable to you.

If you wish to expedite receipt of the Scheme Consideration and surrender your Documents of Title in anticipation of the Scheme becoming operative, you should complete the attached Form of Surrender and Transfer (*blue*) and return it, together with the relevant Documents of Title relating to all your Shares, in accordance with the instructions contained therein, to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, of Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or PO Box 61763, Marshalltown, 2107, by 12:00 on the Scheme Consideration Record Date.

If Documents of Title relating to any Shares to be surrendered are lost or destroyed, ELB may dispense with the surrender of such Documents of Title upon production of evidence satisfactory to ELB that the Documents of Title to the Shares in question have been lost or destroyed and upon provision of a suitable indemnity on terms satisfactory to ELB. Accordingly, if the Documents of Title in respect of any of your Shares have been lost or destroyed, you should nevertheless return the attached Form of Surrender and Transfer (*blue*), duly signed and completed, together with a duly signed and completed indemnity form which is obtainable from the Transfer Secretaries.

Should you surrender your Documents of Title in anticipation of the Scheme becoming operative and the Scheme then does not become operative and you do not accept the General Offer within the stipulated time frame or the General Offer does not become unconditional, the Transfer Secretaries shall, within five Business Days of the later of these two events, provided that the date upon which it becomes known that the Scheme will not be implemented, or on receipt by the Transfer Secretaries of the relevant Documents of Title, return the Documents of Title to you, by registered post, at your own risk.

## 7. DEMATERIALISATION OR REMATERIALISATION OF AND TRADING IN SCHEME SHARES

You are not required to Dematerialise your Shares in order to participate in the Scheme. If you wish to Dematerialise your Scheme Shares, please contact the Transfer Secretaries or your CSDP or Broker.

You should note that once you have surrendered your Documents of Title in respect of your Scheme Shares, in anticipation of the Scheme becoming operative, you may not Dematerialise or trade any of the Scheme Shares to which those Documents of Title relate.

No Dematerialisation or re-materialisation of Scheme Shares may take place:

- from the Business Day following the last day to trade prior to the General Meeting up to and including the Scheme Voting Record Date in respect of the General Meeting; and
- if the Scheme becomes operative, on or after the Business Day following the Scheme Last Day to Trade.

Should the Scheme not become operative and:

- you have not accepted the General Offer in respect of all of your General Offer Shares, the Transfer Secretaries shall, within five Business Days of either the General Offer Closing Date or on receipt by the Transfer Secretaries of the required Documents of Title, whichever is the later, return the Documents of Title to you, by registered post, at your own risk; or
- you have accepted the General Offer in respect of all of your General Offer Shares but the General Offer does not become unconditional in all respects, the Transfer Secretaries shall, within five Business

Days of either the date upon which it becomes known that the General Offer will not be implemented or on receipt by the Transfer Secretaries of the required Documents of Title, whichever is the later, return the Documents of Title to you, by registered post, at your own risk.

8. **POSTING FORMS OF SURRENDER AND TRANSFER AND DOCUMENTS OF TITLE**

Forms of Surrender and Transfer and Documents of Title that are sent through the post are sent at the risk of the Shareholder concerned. Accordingly, Shareholders should take note of postal delivery times so as to ensure that the forms and relevant Documents of Title are received timeously. It is therefore recommended that such forms and Documents of Title rather be sent by registered post or delivered by hand to the Transfer Secretaries.

9. **OTHER**

The contents of this Circular do not purport to constitute legal advice or to comprehensively deal with the legal, regulatory and tax implications of the Scheme or any other matter for each Shareholder. Shareholders are accordingly advised to consult their professional advisors about their personal legal, regulatory and tax positions regarding the Scheme or any other matter and in particular the receipt of the Scheme Consideration, as applicable.

ELB does not accept responsibility and will not be held liable for any act of, or omission by, any CSDP or Broker, including, without limitation, any failure on the part of the CSDP or Broker or any registered holder of Scheme Shares to notify the holder of any beneficial interest in those Scheme Shares in respect of the Scheme or any other matter set out in this Circular.

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## ACTION REQUIRED BY SHAREHOLDERS IN RELATION TO THE GENERAL OFFER

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***This Circular is important and requires your immediate attention. The actions you need to take are set out below.***

***The definitions and interpretations commencing on page 9 of this Circular apply mutatis mutandis to this section, except where the context indicates a contrary intention.***

Please take careful note of the following provisions regarding the actions required of Shareholders in respect of the General Offer:

- Shareholders should take note of the Company's intention to release its reviewed financial results for the year ended 30 June 2020 by no later than Tuesday, 8 September 2020 in making their assessment in whether they wish to tender an acceptance to the General Offer. Shareholders are cautioned to avoid accepting the General Offer until such time as the Company publishes its financial results for the year ended 30 June 2020, as the acceptance of the General Offer is final and irrevocable, and may not be withdrawn, once an Eligible Shareholder's acceptance of the General Offer in respect of any of its General Offer Shares has been communicated to the Transfer Secretaries;
- if you are in any doubt as to the action you should take, please consult your CSDP, Broker, legal advisor, accountant, banker or professional advisor immediately;
- if you have disposed of all your Shares, then this Circular, together with the accompanying Notice of General Meeting, Form of Proxy (*white*) and Form of Acceptance and Transfer (*pink*), should be forwarded to the purchaser to whom, or the Broker, agent, CSDP or banker through whom you disposed of your Shares;
- in order for the General Offer to become operative, the Repurchase Resolution, Specific Repurchase Resolution and Delisting Resolution must be adopted and the General Offer must become wholly unconditional;
- the Independent Board and the ELB Board have unanimously recommended that Shareholders vote in favour of the Repurchase Resolution, Specific Repurchase Resolution and Delisting Resolution;
- the General Offer will run concurrently to the Scheme, however, implementation of the General Offer will be conditional on, *inter alia*, the Scheme not becoming operative;
- for the avoidance of doubt, Eligible Shareholders will be entitled to accept the General Offer from 10:00 on the General Offer Opening Date, however, any General Offer Shares Tendered will not be acquired by ELB until such time as the General Offer is implemented, which is conditional, *inter alia*, on the Scheme not becoming operative and the General Offer becoming wholly unconditional;

Eligible Shareholders shall be entitled to either:

- accept the General Offer in respect of all (and not some) of their General Offer Shares (accordingly no partial acceptances will be accepted); or
- reject the General Offer.

If you wish to accept the General Offer, you must do so in the manner described below, depending on whether you are a Certificated Shareholder or a Dematerialised Shareholder.

### 1. ATTENDANCE AND VOTING AT THE ELECTRONIC GENERAL MEETING

Shareholders are referred to the section titled "*Action required by Shareholders in relation to the Scheme*" beginning on page 17 to ascertain the action required by Shareholders in respect of the electronic General Meeting.

### 2. ACTION REQUIRED IN RESPECT OF THE GENERAL OFFER

#### 2.1 A Dematerialised Shareholders

If you are a Dematerialised Shareholder, you may be contacted by your CSDP or Broker in the manner stipulated in your Custody Agreement and subject to the cut-off time in order to ascertain whether or not you wish to accept the General Offer. If you wish to accept the General Offer, you must notify your CSDP or Broker of your acceptance of the General Offer in the time and manner stipulated in your Custody Agreement.

If you are a Dematerialised Shareholder and wish to accept the General Offer, but have not been contacted by your CSDP or Broker, it would be advisable for you to contact and furnish your CSDP or Broker with instructions in regard to the acceptance of the General Offer. These instructions must be provided in the manner and by the cut-off date and time stipulated in your Custody Agreement, and must be communicated by your CSDP or Broker to the Transfer Secretaries by no later than 12:00 on the General Offer Closing Date.

You must NOT complete the attached Form of Acceptance and Transfer (*pink*).

If you notify your CSDP or Broker of your desire to accept the General Offer, you will NOT be able to rematerialise and/or trade your Shares from the date on which you notify your CSDP or Broker of your acceptance of the General Offer. Dematerialised Shareholders will, however, be entitled to sell such General Offer Shares Tendered to ELB in terms of the Scheme and to receive the Scheme Consideration in respect of such General Offer Shares Tendered in the event that the Scheme becomes operative.

## 2.2 **Certificated Shareholders**

If you are a Certificated Shareholder and wish to accept the General Offer, you must complete the Form of Acceptance and Transfer (*pink*) attached to this Circular in accordance with its instructions, and forward it, together with your Documents of Title, to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, of Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (for hand deliveries) or PO Box 61763, Marshalltown, 2107 (for postal deliveries), by no later than 12:00 on the General Offer Closing Date.

If you accept the General Offer and surrender your Documents of Title, you will NOT be able to Dematerialise and/or trade your General Offer Shares from the date that you surrender your Documents of Title in respect of those General Offer Shares.

## 2.3 **Approval of the Repurchase, Specific Repurchase and Delisting at the General Meeting**

As the General Offer is considered to be a Repurchase in terms of section 48(8) of the Companies Act and a Specific Repurchase in terms of paragraph 5.69(b) of the Listings Requirements, the Repurchase and the Specific Repurchase are required to be approved by separate Special Resolutions of the Shareholders at the General Meeting in accordance with the quorum requirements specified above.

Firstly, in accordance with sections 48(8)(a) and 48(8)(b) of the Companies Act, a decision by ELB to Repurchase its Shares: (i) must be approved by a Special Resolution if any of the Shares are to be acquired by ELB from a Director, or a person related to a Director; and (ii) is subject to the requirements of sections 114 and 115 of the Companies Act if it involves the acquisition by ELB of more than 5% of its Shares. In accordance with section 115(4) of the Companies Act, the Remaining Shareholder will not be entitled to vote on the Repurchase Resolution at the General Meeting.

Secondly, in accordance with paragraph 5.69(b) of the Listings Requirements, any Shareholder and its associates (as defined in the Listings Requirements) that are participating in the General Offer, will not be entitled to vote on the Specific Repurchase Resolution at the General Meeting. As it is uncertain which specific Shareholders will participate in the Specific Repurchase and in the absence of any Shareholders undertaking to accept the General Offer, all Shareholders (including the Remaining Shareholder) will be able to vote on the Specific Repurchase Resolution.

The Delisting must also be approved by an Ordinary Resolution, at the General Meeting, at which at least three Shareholders are present and sufficient Shareholders are present to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised at the General Meeting, in accordance with paragraphs 1.15(a) and 1.16 of the Listings Requirements. In order to be approved, the Ordinary Resolution must be supported by more than 50% of the voting rights exercised thereon. The Remaining Shareholder will be entitled to vote on the Delisting Resolution.

## 2.4 **Electronic participation**

The General Meeting will only be accessible via electronic facility/communication in terms of section 63(2)(a) of the Companies Act, and as permitted in terms of the Listings Requirements and the Company's MOI.

Shareholders who wish to electronically participate in and/or vote at the General Meeting are required to contact Computershare on proxy@computershare.co.za as soon as possible, but in any event, for administrative purposes only, by no later than 10:00 am on Friday, 11 September 2020. However, this will not in any way affect the rights of Shareholders to register for the General Meeting after this date, provided, however, that only those Shareholders who are fully verified (as required in terms of section 63(1) of the Companies Act) and subsequently registered at the commencement of the General Meeting will be allowed to participate in and/or vote by electronic means. Shareholders are strongly encouraged to submit votes by proxy before the General Meeting. If Shareholders wish to attend the General Meeting, they should instruct their CSDP or Broker to issue them with the necessary letter of representation to attend the General Meeting in person, in the manner stipulated in your Custody Agreement. These instructions must be provided to the CSDP or Broker by the cut-off time and date advised by the CSDP or Broker for instructions of this nature.

Computershare will assist Shareholders with the requirements for electronic participation in, and/or voting at, the General Meeting. Computershare is further obliged to validate (in correspondence with ELB and, in particular, the Transfer Secretaries and your CSDP) each such Shareholder's entitlement to participate in and/or vote at the General Meeting, before providing it with the necessary means to access the General Meeting and/or the associated voting forms.

Shareholders will be liable for their own network charges and expenses in relation to electronic participation in and/or voting at the General Meeting. Any such charges will not be for the account of ELB or the Transfer Secretaries. None of ELB or the Transfer Secretaries can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which may prevent any such Shareholder from participating in and/or voting at the General Meeting.

Notwithstanding the above, Shareholders are reminded that they are still able to vote normally through proxy submission, despite deciding to participate either electronically or not at all in the General Meeting. Shareholders are strongly encouraged to submit votes by proxy in advance of the General Meeting.

Please forward all relevant information to the below mentioned:

Computershare Investor Services Pty Ltd

Rosebank Towers, 15 Biermann Avenue, Rosebank, 2132 or Private Bag X9000, Saxonwold, 2132

Tel: +27 11 370 5000

Email: proxy@computershare.co.za

## 2.5 Tax

The General Offer Consideration constitutes a dividend for tax purposes and would be subject to dividends tax depending on the profile of the Shareholder. To the extent that any Shareholder is exempt from dividends tax, it will be required to complete the prescribed declaration and undertaking before the distribution, as it would in the course of normal dividends being declared. Shareholders should consult their professional advisors immediately if they are in any doubt as to their tax position. Should the General Offer become unconditional and be implemented in accordance with its terms, the gross General Offer Consideration of R2.00 per General Offer Share will be paid or credited to the accounts of Eligible Shareholders net of dividends tax on the gross consideration at a rate of 20%. Eligible Shareholders who are not exempt from paying dividends tax will be paid a net General Offer Consideration of R1.60 per General Offer Share.

## 3. GENERAL

### 3.1 Court approval

Shareholders are advised that, in terms of section 115(3) of the Companies Act, ELB may in certain circumstances not proceed to implement the General Offer without the approval of the Court, despite the fact that Repurchase Resolution has been adopted at the General Meeting.

A copy of section 115 of the Companies Act pertaining to the required approval for the Repurchase Resolution is set out in Annexure 6 to this Circular and a summary is contained in paragraph 5.15 of this Circular.

### 3.2 **Dissenting Shareholders**

A Shareholder who is entitled to vote at the General Meeting is entitled to seek relief in terms of section 164 of the Companies Act if that Shareholder:

- notified ELB in advance and in writing of its intention to oppose the Repurchase Resolution;
- was present at the General Meeting;
- voted against the Repurchase Resolution; and
- sent ELB a demand contemplated in section 164(5) of the Companies Act.

A copy of section 164 of the Companies Act pertaining to Dissenting Shareholders' Appraisal Rights is set out in Annexure 8 to this Circular and a summary is contained in paragraph 5.16 of this Circular.

### 3.3 **Compulsory acquisition**

In the event that the General Offer is implemented and is accepted by Eligible Shareholders holding at least 90% of the General Offer Shares, ELB may, at its election, invoke the provisions of section 124 of the Companies Act, to compulsorily acquire all the General Offer Shares held by the Non-Accepting Shareholders, as further detailed in paragraph 5.12 of this Circular and Annexure 7 to this Circular.

Should ELB not elect to invoke the provisions of section 124 of the Companies Act, and the General Offer becomes wholly unconditional and implemented, Eligible Shareholders who have not accepted the General Offer will remain Shareholders in ELB. Subject to the Scheme not becoming operative, if an Eligible Shareholder does not wish to accept the General Offer in respect of any of the General Offer Shares held by them, they do not need to take any further action and should the provisions of section 124 of the Companies Act not be invoked by ELB, such Eligible Shareholders will become Non-Accepting Shareholders upon the General Offer becoming wholly unconditional and implemented.

A copy of section 124 of the Companies Act is set out in Annexure 7 to this Circular and a summary is contained in paragraph 5.12 of this Circular.

### 3.4 **Dematerialisation or rematerialisation of and trading in Shares**

If you wish to Dematerialise your Shares, please contact the Transfer Secretaries, your Broker or CSDP. You are NOT required to Dematerialise your General Offer Shares in order to participate in the General Offer or to receive the General Offer Consideration.

You should note that once you have surrendered your Documents of Title in respect of your General Offer Shares, pursuant to your acceptance of the General Offer, you may not Dematerialise or trade any of the General Offer Shares to which those Documents of Title relate.

Furthermore, you should note that, after acceptance of the General Offer you may not Dematerialise or trade any of the General Offer Shares in respect of which the General Offer has been accepted. You will however be entitled to sell such General Offer Shares Tendered, to ELB in terms of the Scheme and to receive the Scheme Consideration in respect of such General Offer Shares Tendered in the event that the Scheme becomes operative.

For the avoidance of doubt, you may not, after acceptance of the General Offer, instruct any Broker or CSDP to hold your General Offer Shares in respect of which the General Offer has been accepted as nominee on your behalf or, where such General Offer Shares are already held by the Broker or CSDP as nominee, request the Broker or CSDP to release the General Offer Shares in respect of which the General Offer has been accepted.

No Dematerialisation or rematerialisation of Shares may take place:

- from the Business Day following the last day to trade prior to the General Meeting up to and including the Scheme Voting Record Date; and
- if the General Offer is declared wholly unconditional, on or after the Business Day following the General Offer Last Day to Trade.

#### 4. **FOREIGN SHAREHOLDERS**

If you are a Foreign Shareholder, you are urged to read the important information, relating to the General Offer described in this Circular. If you are in doubt about your position, you should consult your professional advisor in the relevant jurisdiction.

#### 5. **POSTING FORMS OF ACCEPTANCE AND TRANSFER AND DOCUMENTS OF TITLE**

Forms of Acceptance and Transfer (*pink*) and Documents of Title that are sent through the post are sent at the risk of the Eligible Shareholder concerned. Accordingly, Eligible Shareholders should take note of postal delivery times so as to ensure that the forms and relevant Documents of Title are received timeously. It is therefore recommended that such forms and Documents of Title rather be sent by registered post or delivered by hand to the Transfer Secretaries.

#### 6. **LOST OR DESTROYED DOCUMENTS OF TITLE IN RESPECT OF CERTIFICATED SHAREHOLDERS**

If Documents of Title have been lost or destroyed, Certificated Shareholders should nevertheless return the Form of Acceptance and Transfer (*pink*) duly signed and completed. The Transfer Secretaries shall issue a suitable indemnity form to such Certificated Shareholder, such indemnity form to be in a form and substance acceptable to ELB (in its sole and absolute discretion) and ELB and the Transfer Secretaries must be satisfied that the Documents of Title have been lost or destroyed.

Only upon receipt of such indemnity form, duly completed and signed by such Certificated Shareholder, to be received by 12:00 on the General Offer Closing Date, will ELB consider the action taken by such Certificated Shareholder in terms of the General Offer.

#### 7. **OTHER**

The contents of this Circular do not purport to constitute legal advice or to comprehensively deal with the legal, regulatory and tax implications of the General Offer or any other matter for each Shareholder. Shareholders are accordingly advised to consult their professional advisors about their personal legal, regulatory and tax positions regarding the General Offer or any other matter and in particular the receipt of the General Offer Consideration, as applicable.

ELB does not accept responsibility and will not be held liable for any act of, or omission by, any CSDP or Broker, including, without limitation, any failure on the part of the CSDP or Broker or any registered holder of General Offer Shares to notify the holder of any beneficial interest in those General Offer Shares in respect of the General Offer or any other matter set out in this Circular.

#### 8. **TRP APPROVAL**

Shareholders should take note that the TRP does not consider the commercial advantages or disadvantages of “*affected transactions*”, as defined in section 117(1)(c) of the Companies Act, when it approves such transactions.



## **ELB Group Limited**

(Incorporated in the Republic of South Africa)

(Registration number 1930/002553/06)

Share code: ELR

ISIN: ZAE000035101

("ELB" or the "Company")

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## **CIRCULAR TO SHAREHOLDERS**

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### **1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR**

Shareholders are referred to the Firm Intention Announcement dated Wednesday, 1 July 2020, wherein Shareholders were advised that the ELB Board had resolved to propose:

- 1.1 an offer to all Shareholders (other than the Remaining Shareholder) to acquire all of the Scheme Shares for the Scheme Consideration (being a cash consideration of R2.00 per Share), in accordance with the provisions of sections 48 and 114(1)(e) of the Companies Act and paragraph 1.17(b) of the Listings Requirements by way of a Scheme; and
- 1.2 separate to the Scheme, but concurrently with it, a conditional General Offer by ELB to Shareholders (other than the Remaining Shareholder), to acquire all of the General Offer Shares for the General Offer Consideration (being a cash consideration of R2.00 per Share), in accordance with the provisions of sections 48 and 117(1)(c)(v) of the Companies Act and paragraphs 1.15(c) and 5.69 of the Listings Requirements, which will be implemented only if the Scheme fails; and
- 1.3 the subsequent Delisting of all of the Shares from the JSE, in terms of paragraph 1.17(b) of the Listings Requirements, pursuant to the implementation of the Scheme or, if the Scheme fails, pursuant to the Delisting Resolution being approved, and the General Offer being implemented.

The Scheme and the General Offer are proposed concurrently on the basis that the implementation of the General Offer will be conditional upon, amongst others, the Scheme not becoming operative. In the event that the Scheme becomes operative, the General Offer will lapse. Alternatively, if the Scheme does not become operative and the General Offer becomes wholly unconditional, the General Offer will be implemented.

Implementation of the Scheme is subject to the fulfilment or waiver of the Scheme Conditions Precedent including, *inter alia*, approval of the Scheme Resolution by Shareholders. The General Offer will be subject to the fulfilment or waiver of the conditions set out in paragraph 5.5 below.

The Delisting will occur if: (i) pursuant to paragraph 1.17(b) of the Listings Requirements, the Scheme becomes operative; or (ii) the General Offer becomes wholly unconditional and is implemented and the Delisting is approved by Shareholders. The Independent Board considers the General Offer to be fair in terms of paragraph 1.15 of the Listings Requirements.

The Independent Board and the ELB Board are in unanimous support of the Scheme and General Offer and recommend that Eligible Shareholders vote in favour of the Resolutions, including, the Scheme Resolution and the Delisting Resolution.

In the event that the Scheme becomes operative, the JSE has granted approval for the suspension of the listing of the Shares on the JSE with effect from the commencement of trade on the JSE on the day following the Scheme Last Day to Trade, which is expected to be Tuesday, 27 October 2020, and the termination of the listing of the Shares on the JSE from the commencement of trade on the day following the Operative Date, which is expected to be Tuesday, 3 November 2020.

Should the General Offer become wholly unconditional and be implemented, and the Delisting is approved, the listing of ELB on the JSE will be terminated. Subject to the General Offer becoming unconditional in accordance with its terms, the JSE has granted approval for the suspension of the listing of the Shares on the JSE with effect from the commencement of trade on the JSE on the day following the General Offer Last Day to Trade, and the termination of the listing of the Shares on the JSE from the commencement of trade on the day following the General Offer Closing Date, which date shall be a Friday and no less than 10 Business Days after the date on which the General Offer is declared wholly unconditional.

The purpose of this Circular is to provide Shareholders with terms and conditions of the Scheme and the General Offer including, *inter alia*, the report of the Independent Expert prepared in terms of both section 114(3) of the Companies Act and the Listings Requirements, the recommendation of the Independent Board in respect of the Scheme and the General Offer, and to give notice convening the General Meeting in order to consider and, if deemed fit, to pass with or without modification the Resolutions necessary to approve and implement the Scheme or the General Offer (including the Delisting) in accordance with the Companies Act and the Takeover Regulations. A Notice of General Meeting is attached to, and forms part of, this Circular.

To obtain a full understanding of the terms and conditions of the Scheme, the General Offer and the Delisting, this Circular should be read in its entirety.

## 2. NATURE OF THE BUSINESS OF ELB AND PROSPECTS FOR THE GROUP

ELB is an engineering solutions provider and capital equipment supplier in the fields of materials handling, mineral separation, industrial projects and power solutions.

ELB Engineering Services was placed into business rescue as announced on SENS on 6 April 2020. This was the result of a combination of continued cost overruns on legacy engineering contracts and generally low levels of revenue as a result of a decrease in the number of projects secured by the business. The business rescue process is ongoing and ELB Engineering Services continues to support its existing clients and contracts.

ELB Equipment's market remains in a downturn with economic conditions being difficult, particularly in South Africa. Public expenditure continues to be diverted from productive investment to financing failed state-owned entities which is having a negative impact on the public and private construction sector. The demand for construction equipment has therefore continued to decline, while the demand for earthmoving and mining equipment has remained relatively stable.

In general, trading conditions remain extremely challenging across the markets in which the Group operates and the situation has been further negatively impacted by the COVID-19 lockdown. The tough trading environment continues to place pressure on the Group's liquidity position.

## 3. RATIONALE FOR THE TRANSACTION

Since the beginning of the calendar year, ELB has undertaken a number of restructuring initiatives. However, despite the implementation of these initiatives, the Group continues to face challenges, in particular in ELB Engineering Services where new business forecasts were not achieved. This led to this business entering voluntary business rescue as announced on SENS on 6 April 2020.

Furthermore, as a result of the ongoing downturn in the construction sector and the impact of the COVID-19 lockdown, the remaining Group businesses are expected to be loss making in the current financial year and will require further external funding support.

In this context, the ELB Board has resolved that ELB can no longer justify the costs and associated administrative burden of a JSE listing relative to the benefit of an ongoing listing and furthermore will be better able to secure funding support for its operations in an unlisted environment.

As a result of the reduced size of the ELB Group, in terms of both operations and market capitalisation, ELB's Shares have become highly illiquid on the JSE and the Scheme or General Offer, as the case may be, is therefore also intended to provide Eligible Shareholders with an exit opportunity at a fair price, which may otherwise not be forthcoming in the current economic climate and in particular as it relates to the sectors in which the ELB Group operates.

The buyback will cost ELB approximately R48 500 000, consisting of the Offer Consideration and the estimated transaction expenses.

The offer price of R2.00 per Share is a 66.67% premium to the closing price on the date preceding the Firm Intention Announcement and a 57.48% premium to the weighted average traded price over the 30 business days preceding the date of the Firm Intention Announcement.

#### 4. TERMS AND CONDITIONS OF THE SCHEME

In terms of section 114(1) of the Companies Act, the ELB Board proposes the Scheme, as set out in this paragraph 4, between ELB and the Scheme Participants.

##### 4.1 The Scheme

- 4.1.1 ELB will repurchase the Scheme Shares from the Scheme Participants in exchange for the Scheme Consideration.
- 4.1.2 Subject to the Scheme becoming unconditional, with effect from 09:00 on the Operative Date:
  - 4.1.2.1 the Scheme Participants (whether they voted in favour of the Scheme or not or abstained or refrained from voting) shall be deemed to have disposed of (and shall be deemed to have undertaken to transfer) their Scheme Shares, free of encumbrances, to ELB, in exchange for the Scheme Consideration, and ELB shall be deemed to have acquired registered and beneficial ownership of all the Scheme Shares;
  - 4.1.2.2 the disposal and transfer by each Scheme Participant of the Scheme Shares held by each such Scheme Participant to ELB, and the acquisition and ownership of those Scheme Shares by ELB, pursuant to the provisions of the Scheme, will be effected;
  - 4.1.2.3 each Scheme Participant shall be deemed to have transferred to ELB all of the Scheme Shares held by such Scheme Participant without any further act or instrument being required; and
  - 4.1.2.4 Scheme Participants shall be entitled to receive the Scheme Consideration, subject to the remaining provisions of this paragraph 4.
- 4.1.3 Each Scheme Participant irrevocably and in its place and stead, and for and on its behalf, authorises ELB, as principal, with power of substitution, to cause the Scheme Shares disposed of by any Scheme Participant in terms of the Scheme to be transferred to, and registered in the name of, ELB on or at any time after the Operative Date, and to do all such things and take all such steps (including the signing of any transfer form) as ELB in its discretion considers necessary in order to effect that transfer and registration.
- 4.1.4 The Scheme Consideration shall be settled, in full, in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which ELB may otherwise be, or claim to be, entitled against a Scheme Participant.
- 4.1.5 The rights of the Scheme Participants to receive the Scheme Consideration will be rights enforceable by Scheme Participants as against ELB only.
- 4.1.6 The effect of the Scheme will, *inter alia*, be that ELB will, with effect from the Operative Date, become the beneficial owner of all Scheme Shares, upon which such Shares shall be immediately cancelled and have the status of authorised but unissued shares. ELB shall have its Register updated accordingly.
- 4.1.7 As a consequence of the Scheme becoming operative, an application will be made to the JSE for the Delisting of all of the Shares from the JSE.

##### 4.2 Scheme Conditions Precedent

- 4.2.1 The implementation of the Scheme is subject to the fulfilment or waiver, as the case may be, of the following Scheme Conditions Precedent by no later than Friday, 30 October 2020 ("**Longstop Date**"):
  - 4.2.1.1 all approvals, consents or waivers from those South African regulatory authorities as may be necessary for ELB to implement the Scheme, including the TRP (by

means of the issue of a compliance certificate in terms of section 121(b)(i) of the Companies Act), the South African Reserve Bank and the South African Competition Commission, are obtained on an unconditional basis or, to the extent that any such regulatory approvals, consents or waivers are obtained subject to any condition or qualification, ELB (to the extent that it is adversely affected by the condition or qualification) confirms in writing that the condition or qualification is acceptable to it, which confirmation shall not be unreasonably withheld or delayed;

- 4.2.1.2 all necessary Shareholder approvals and/or resolutions as may be necessary to give effect to the Scheme have been obtained, including, but not limited to, the Scheme Resolution;
  - 4.2.1.3 ELB has not elected to treat the Scheme Resolution as a nullity pursuant to section 115(5)(b) of the Companies Act;
  - 4.2.1.4 in the circumstances where ELB has not elected to treat the Scheme Resolution as a nullity pursuant to section 115(5)(b) of the Companies Act, a Court has granted its approval pursuant to section 115(3) of the Companies Act in circumstances where:
    - 4.2.1.4.1 the Scheme Resolution is opposed by 15% or more of the voting rights that were exercised in respect of the Scheme Resolution; and
    - 4.2.1.4.2 a Shareholder who voted against the Scheme Resolution requires ELB, within five Business Days after the vote, to seek Court approval pursuant to section 115(3)(a) of the Companies Act;
  - 4.2.1.5 no Shareholder who voted against the Scheme Resolution applies to Court within 10 Business Days after the vote for leave to apply for a review of the Scheme in accordance with the requirements of section 115(3)(b) of the Companies Act and section 115(6) of the Companies Act;
  - 4.2.1.6 ELB waives the Scheme Condition Precedent in paragraph 4.2.1.5 and the Court does not grant leave to any Shareholder to apply to Court for a review of the Scheme, as contemplated in sections 115(3)(b), 115(6) and 115(7) of the Companies Act;
  - 4.2.1.7 ELB waives the Scheme Condition Precedent in paragraph 4.2.1.6 and the Court approves the Scheme Resolution pursuant to section 115(7) of the Companies Act; and
  - 4.2.1.8 with regard to Shareholders entitled to and exercising their Appraisal Rights, either: (i) Shareholders give notice objecting to the Scheme as contemplated in section 164(3) of the Companies Act and vote against the Scheme at the relevant meeting in respect of less than or equal to 1% of all of the Scheme Shares; or (ii) if Shareholders give notice objecting to the Scheme and vote against the Scheme at the meeting in respect of more than 1% of all of the Scheme Shares, then, within the time period permitted in terms of the Companies Act, Dissenting Shareholders have exercised Appraisal Rights, by giving valid demands in terms of sections 164(5) to 164(8) of the Companies Act, in respect of less than or equal to 1% of all the Scheme Shares, or not at all.
- 4.2.2 ELB shall be entitled to waive (in whole or in part) in writing any one or more of the Scheme Conditions Precedent stipulated in paragraphs 4.2.1.3, 4.2.1.4, 4.2.1.5, 4.2.1.6, 4.2.1.7 and 4.2.1.8. The remaining Scheme Conditions Precedent stipulated above are not capable of waiver. The Longstop Date may be extended by ELB, subject to any approval as may be required from the TRP. Any extension of the Longstop Date will be announced on SENS and published in the South African press.

#### 4.3 **Scheme consideration**

In the event of the Scheme Conditions Precedent being fulfilled, or waived as the case may be and the Scheme becoming operative, Scheme Participants will receive the Scheme Consideration, being R2.00 per Scheme Share.

#### 4.4 Settlement of the Scheme Consideration

- 4.4.1 Subject to paragraphs 4.4.2 and 4.4.4 below and subject to the Scheme becoming operative, Scheme Participants will be entitled to receive the Scheme Consideration.
- 4.4.2 Settlement of the Scheme Consideration is subject to the Exchange Control Regulations, the salient provisions of which are set out in paragraph 11 of this Circular.
- 4.4.3 ELB or the Transfer Secretaries will administer and effect payment of the Scheme Consideration to Scheme Participants.
- 4.4.4 If the Scheme becomes operative:
  - 4.4.4.1 Dematerialised Shareholders who become Scheme Participants will have their account at their CSDP or Broker credited with the Scheme Consideration and debited with the Scheme Shares on the Operative Date, or in the case of Dissenting Shareholders who subsequently become Scheme Participants as envisaged in paragraph 4.8.9, on the date contemplated in paragraph 4.8.10; and
  - 4.4.4.2 Certificated Shareholders who become Scheme Participants:
    - 4.4.4.2.1 who have submitted their Documents of Title and submitted a Form of Surrender and Transfer (*blue*) to the Transfer Secretaries on or before 12:00 on the Scheme Consideration Record Date, will receive the Scheme Consideration posted to them by cheque, at their own risk, on or about the Operative Date, unless they elect to receive the Scheme Consideration by way of EFT on the Form of Surrender and Transfer (*blue*), in which case, the Scheme Consideration will be paid into the bank account nominated by them in Part C of the Form of Surrender and Transfer (*blue*) on or about the Operative Date. If Part C on the Form of Surrender and Transfer (*blue*) is left blank or partially completed, the Scheme Consideration will be withheld until the correct details are provided by the Certificated Shareholder; or
    - 4.4.4.2.2 who fail to submit their Documents of Title and completed Form of Surrender and Transfer (*blue*) to the Transfer Secretaries or in respect of a Dissenting Shareholder who subsequently becomes a Scheme Participant as envisaged in paragraph 4.8.9, the Scheme Consideration payable to such Scheme Participant will be held in trust by ELB (or any third party nominated by it for this purpose) for the benefit of the Scheme Participant concerned, for a maximum period of five years, after which period such funds shall be paid over to the Guardians Fund of the Court. No interest will accrue on any such funds held by ELB.
- 4.4.5 The Scheme Consideration will be paid to Scheme Participants, in full, in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which ELB may otherwise be, or claim to be entitled.

#### 4.5 Required approvals for the Scheme

- 4.5.1 Pursuant to section 115(2) of the Companies Act, a scheme of arrangement in terms of section 114 of the Companies Act must be approved by a Special Resolution adopted by Shareholders entitled to exercise voting rights on such matter, at a meeting called for that purpose. At least 25% of the voting rights that are entitled to be exercised must be present at the meeting.
- 4.5.2 In the event that at least 15% of the voting rights exercised oppose the aforesaid resolution, ELB may not proceed to implement the resolution unless a Court of competent jurisdiction approves the Scheme, provided that a Shareholder who voted against the resolution requires, within five Business Days after the vote, that ELB seek Court approval for the Scheme. If the Scheme requires Court approval, ELB must either apply to Court for approval within 10 Business Days after the vote and bear the costs of the application or treat the Scheme as a nullity.

- 4.5.3 Alternatively, the resolution may only be implemented where any person who voted against the resolution, applies to Court within 10 Business Days of the vote for leave to review the transaction. A Court may grant leave only if the applicant is acting in good faith, appears to be able to sustain proceedings and alleges facts that support the order being sought. A Court may only set aside a resolution that is manifestly unfair to Shareholders or if the vote was materially tainted by a conflict of interest, for inadequate disclosure, failure to comply with the Companies Act or MOI or if there is a significant and material irregularity.
- 4.5.4 In relation to the Scheme, the Remaining Shareholder will not be entitled to vote on the Scheme Resolution.
- 4.6 **Effects of the Scheme and prospects of ELB in the unlisted environment**
- 4.6.1 The effect of the Scheme will be that ELB will, with effect from the Operative Date, become the beneficial owner of all the Scheme Shares upon which such Shares shall be immediately cancelled and have the status of authorised but unissued shares. ELB shall have its Register updated accordingly.
- 4.6.2 The nature of ELB's business is not likely to change pursuant to the Delisting. The composition of the ELB Board will be considered and may be reconstituted in light of the governance requirements for an unlisted company in accordance with the Companies Act requirements following the Delisting.
- 4.6.3 The unlisted environment may not meet certain Shareholders' investment objectives and the Shareholders are given the opportunity to dispose of their Shares prior to the Delisting in terms of the Scheme and, if applicable, the General Offer.
- 4.7 **Amendments, variations and modifications to the Scheme**
- 4.7.1 Subject to compliance with the Companies Act, the Takeover Regulations and the Listings Requirements and consent from the TRP, ELB will be entitled to (i) before or at the General Meeting, but prior to Shareholders casting their votes, make any amendment, variation or modification to the Scheme; or (ii) after the General Meeting, make any amendment, variation or modification to the Scheme, provided that no amendment, variation or modification made after the General Meeting may have the effect of negatively affecting the rights which will accrue to a Scheme Participant in terms of the Scheme.
- 4.7.2 Shareholders will be notified of any changes on SENS and published in the South African press.
- 4.7.3 All dates and times referred to in this Circular are subject to change. Any such change shall be published on SENS and in the South African press.
- 4.8 **Dissenting Shareholders**
- 4.8.1 Shareholders are hereby advised of their Appraisal Rights in terms of section 164 of the Companies Act. This paragraph 4.8 only provides a summary of the provisions relating to Shareholders' Appraisal Rights in terms of section 164 of the Companies Act, the full provisions of which are contained in Annexure 8 to this Circular.
- 4.8.2 Shareholders who wish to exercise their Appraisal Rights in terms of the aforementioned section of the Companies Act are required, before the Scheme Resolution to approve the Scheme is voted on at the General Meeting, to give notice to ELB in writing objecting to the Scheme Resolution in terms of section 164(3) of the Companies Act.
- 4.8.3 Within 10 Business Days after the Scheme Resolution has been adopted, ELB must send a notice to each Shareholder who gave ELB the notice referred to in paragraph 4.8.2 of this Circular and has neither withdrawn that notice nor voted in favour of the Scheme Resolution, informing them that the Scheme Resolution has been adopted.
- 4.8.4 A Shareholder who gave written notice to ELB in terms paragraph 4.8.2 (and has not withdrawn that notice) and who has complied with all the procedural requirements set out in section 164 may, in terms of sections 164(5) to 164(8) of the Companies Act, if the Scheme Resolution is adopted, deliver a written notice to ELB demanding that ELB pay to that Shareholder the fair value for all the Shares held by that Shareholder ("**Demand**"). The Demand must be delivered:

- 4.8.4.1 within 20 Business Days after receipt of the notice from ELB referred to in paragraph 4.8.3 of this Circular; or
  - 4.8.4.2 if the Shareholder does not receive the notice from ELB referred to in paragraph 4.8.3 of this Circular, within 20 Business Days after learning that the Scheme Resolution has been adopted.
- 4.8.5 The Demand above must also be delivered to the TRP and must set out:
- 4.8.5.1 the Dissenting Shareholder's name and address;
  - 4.8.5.2 the number of Shares in respect of which the Dissenting Shareholder seeks payment; and
  - 4.8.5.3 a demand for payment of the fair value of those Shares. The fair value of the Shares is determined as at the date on which, and the time immediately before, the Scheme Resolution was adopted.
- 4.8.6 A Dissenting Shareholder may withdraw its Demand before ELB makes an offer in accordance with section 164(11) of the Companies Act or if ELB fails to make such an offer. If a Dissenting Shareholder voluntarily withdraws its Demand, it will cease to be a Dissenting Shareholder and will become a Scheme Participant whose Shares will be repurchased by ELB, in accordance with paragraph 4.4 above, with retrospective effect from the Operative Date.
- 4.8.7 If ELB receives a Demand and such Demand is not withdrawn by the Dissenting Shareholder before the Operative Date, ELB shall, in accordance with section 164(11) of the Companies Act, within five Business Days of the Operative Date, make an offer to the Dissenting Shareholder to purchase such Shares.
- 4.8.8 ELB's offer made in accordance with section 164(11) of the Companies Act will, in accordance with the requirements of section 164(12)(b) of the Companies Act, lapse if it is not accepted by the Dissenting Shareholder within 30 Business Days after it was made.
- 4.8.9 A Dissenting Shareholder that, pursuant to the exercise of its Appraisal Rights, has sent a Demand to ELB has no further rights in respect of the Shares in respect of which it has made such Demand, other than to be paid the fair value of such Shares. Such Dissenting Shareholder will be excluded from the Scheme and will not receive the Scheme Consideration, unless:
- 4.8.9.1 that Dissenting Shareholder withdraws that Demand before ELB makes an offer in accordance with section 164(11) of the Companies Act or allows any offer made by ELB to lapse;
  - 4.8.9.2 ELB fails to make an offer in accordance with section 164(11) of the Companies Act and that Dissenting Shareholder withdraws its Demand; or
  - 4.8.9.3 ELB revokes the Scheme Resolution by a subsequent Special Resolution, in which case that Dissenting Shareholder's rights in respect of the relevant Shares shall, in terms of section 164(10) of the Companies Act, be reinstated without interruption.
- 4.8.10 If the Scheme becomes operative, any Dissenting Shareholder whose shareholder rights are reinstated as envisaged in paragraph 4.8.9 of this Circular:
- 4.8.10.1 before 12:00 on the Scheme Consideration Record Date, shall be deemed to be a Scheme Participant and be eligible to participate in the Scheme and be subject to the ordinary terms and conditions of the Scheme; or
  - 4.8.10.2 after 12:00 on the Scheme Consideration Record Date, shall be deemed to have been a Scheme Participant with retrospective effect from the Scheme Record Date, provided that settlement of the Scheme Consideration and transfer of that Dissenting Shareholder's Scheme Shares to ELB shall take place in accordance with paragraph 4.4.4.1 or paragraph 4.4.4.2 of this Circular, as the case may be,
- and such Dissenting Shareholder, as a term of the Scheme, authorises ELB and/or the Transfer Secretaries in its place and stead, and for and on its behalf, to transfer its Scheme Shares to ELB against payment of the Scheme Consideration and to take all other action and steps necessary to give effect to the foregoing.

- 4.8.11 A Dissenting Shareholder who accepts an offer made in terms of section 164(11) of the Companies Act will become an Excluded Dissenting Shareholder and will not participate in the Scheme. The Excluded Dissenting Shareholder must thereafter, if it: (i) holds Certificated Shares tender the Documents of Title in respect of such Certificated Shares to ELB or the Transfer Secretaries; or (ii) holds Dematerialised Shares, instruct its CSDP or Broker to transfer those Shares to ELB or the Transfer Secretaries. ELB must pay that Excluded Dissenting Shareholder the offered amount within 10 Business Days after the Excluded Dissenting Shareholder has accepted the offer and tendered the Documents of Title or directed the transfer to ELB of the Dematerialised Shares, as the case may be.
- 4.8.12 A Dissenting Shareholder who considers the offer made by ELB in accordance with section 164(11) of the Companies Act to be inadequate, may, in accordance with section 164(14) of the Companies Act, apply to a Court to determine a fair value in respect of the Shares that were the subject of the Demand, and an order requiring ELB to pay the Dissenting Shareholder the fair value so determined. The Court will, in accordance with section 164(15)(v) of the Companies Act, be required to make an order relating to:
- 4.8.12.1 the Dissenting Shareholders to either withdraw their respective demands or to tender their Shares as contemplated in paragraph 4.8.13; or
- 4.8.12.2 ELB to pay the fair value in respect of the Shares (as determined by the Court) to each Dissenting Shareholder who tenders its Shares, subject to any conditions the Court considers necessary to ensure that ELB fulfils its obligations under section 164 of the Companies Act.
- 4.8.13 If, pursuant to the order of the Court, any Dissenting Shareholder withdraws its Demand, the Dissenting Shareholder will cease to be a Dissenting Shareholder and will become a Scheme Participant whose Shares will be repurchased by ELB, in accordance with paragraph 4.4 above, with retrospective effect from the Operative Date.
- 4.8.14 If, pursuant to the order of the Court, a Dissenting Shareholder tenders its Shares to ELB, such Dissenting Shareholder will become an Excluded Dissenting Shareholder and will not participate in the Scheme.
- 4.8.15 Shareholders should have regard to the fact that, in appropriate circumstances as detailed in section 164 of the Companies Act, the Court is empowered to grant a costs order in favour of, or against, a Dissenting Shareholder, as may be applicable.
- 4.8.16 Shareholders wishing to exercise their Appraisal Rights are strongly advised to take professional advice in connection with such decision.
- 4.8.17 A copy of section 164 of the Companies Act, which sets out the Appraisal Rights, is included in Annexure 8 to this Circular.

#### 4.9 **Termination Events**

The Scheme will terminate and the Scheme Resolution will be treated as a nullity with immediate effect upon the ELB Board's determination that any or all of the Scheme Conditions Precedent have not been fulfilled (or waived, to the extent possible) on or before the relevant date for fulfilment (or waiver, to the extent possible).

#### 4.10 **Agreements regarding the Scheme**

Save for the Irrevocable Undertakings which are available for inspection as envisaged in paragraph 24 of this Circular, no agreements are in place between ELB or any person acting in concert with ELB and: (i) the Directors (as at the Last Practicable Date or any persons who were Directors in the preceding 12 months); and/or (ii) Shareholders (as at Last Practicable Date or persons who were Shareholders in the last preceding 12 months) with regard to the Scheme, other than as included in paragraph 16.4.5.

#### 4.11 **Tax consequences for Scheme Participants**

The tax implications of the Scheme will depend on the individual tax circumstances of each Scheme Participant and the tax jurisdictions applicable to such Scheme Participant. It is recommended that Scheme Participants seek advice from appropriate professional advisors if they are in any doubt whatsoever about their tax position.

## 5. TERMS AND CONDITIONS OF THE GENERAL OFFER

### 5.1 Terms of the General Offer

- 5.1.1 If the Scheme fails, ELB will implement a General Offer, in terms of sections 48 and 117(1)(c)(v) of the Companies Act and paragraph 1.15(c) of the Listings Requirements, to the Eligible Shareholders, whereby each Eligible Shareholder will be entitled to elect whether or not to dispose of all of their General Offer Shares to ELB for the General Offer Consideration.
- 5.1.2 For the avoidance of doubt, implementation of the General Offer will be conditional on, *inter alia*, the Scheme not becoming operative. In the event that the Scheme does become operative, the General Offer will lapse and be of no force and effect.
- 5.1.3 If the Scheme does not become operative, and the General Offer becomes wholly unconditional and is implemented, then the Delisting will be implemented in terms of paragraph 1.14 of the Listings Requirements and each General Offer Participant will receive the General Offer Consideration in exchange for the General Offer Shares Tendered and disposed of to ELB.
- 5.1.4 The effect of the General Offer will be that, with effect from the General Offer Payment Date, ELB will acquire and own all the General Offer Shares Tendered and previously held by the General Offer Participants. The repurchase of the General Offer Shares by ELB, following the implementation of the General Offer, will be subject to the acceptances of the General Offer and the provisions of section 124(1) of the Companies Act as set out in paragraph 5.12 of this Circular. In the event that the General Offer is implemented and accepted by Eligible Shareholders holding at least 90% of the General Offer Shares, ELB may, at its election, invoke the provisions of section 124(1) of the Companies Act, to compulsorily acquire all of the General Offer Shares not already tendered by the Eligible Shareholders.
- 5.1.5 If the Scheme does not become operative and the General Offer becomes wholly unconditional and is implemented, and ELB elects not to invoke the provisions of section 124(1) of the Companies Act, Eligible Shareholders who have not accepted the General Offer will remain Shareholders in ELB.
- 5.1.6 Shareholders should note that, in terms of paragraph 5.5.1.12, ELB can waive the 90% acceptance condition for the General Offer. Should the other General Offer Conditions be fulfilled (which includes the Delisting Resolution being adopted) and the General Offer be implemented, ELB will repurchase all Shares tendered by Eligible Shareholders regardless of whether the 90% acceptance threshold is reached. In such circumstances, all Eligible Shareholders who do not Tender their Shares in terms of the General Offer will remain Shareholders of ELB and will continue to hold their Shares in an unlisted environment following ELB's Delisting. Furthermore, even if the 90% acceptance condition is fulfilled and the General Offer is implemented pursuant to the Delisting Resolution being adopted, ELB may elect not to invoke the provisions of section 124(1) of the Companies Act, in which event Eligible Shareholders who have not accepted the General Offer will remain Shareholders in ELB following its Delisting.

### 5.2 The General Offer in terms of section 48 of the Companies Act and paragraphs 5.67 and 5.69 of the Listings Requirements

- 5.2.1 The General Offer is considered to be a repurchase by ELB of its own Shares in terms of section 48 of the Companies Act ("**Repurchase**").
- 5.2.2 The General Offer is also considered to be a specific repurchase by ELB from the General Offer Participants in terms of the Listings Requirements ("**Specific Repurchase**").
- 5.2.3 ELB is permitted to implement the General Offer in terms of its MOI.

### 5.3 The General Offer Consideration

- 5.3.1 If the Scheme does not become operative and the General Offer becomes wholly unconditional, ELB will acquire all of the General Offer Shares Tendered by the General Offer Participants for the General Offer Consideration.

- 5.3.2 The General Offer Consideration shall be settled in full, in accordance with the terms of the General Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which ELB, may otherwise be, or claim to be, entitled against a General Offer Participant.
- 5.3.3 For details regarding the settlement of the General Offer Consideration, Eligible Shareholders are referred to paragraph 5.9 of this Circular for more information.

#### 5.4 The General Offer Period

- 5.4.1 The General Offer is irrevocable and will be open for acceptance from 10:00 on the General Offer Opening Date, and will, in the event that the Scheme does not become operative but subject to it becoming unconditional, close at 12:00 on the General Offer Closing Date, in accordance with Takeover Regulations 102(4) and 105(5)(b).
- 5.4.2 Accordingly, the General Offer will remain open for acceptance by those Eligible Shareholders that are recorded in the Register at any time during the General Offer Period, subject to the Scheme not becoming operative. In the event that the Scheme becomes operative the General Offer will lapse.
- 5.4.3 In accordance with Takeover Regulation 103(1)(b)(i), ELB may, in its absolute and sole discretion, extend the General Offer Period. Shareholders will be notified of any such extension on SENS and in the South African press.
- 5.4.4 Shareholders should take note of the Company's intention to release its reviewed financial results for the year ended 30 June 2020 by no later than Tuesday, 8 September 2020 in making their assessment in whether they wish to tender an acceptance to the General Offer. Shareholders are cautioned to avoid accepting the General Offer until such time as the Company publishes its financial results, as the acceptance of the General Offer is final and irrevocable, and may not be withdrawn, once an Eligible Shareholder's acceptance of the General Offer in respect of any of its General Offer Shares has been communicated to the Transfer Secretaries.

#### 5.5 The General Offer Conditions

- 5.5.1 Implementation of the General Offer is subject to the fulfilment or waiver, as the case may be, of the following General Offer Conditions by no later than Friday, 30 October 2020:
  - 5.5.1.1 the Scheme does not become operative due to the failure of one or more of the Scheme Conditions Precedent as stated above;
  - 5.5.1.2 all necessary Shareholder approvals and/or resolutions as may be necessary to give effect to the General Offer have been obtained, including, but not limited to the Repurchase Resolution and the Specific Repurchase Resolution;
  - 5.5.1.3 the Delisting Resolution is adopted by the requisite majority of Eligible Shareholders at the General Meeting as contemplated in paragraphs 1.15(a) and 1.16 of the Listings Requirements;
  - 5.5.1.4 ELB has not elected to treat the Repurchase Resolution as a nullity pursuant to section 115(5)(b) of the Companies Act;
    - 5.5.1.4.1 in the circumstances where ELB has not elected to treat the Repurchase Resolution as a nullity pursuant to section 115(5)(b) of the Companies Act, a Court has granted its approval pursuant to section 115(3) of the Companies Act in circumstances where:
      - 5.5.1.4.2 the Repurchase Resolution is opposed by 15% or more of the voting rights that were exercised in respect of the Repurchase Resolution; and
  - 5.5.1.5 a Shareholder who voted against the Repurchase Resolution requires ELB, within five Business Days after the vote, to seek Court approval pursuant to section 115(3)(a) of the Companies Act;

- 5.5.1.6 no Shareholder who voted against the Repurchase Resolution applies to Court within 10 Business Days after the vote for leave to apply for a review of the General Offer in accordance with the requirements of sections 115(3)(b) and 115(6) of the Companies Act;
- 5.5.1.7 ELB waives the General Offer Condition in paragraph 5.5.1.6 and the Court does not grant leave to any Shareholder to apply to Court for a review of the General Offer, as contemplated in sections 115(3)(b), 115(6) and 115(7) of the Companies Act;
- 5.5.1.8 ELB waives the General Offer Condition in paragraph 5.5.1.7 and the Court approves the Repurchase Resolution pursuant to section 115(7) of the Companies Act;
- 5.5.1.9 Eligible Shareholders accept the General Offer in respect of so many General Offer Shares as will result in ELB reacquiring more than 90% of the General Offer Shares, such that ELB can rely on the provisions of section 124 of the Companies Act;
- 5.5.1.10 the receipt of all approvals, consents or waivers from those South African regulatory authorities as may be necessary for ELB to implement the General Offer and Delisting, including but not limited to the JSE and the TRP (by means of issue of a compliance certificate in terms of section 121(b)(i) of the Companies Act), the South African Reserve Bank and the South African Competition Commission on an unconditional basis or, to the extent that any such regulatory approvals, consents or waivers are obtained subject to any condition or qualification, ELB (to the extent that it is adversely affected by the condition or qualification) confirms in writing that the condition or qualification is acceptable to it, which confirmation shall not be unreasonably withheld or delayed; and
- 5.5.1.11 with regard to Shareholders purportedly exercising their Appraisal Rights, either: (i) Shareholders give notice objecting to the Repurchase Resolution as contemplated in section 164(3) of the Companies Act and vote against the Repurchase Resolution at the relevant meeting in respect of less than or equal to 1% of all of the General Offer Shares; or (ii) if Shareholders give notice objecting to the Repurchase Resolution and vote against the Repurchase Resolution at the meeting in respect of more than 1% of all of the General Offer Shares, then, within the time period permitted in terms of the Companies Act, such Shareholders have exercised Appraisal Rights, by giving valid demands in terms of sections 164(5) to 164(8) of the Companies Act, in respect of less than or equal to 1% of all the General Offer Shares, or not at all.
- 5.5.1.12 The General Offer Conditions set out in paragraphs 5.5.1.3; 5.5.1.4; 5.5.1.5; 5.5.1.6; 5.5.1.7; 5.5.1.8; 5.5.1.9 and 5.5.1.11 are capable of waiver by ELB, and the time and/or date for fulfilment or waiver of such General Offer Conditions may be extended by ELB as may be agreed between ELB and the TRP.
- 5.5.1.13 The General Offer Conditions set out in paragraphs 5.5.1.1; 5.5.1.2 and 5.5.1.10 are not capable of waiver but the time and/or date for fulfilment of these General Offer Conditions may be extended by ELB as may be agreed between ELB and the TRP.
- 5.5.1.14 An announcement will be released on SENS as soon as practicable after all the General Offer Conditions have been fulfilled or waived, if the General Offer Conditions are not fulfilled or waived timeously, or if the time and/or date for fulfilment or waiver of the General Offer Conditions is extended.

## 5.6 Procedure for acceptance of the General Offer

- 5.6.1 Subject to the Scheme not becoming operative, if an Eligible Shareholder does not wish to accept the General Offer in respect of any of the General Offer Shares held by them they do not need to take any further action and will continue to hold their General Offer Shares and will be deemed to be a Non-Accepting Shareholder. Non-Accepting Shareholders are advised that in the event that the General Offer is implemented, ELB may invoke the provisions of section 124(1) of the Companies Act.

- 5.6.2 For the avoidance of doubt, Eligible Shareholders will be entitled to accept the General Offer from 10:00 on the General Offer Opening Date however, any General Offer Shares Tendered will not be acquired by ELB until such time as the General Offer is implemented (which itself is conditional on the Scheme not becoming operative and the General Offer becoming wholly unconditional).

## 5.7 Dematerialised Shareholders

- 5.7.1 Eligible Shareholders who hold Dematerialised Shares and who wish to accept the General Offer in respect of all of their General Offer Shares are required to accept the General Offer in accordance with the instructions set out above on page 23 of this Circular.
- 5.7.2 Once an Eligible Shareholder's acceptance of the General Offer in respect of any of its General Offer Shares has been communicated to the Transfer Secretaries, such acceptance of the General Offer will be final and irrevocable, and the Eligible Shareholder may not withdraw its acceptance of the General Offer unless expressly permitted by the Companies Regulations.
- 5.7.3 If an Eligible Shareholder's acceptance is not communicated to the Transfer Secretaries through a Broker or CSDP by 12:00 on the General Offer Closing Date, such Eligible Shareholder who holds Dematerialised Shares will be deemed to have declined the General Offer and will continue to hold its General Offer Shares and remain a Shareholder, subject to the Scheme not becoming operative or section 124(1) of the Companies Act. Late acceptances of the General Offer may be accepted or rejected at ELB's sole discretion.
- 5.7.4 Dematerialised Shareholders must NOT complete the Form of Acceptance and Transfer (*pink*).
- 5.7.5 The attention of Dematerialised Shareholders is drawn to the fact that, if they accept the General Offer, they will not be entitled to rematerialise and/or trade or otherwise deal in their General Offer Shares that have been Tendered between the date of acceptance and the General Offer Payment Date, or if the General Offer is not implemented, between the date of acceptance and the date on which the General Offer lapses. Dematerialised Shareholders will, however, be entitled to sell such General Offer Shares Tendered to ELB in terms of the Scheme and to receive the Scheme Consideration in respect of such General Offer Shares Tendered in the event that the Scheme becomes operative.

## 5.8 Certificated Shareholders

- 5.8.1 Eligible Shareholders who hold Certificated Shares and who wish to accept the General Offer in respect of all of their General Offer Shares are required to accept the General Offer by completing the Form of Acceptance and Transfer (*pink*) and delivering it, together with the Documents of Title in respect of the General Offer Shares Tendered by them, in accordance with the instructions set out in the section titled "*Action Required by Shareholders in respect of the General Offer*" of this Circular, to the Transfer Secretaries by no later than 12:00 on the General Offer Closing Date.
- 5.8.2 Once a duly completed and signed Form of Acceptance and Transfer (*pink*) together with the Documents of Title in respect of the General Offer Shares Tendered is received by the Transfer Secretaries in respect of any of an Eligible Shareholder's General Offer Shares, such acceptance of the General Offer will be final and irrevocable and such Eligible Shareholder may not withdraw its acceptance of the General Offer unless expressly permitted by the Companies Regulations.
- 5.8.3 If the General Offer is not validly accepted by an Eligible Shareholder who holds Certificated Shares by 12:00 on the General Offer Closing Date, the General Offer will be deemed to have been declined by that Eligible Shareholder. Late acceptances may be accepted or rejected at ELB's sole discretion.
- 5.8.4 Eligible Shareholders holding Certificated Shares and who complete the Form of Surrender and Transfer (*blue*) and return it, together with the relevant Documents of Title, to the Transfer Secretaries in anticipation of the Scheme becoming operative, and who wish to accept the General Offer, will still be required to complete the Form of Acceptance and Transfer (*pink*), but will not be required to surrender their Documents of Title again.

- 5.8.5 Forms of Acceptance and Transfer (*pink*) and Documents of Title that are sent through the post are sent at the risk of the Certificated Shareholders concerned. Accordingly, Certificated Shareholders should take note of the postal delivery times so as to ensure that acceptances of the General Offer are received timeously. It is therefore recommended that duly completed Forms of Acceptance and Transfer (*pink*), and Documents of Title be sent by registered post, or delivered by hand to the Transfer Secretaries.
- 5.8.6 No receipt will be issued for Documents of Title surrendered unless specifically requested.
- 5.8.7 Documents of Title surrendered in acceptance of the General Offer will be held in trust by the Transfer Secretaries, at the risk of the relevant Certificated Shareholders, pending the General Offer being implemented.
- 5.8.8 If Documents of Title relating to any General Offer Shares Tendered are lost or destroyed, ELB may dispense with the surrender of such Documents of Title upon production of evidence satisfactory to ELB that the Documents of Title in respect of any of the General Offer Shares in question have been lost or destroyed and upon provision of a suitable indemnity on terms satisfactory to ELB. Accordingly, if the Documents of Title in respect of any of General Offer Shares Tendered by a Certificated Shareholder have been lost or destroyed, such Certificated Shareholder should nevertheless return the Form of Acceptance and Transfer (*pink*), duly signed and completed, to the Transfer Secretaries, together with a duly signed and completed indemnity form which is obtainable from the Transfer Secretaries.
- 5.8.9 The attention of Eligible Shareholders who are Certificated Shareholders is drawn to the fact that, if they surrender their Documents of Title pursuant to their acceptance of the General Offer, they will (i) continue to be entitled to attend, speak and vote at the General Meeting as if the surrender of Documents of Title had not occurred; and (ii) will not be entitled to Dematerialise, trade or otherwise deal in their General Offer Shares that have been Tendered between the date of surrender and the General Offer Payment Date, or if the General Offer is not implemented, between the date of surrender and the date on which their General Offer Shares are returned to them as set out in this Circular, provided that they will be entitled to sell such General Offer Shares Tendered in terms of the Scheme and to receive the Scheme Consideration in respect of such General Offer Shares Tendered in the event that the Scheme becomes operative.
- 5.8.10 If the General Offer lapses because any of the General Offer Conditions are not fulfilled or waived, then any Documents of Title surrendered and held by the Transfer Secretaries will be returned to the relevant Eligible Shareholders by the Transfer Secretaries, at such Eligible Shareholders' own risk, by registered post within approximately five Business Days from the date on which the General Offer lapses or the Scheme does not become operative, whichever is the later.
- 5.8.11 ELB reserves the right, in its absolute and sole discretion:
- 5.8.11.1 to treat as valid, Forms of Acceptance and Transfer (*pink*) not accompanied by the relevant Documents of Title (or, if applicable, evidence reasonably satisfactory to ELB that the Documents of Title in respect of the relevant General Offer Shares have been lost or destroyed and an indemnity reasonably acceptable to ELB, as detailed above);
  - 5.8.11.2 to treat as valid, Forms of Acceptance and Transfer that have not been completed in accordance with the instructions set out in this Circular and the Form of Acceptance and Transfer (*pink*); and
  - 5.8.11.3 to require proof of the authority of the person signing a Form of Acceptance and Transfer (*pink*), where such proof has not been lodged with, or recorded by, the Transfer Secretaries.

## 5.9 Settlement of the General Offer Consideration

- 5.9.1 In the event that the General Offer becomes wholly unconditional and is implemented, General Offer Participants will be entitled to receive the General Offer Consideration in respect of the General Offer Shares Tendered by them in terms of the General Offer.
- 5.9.2 Settlement of the General Offer Consideration shall be subject to the Exchange Control Regulations, the salient provisions of which are set out in Annexure 5 to this Circular.

- 5.9.3 Settlement of the General Offer Consideration will be administered and effected by ELB or the Transfer Secretaries, on behalf of ELB.
- 5.9.4 ELB's obligation to make payment of the General Offer Consideration to the General Offer Participants will be fully and finally discharged upon ELB making payment of the General Offer Consideration to the Transfer Secretaries.

#### 5.10 Dematerialised Shareholders

If the General Offer becomes wholly unconditional and is implemented, General Offer Participants who hold Dematerialised Shares will have their accounts held at their Broker or CSDP debited with the relevant number of General Offer Shares Tendered and credited with the General Offer Consideration in respect of such General Offer Shares Tendered, within six Business Days of the later of the General Offer being declared wholly unconditional and acceptance of the General Offer.

#### 5.11 Certificated Shareholders

5.11.1 If the General Offer becomes wholly unconditional and is implemented, General Offer Participants who hold Certificated Shares and who deliver a duly completed Form of Acceptance and Transfer (*pink*) and surrender their Documents of Title to the Transfer Secretaries in accordance with the instructions set out in the section titled "*Action Required by Shareholders in respect of the General Offer*" of this Circular on or before 12:00 on the General Offer Closing Date, will have the General Offer Consideration in respect of such General Offer Shares Tendered:

5.11.1.1 posted to them by cheque, at their own risk, within six Business Days of the later of the General Offer being declared wholly unconditional and acceptance of the General Offer; or

5.11.1.2 paid into the bank account nominated by them in Part C of the Form of Acceptance and Transfer (*pink*) within six Business Days of the later of the General Offer being declared wholly unconditional and acceptance of the General Offer, if they elect to receive the General Offer Consideration by way of EFT on the Form of Acceptance and Transfer (*pink*). If Part C on the Form of Acceptance and Transfer (*pink*) is left blank or partially completed, the General Offer Consideration will be withheld until the correct details are provided by the Certificated Shareholder.

5.11.2 If any General Offer Consideration that is posted is returned undelivered for any reason whatsoever, ELB will hold that General Offer Consideration in trust until it is claimed by any person legally entitled to it, for a maximum period of five years, after which period such funds shall be paid over to the Guardians Fund of the Court. No interest will accrue or be paid on any General Offer Consideration so held in trust.

#### 5.12 Compulsory acquisition in terms of section 124 of the Companies Act

5.12.1 In the event that the General Offer is implemented and accepted by Eligible Shareholders holding at least 90% of the General Offer Shares, ELB may, at its election, invoke the provisions of section 124(1) of the Companies Act, to compulsorily acquire all of the General Offer Shares not already Tendered by the Eligible Shareholders.

5.12.2 Should the requisite number of acceptances be obtained to allow the provisions of section 124(1) of the Companies Act to be invoked and if ELB does so invoke them, the prescribed notice will be sent to the Non-Accepting Shareholders, as envisaged in section 124(1)(a) of the Companies Act, and will incorporate a Form of Acceptance and Transfer (*pink*).

5.12.3 The provisions of section 124 of the Companies Act are set out in Annexure 7 to this Circular.

#### 5.13 Tax consequences for General Offer Participants

The tax implications of the General Offer will depend on the individual tax circumstances of each General Offer Participant and the tax jurisdictions applicable to such General Offer Participant. It is recommended that General Offer Participants seek advice from appropriate professional advisors if they are in any doubt whatsoever about their tax position.

#### 5.14 **General**

Within one Business Day of the fulfilment or waiver (to the extent permitted) of all of the General Offer Conditions, ELB shall publish an announcement on SENS to such effect. Upon publication of the aforementioned SENS announcement, all of the General Offer Conditions shall be deemed to have been fulfilled or waived (to the extent permitted) notwithstanding that ELB may subsequently discover that any General Offer Condition may not have been fulfilled or waived (as applicable).

#### 5.15 **Required approvals for the General Offer**

5.15.1 Pursuant to section 48(8) of the Companies Act, the repurchase by a company, *inter alia*, of more than 5% of its issued shares is subject to the requirements of sections 114 and 115 of the Companies Act, which in turn requires that such repurchase be approved by a Special Resolution adopted by shareholders entitled to exercise voting rights on such matter, at a meeting called for that purpose. At least 25% of the voting rights that are entitled to be exercised must be present at the meeting.

5.15.2 In the event that at least 15% of the voting rights exercised oppose the aforesaid resolution, ELB may not proceed to implement the resolution (and therefore the General Offer) unless a Court of competent jurisdiction approves the repurchase resolution, provided that a Shareholder who voted against the resolution requires, within five Business Days after the vote, that ELB seek Court approval for the General Offer. If the repurchase resolution requires Court approval, ELB must either apply to Court for approval within 10 Business Days after the vote and bear the costs of the application or treat the resolution (and therefore the General Offer) as a nullity.

5.15.3 Alternatively, the resolution may only be implemented where any person who voted against the resolution, applies to Court within 10 Business Days of the vote for leave to review the transaction. A Court may grant leave only if the applicant is acting in good faith, appears to be able to sustain proceedings and alleges facts that support the order being sought. A Court may only set aside a resolution that is manifestly unfair to Shareholders or if the vote was materially tainted by a conflict of interest, for inadequate disclosure, failure to comply with the Companies Act or MOI or if there is a significant and material irregularity.

5.15.4 In relation to the General Offer, the Remaining Shareholder will not be entitled to vote on the Repurchase Resolution.

#### 5.16 **Appraisal Rights**

The provisions of paragraph 4.8 (and any related provisions of the Notice) apply *mutatis mutandis* to General Offer Participants in respect of Special Resolution number 2 as contained in the Notice. Shareholders are also referred to Annexure 8 to this Circular, which contains an extract of the provisions of section 164 of the Companies Act.

#### 5.17 **Agreements regarding the General Offer**

Save for the Irrevocable Undertakings which are available for inspection as envisaged in paragraph 24 of this Circular, no agreements are in place between ELB or any person acting in concert with ELB and: (i) the Directors (as at the Last Practicable Date or any persons who were Directors in the preceding 12 months); and/or (ii) Shareholders (as at Last Practicable Date or persons who were Shareholders in the last preceding 12 months) with regard to the General Offer.

### 6. **TERMINATION EVENTS**

The Scheme and/or General Offer (as applicable) will terminate and the Scheme Resolution and/or the Repurchase Resolution (as applicable) will be treated as a nullity, with immediate effect, upon the Board's determination that any or all of the Scheme Conditions or General Offer Conditions, as the case may be, have not been fulfilled (or waived, to the extent possible) on or before the relevant date/s for fulfilment (or waiver, to the extent possible).

In the event that either the Scheme and/or the General Offer does not become unconditional or is otherwise not implemented for whatsoever reason, the Shares held by the Dissenting Shareholders will not be purchased by ELB in terms of section 164 of the Companies Act.

## 7. AUTHORITY TO IMPLEMENT THE SCHEME, GENERAL OFFER AND DELISTING

At the General Meeting, the following resolutions regarding approvals required to implement the Scheme, the Repurchase, the Specific Repurchase and the Delisting will be proposed to Eligible Shareholders:

- 7.1 as a Special Resolution:
- 7.1.1 the approval of the Scheme Resolution in accordance with sections 48(8)(a), 48(8)(b), 114(1)(e) and 115(2)(a) of the Companies Act; and
  - 7.1.2 the approval of the Repurchase of Shares, in terms of section 48(8) of the Companies Act; and
  - 7.1.3 the approval of the Specific Repurchase of Shares, in terms of paragraph 5.69 of the Listings Requirements; and
- 7.2 as an Ordinary Resolution, the Delisting of all the Shares on the Main Board of the JSE in accordance with paragraphs 1.15(a) and 1.16 of the Listings Requirements.

## 8. AGREEMENTS IN RELATION TO THE OFFER AND THE REMAINING SHAREHOLDER

- 8.1 The Remaining Shareholder has consented to be excluded from the operation of the Scheme and the General Offer (as applicable). The Remaining Shareholder will, accordingly, abstain from voting on the Scheme Resolution and the Repurchase Resolution at the General Meeting however it will be permitted to vote on the Delisting.
- 8.2 As at the Last Practicable Date, the Remaining Shareholder holds or controls, directly or indirectly, 19.6% of the Shares.
- 8.3 ELB and the Remaining Shareholder are deemed to be concert parties in relation to the Transaction in terms of regulation 84 of the Takeover Regulations (by virtue of the Remaining Shareholder being a company controlled by a Director of ELB, being Charles Pettit) and have therefore made declarations in the required form to the TRP, as required by regulation 84(5) of the Takeover Regulations.
- 8.4 Other than as set out in this Circular, no other written agreements exist between ELB and any Shareholders which could be considered material to a decision regarding the Offer to be taken by Shareholders.

## 9. IRREVOCABLE UNDERTAKINGS

- 9.1 As at the Last Practicable Date, the following Eligible Shareholders have provided Irrevocable Undertakings to vote their Shares, which are either held as principal or on behalf of clients, in favour of all Resolutions to be proposed at the General Meeting in respect of both the Scheme and the General Offer (and the Delisting) and such additional number of Shares as they may hold at the time of the General Meeting:

<b>Name of Shareholder</b>	<b>Number of Shares held</b>	<b>% of Shares<sup>(1)</sup></b>
Visio Fund Management Pty Ltd <sup>(2)</sup>	5 399 899	19.0%
Laurium Capital Pty Ltd <sup>(2)</sup>	3 394 015	11.9%
Tanjo One Pty Limited <sup>(3)</sup>	3 294 612	11.6%
The Capital Incubator Pty Ltd <sup>(2)</sup>	1 175 000	4.1%
<b>Total</b>	<b>13 263 526</b>	<b>46.6%</b>

**Notes:**

1. Based on an outstanding number of ELB Shares in issue of 28 473 542.
2. Held on behalf of various individual and corporate shareholders.
3. Tanjo One Pty Limited is owned and/or controlled by Anthony Fletcher, being the former chairman of ELB, who resigned in April 2020.

- 9.2 The aforementioned Eligible Shareholders have provided Irrevocable Undertakings equal to (i) 57.9% of all Shares eligible to vote on the Scheme Resolution and the Repurchase Resolution; and (ii) 46.6% of all Shares eligible to vote on the Specific Repurchase Resolution and the Delisting Resolution.

- 9.3 Details of the aforementioned Eligible Shareholders' dealings in Shares in the period beginning six months before the date of the Firm Intention Announcement and ending on the Last Practicable Date are set out in Annexure 9.
- 9.4 These irrevocable undertakings are available for inspection as stated in paragraph 24 below.

## 10. FINANCIAL INFORMATION

10.1 The extracts of the consolidated audited historical financial statements of ELB for the years ended 30 June 2017, 30 June 2018 and 30 June 2019 are included in Annexure 2 to this Circular. The extracts of the unaudited condensed consolidated interim results of ELB for the six months ended 31 December 2019 are included in Annexure 3 to this Circular.

10.2 Full copies of the last three years' audited historical financial statements, and the unaudited condensed consolidated interim results of ELB for the six months ended 31 December 2019, will: (i) be made available to Shareholders, on request; and (ii) is accessible on ELB's website ([www.elb.co.za](http://www.elb.co.za)), as follows:

for the year ended 30 June 2017 – <https://www.elb.co.za/wp-content/uploads/2018/01/ELB-INTEGRATED-ANNUAL-REPORT-2017.pdf>

for the year ended 30 June 2018 – <https://www.elb.co.za/wp-content/uploads/2018/10/ELB-INTEGRATED-ANNUAL-REPORT-2018.pdf>;

for the year ended 30 June 2019 – <https://www.elb.co.za/wp-content/uploads/2019/10/Integrated-Annual-Report-2019.pdf>; and

for the six months ended 31 December 2019 – <https://www.elb.co.za/wp-content/uploads/2020/04/Group-Interim-Report-for-the-six-months-ended-31-December-2019.pdf>

and (iii) are available for inspection, at the registered office of ELB.

10.3 Shareholders should note that the Company intends releasing its reviewed financial results for the year ended 30 June 2020 by no later than Tuesday, 8 September 2020. The Company has committed to ensuring that the preliminary or provisional financial results of the Group is released no later than one week prior to the General Meeting, in order to provide Shareholders with an opportunity to consider the financial results in assessing how they wish to vote at the General Meeting. Should the financial results not be published by this date, the General Meeting date will be rescheduled accordingly in order to provide Shareholders with sufficient time to consider the financial results as part of their assessment of how they wish to vote on the Resolutions set out in the Notice. Should it be required, any change to the General Meeting date will be released on SENS. Shareholders are cautioned to avoid accepting the General Offer until such time as the Company publishes its financial results, as the acceptance of the General Offer is final and irrevocable, and may not be withdrawn, once an Eligible Shareholder's acceptance of the General Offer in respect of any of its General Offer Shares has been communicated to the Transfer Secretaries.

10.4 In terms of regulation 106(6)(d) of the Takeover Regulations, since the Offer Consideration is a cash offer and not an offer for shares, no *pro forma* financial effects are required.

10.5 The Offer will result in a decrease of cash resources of ELB, equal to the Offer Consideration, with a corresponding decrease in stated capital.

## 11. FOREIGN SHAREHOLDERS AND EXCHANGE CONTROL REGULATIONS

The settlement of the Offer Consideration for both Certificated Shareholders and Dematerialised Shareholders will be subject to the Exchange Control Regulations.

Annexure 5 to this Circular contains a summary of the relevant Exchange Control Regulations. Shareholders who are not resident in South Africa, or who have registered addresses outside South Africa, must satisfy themselves as to the full observance of the laws of the relevant jurisdiction concerning the receipt of the Offer Consideration, including obtaining any required governmental or other consents, observing any other required formalities and paying any issue, transfer or other taxes due in that jurisdiction. If in any doubt, Shareholders should consult their professional advisors without delay.

## 12. RESTRICTED JURISDICTIONS

To the extent that the release, publication or distribution of this Circular in certain jurisdictions outside of South Africa may be restricted or prohibited by the laws of such jurisdiction, then this Circular is deemed to have been provided for information purposes only and the ELB Board accepts no responsibility for any failure by Foreign Shareholders to inform themselves about, and to observe, any applicable legal requirements in any such relevant foreign jurisdiction.

Shareholders who are in doubt as to their position should consult their professional advisors immediately.

## 13. ADEQUACY OF CAPITAL

13.1 ELB will use its existing cash resources to fund the Offer Consideration.

13.2 The ELB Board has considered the impact of the Scheme and the General Offer and is of the opinion that:

13.2.1 the relevant provisions of sections 4, 46 and 48 of the Companies Act in relation to the Offer have been complied with or will be complied with;

13.2.2 the Company and the Group will be able, in the ordinary course of business, to pay its debts for a period of 12 months from the date of this Circular;

13.2.3 the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group for a period of 12 months from the date of this Circular, as recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements of the Company and the Group, which are in compliance with the Companies Act;

13.2.4 the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months from the date of this Circular; and

13.2.5 the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months from the date of this Circular.

13.3 Furthermore, the ELB Board states as follows:

13.3.1 in terms of section 46(1)(a)(ii) of the Companies Act and paragraph 5.69(d) of the Listings Requirements, the ELB Board has, by resolution, authorised the Offer;

13.3.2 in terms of section 46(1)(b) of the Companies Act, it reasonably appears that ELB and the Group will satisfy the solvency and liquidity test as contemplated in section 4 of the Companies Act ("**Solvency and Liquidity Test**") immediately after completing the Offer; and

13.3.3 in terms of section 46(1)(c) of the Companies Act and paragraph 5.69 of the Listings Requirements, the ELB Board has, by resolution, acknowledged that it has applied the Solvency and Liquidity Test, and reasonably concluded that ELB will satisfy the Solvency and Liquidity Test immediately after completing the Offer and that, since the Solvency and Liquidity Test was performed by the ELB Board on 30 June 2020 and up to and including the Last Practicable Date, there have been no material changes to the financial position of ELB or any other company in the Group.

## 14. GUARANTEE

The maximum aggregate number of General Offer Shares or Scheme Shares, as the case may be, to be repurchased for the Offer Consideration will be 22 894 611 Scheme Shares or General Offer Shares, as the case may be, and accordingly the maximum aggregate Scheme Consideration or General Offer Consideration, as the case may be, payable by ELB will be R45 789 222.

ELB has procured from RMB, A Division of Firststrand Bank Limited and has delivered to the TRP, an irrevocable, unconditional bank guarantee (in conformity with regulations 111(4) and 111(5) of the Takeover Regulations) in respect of the maximum possible Scheme Consideration or General Offer Consideration, whichever is applicable.

ELB confirms, in accordance with regulation 106(6)(c) of the Takeover Regulations, that the Offer Consideration has not been financed by debt, but from available internal cash resources.

## 15. RECOMMENDATIONS AND UNDERTAKINGS

### 15.1 Appointment of the Independent Expert

The Independent Expert, being an independent advisor acceptable to the TRP, was appointed to provide a fair and reasonable opinion regarding the Scheme and the General Offer, and to make appropriate recommendations to the Independent Board and the ELB Board in the form of a report contemplated in section 114(3) of the Companies Act and as contemplated in regulation 90 of the Takeover Regulations. Similarly, in accordance with paragraph 1.15(d) and, to the extent applicable, paragraph 5.69(e) and schedule 5 of the Listings Requirements, the Independent Expert was appointed for the purposes of providing external advice in regard to the fairness of the General Offer Consideration in so far as same relates to the Delisting and the Specific Repurchase Resolution, respectively, in the event that the Scheme does not become operative but the General Offer is implemented. The Independent Expert's report on the Scheme and the General Offer is set out in Annexure 1 to this Circular.

### 15.2 Report of the Independent Expert

15.2.1 The Independent Expert has, as contemplated in regulation 90 of the Takeover Regulations, performed a valuation of the Shares.

15.2.2 The report of the Independent Expert also includes the items required by section 114(3) of the Companies Act.

15.2.3 Taking into consideration the terms and conditions of the Scheme and the General Offer, the Independent Expert is of the opinion that such terms and conditions are fair and reasonable to Scheme Participants and General Offer Participants, as the case may be. Shareholders are referred to Annexure 1 to this Circular which sets out the full text of the report of the Independent Expert.

### 15.3 Views of the Independent Board

15.3.1 The Independent Board, after taking cognisance of the report of the Independent Expert in forming its own opinion of the Offer Consideration, and in accordance with its responsibilities in terms of regulations 110(3)(a) and 110(7) of the Takeover Regulations, has (i) performed a valuation of the ELB Shares the subject of the Offer; and (ii) based on accepted valuation approaches, formed a view on the fair value range of the ELB Shares. As part of its probability assessment, the Independent Board also considered the nature of, and the likelihood of the Company's liabilities materialising under, the various open performance guarantees granted for the benefit of its subsidiaries in respect of projects which are yet to be completed (**Guarantees**), as being difficult to accurately quantify. The Independent Board has determined that the Offer Consideration is fair on the basis that the Offer Consideration: (i) exceeds the value of ELB Shares as determined by the Independent Expert (being a negative valuation range on the basis of its assessment of the impact of the Guarantees on the Company's operation; and (ii) is within the fair value range determined by the Independent Board.

15.3.2 The Independent Board has not received any other offers during the Offer Period or within six months before the Offer Period.

15.3.3 The Independent Board, taking into account the report of the Independent Expert and its own assessment of the range of the fair value and recent trading history of the ELB Shares, has considered the terms and conditions thereof, and is unanimously of the opinion that the terms and conditions of the Scheme and the General Offer are fair and reasonable to Shareholders and, accordingly, unanimously recommends that Shareholders vote in favour of the Resolutions and, if applicable, accept the General Offer, in respect of all of the Shares that they may own and/or control.

### 15.4 Views of the ELB Board

15.4.1 Shareholders should take note that the ELB Board, taking into account the report of the Independent Expert, has considered the terms and conditions thereof, and is unanimously of the opinion that the terms and conditions of the Scheme and the General Offer are

fair and reasonable to Eligible Shareholders and unanimously recommends that Eligible Shareholders vote in favour of the Resolutions.

15.4.2 In terms of paragraph 1.15(d) of the Listings Requirements, the ELB Board taking into account the report of the Independent Expert, insofar as it relates to the Delisting, has considered the terms and conditions thereof, and is unanimously of the opinion that the terms and conditions of the General Offer are fair to the Eligible Shareholders and recommends that Eligible Shareholders vote in favour of the Delisting Resolution and accept the General Offer.

## 15.5 Voting of the Board

All members of the ELB Board have indicated that, to the extent that they may vote on and/or participate in the Transaction, they will vote in favour of all Resolutions relating to the Scheme and General Offer (and the Delisting) and, if applicable, accept the General Offer, in respect of all of the Shares that they may own and/or control.

## 16. INFORMATION RELATING TO ELB

### 16.1 Major Shareholders of ELB

At the Last Practicable Date insofar as is known to ELB, the following Shareholders, were, directly or indirectly, beneficially interested in 5% or more of the Shares:

Shareholder	Number of ELB Shares	Total % <sup>(1)</sup>
Apex Partners	5 578 931	19.6%
Visio Fund Management Pty Ltd <sup>(2)</sup>	5 399 899	19.0%
Laurium Capital Pty Ltd <sup>(2)</sup>	3 394 015	11.9%
Tanjo One Pty Ltd	3 294 612	11.6%
NinetyOne Value Fund	1 961 556	6.89%
<b>Total</b>	<b>19 629 013</b>	<b>68.9%</b>

#### Notes:

1. Based on 28 473 542 Shares in issue as at the Last Practicable Date.
2. Held on behalf of various individual and corporate shareholders.

There is no controlling Shareholder of ELB and there has not been such a Shareholder for the five years preceding the Last Practicable Date.

### 16.2 Mandatory Offer and Dealings in Shares by the Remaining Shareholder

The Remaining Shareholder currently holds 5 578 931 Shares, being 19.6% of the issued Shares of ELB, as at the Last Practicable Date. If implemented, it is likely that the Transaction will result in the Remaining Shareholder or persons related or inter-related to or acting in concert with the Remaining Shareholder increasing its beneficial interest to 35% or more of the voting rights attaching to the Shares. As a result thereof (and depending on whether the Scheme or the General Offer is implemented), a Mandatory Offer (at the price of R2.00 per Share) may be triggered by the Remaining Shareholder in favour of the remaining holders of ELB Shares.

The Remaining Shareholder has not dealt in Shares in the period beginning six months before the date of the Firm Intention Announcement other than an unwinding of a loan obligation on 11 February 2020 which loan obligation arose prior to the six months before the date of the Firm Intention Announcement, being 13 November 2020 ("**Exempt Trade**"). For the avoidance of doubt, other than a reversion of shares pursuant to the unwinding of the loan obligation, there was no change to the Remaining Shareholder's shareholding in ELB.

The Remaining Shareholder approached the TRP for dispensation of the Exempt Trade from the application of regulations 111(2) and 111(3) of the Companies Act if and to the extent a Mandatory Offer is triggered pursuant to the Transaction, which application the TRP granted on 12 May 2020. The Mandatory Offer price, if triggered, will therefore be R2.00 per share.

### 16.3 Share capital of ELB

The authorised and issued ordinary share capital of ELB before and after the Transaction are set out below:

<b>Before the Transaction (and after implementation of the transactions set out in the Prior Circular)</b>	<b>R</b>
<i>Authorised</i>	
500 000 000 Shares of no par value	2 000 000
<i>Issued ordinary share capital and premium</i>	
28 473 542 Shares of no par value	109 178 000
<i>Treasury shares</i>	
0 Shares of no par value	–
<b>After the Transaction (assuming Eligible Shareholders approve the Scheme and after implementation of the transactions set out in the Prior Circular)</b>	
<i>Authorised</i>	
500 000 000 Shares of no par value	2 000 000
<i>Issued ordinary share capital and premium</i>	
5 578 931 Shares of no par value	109 178 000
<i>Treasury shares</i>	
0 Shares of no par value	–

**Notes:**

1. Assumes ELB exercises its rights in terms of section 124 of the Companies Act, to the extent that the General Offer becomes unconditional and is implemented.

### 16.4 Information on Directors

#### 16.4.1 Directors' interests in ELB

The direct and indirect beneficial interests of the ELB Directors and their associates (as such term is defined in the Listings Requirements) in ELB Shares, including Directors who have resigned over the last 18 months as at the Last Practicable Date, are set out in the table below.

<b>Director</b>	<b>Beneficial</b>		<b>Total</b>	<b>Total %<sup>#</sup></b>
	<b>Direct</b>	<b>Indirect</b>		
<b>Executive Directors</b>				
Anthony Fletcher <sup>*10</sup>	100	3 294 612	3 294 712	11.57%
Charles Pettit <sup>1</sup>	–	5 578 931	5 578 931	19.59%
Stephen Meijers <sup>2</sup>	100	–	100	0.00%
Michael Easter <sup>3</sup>	–	–	–	–
Mollo Ramollo <sup>4</sup>	1 876	–	1 876	0.006%
John Herselman <sup>5</sup>	–	–	–	–
Cornelius Smith (alternate) <sup>6</sup>	63 000	–	63 000	0.22%
Altea Spagnuolo <sup>7</sup>	–	–	–	–
<b>Non-Executive Directors</b>				
Johan van Zyl	–	–	–	–
Peter Blunden	860 000	–	860 000	3.02%
Theunis de Bruyn <sup>8</sup>	15 000	–	15 000	0.05%
Ian Thomson <sup>9</sup>	7 100	–	7 100	0.02%
Refilwe Nkabinde	–	–	–	–
Buyisiwe Makhunga	–	–	–	–
<b>Total</b>	<b>947 176</b>	<b>8 873 543</b>	<b>9 820 719</b>	<b>34.48%</b>

**Notes:**

1. Appointed with effect from 5 December 2019. Indirect shareholding through a 50.25% share in associate, Apex Partners, which holds 5 578 931 Shares in ELB.

2. Resigned with effect from 17 December 2019. Stephen Meijers had a direct beneficial interest in 1 300 100 Shares, 1 300 000 of which were pledged to the Employee Trust and subsequently repurchased pursuant to implementation of the transactions set out in the Prior Circular.
  3. Resigned with effect from 31 January 2020. Michael Easter had a direct beneficial interest in 75 000 Shares, which were pledged to the Employee Trust and subsequently repurchased pursuant to implementation of the transactions set out in the Prior Circular.
  4. Resigned with effect from 31 January 2020.
  5. Resigned with effect from 30 June 2020.
  6. Deceased 20 June 2020. Cornelius Smith had a direct beneficial interest in 321 000 shares of which 258 000 were pledged to the Employee Trust and subsequently repurchased pursuant to the implementation of the transactions set out in the Prior Circular.
  7. Appointed with effect from 31 January 2020.
  8. Resigned with effect from 5 December 2019.
  9. Retired with effect from 31 January 2020.
  10. Resigned with effect from 14 April 2020.
- # Based on a total number of issued Shares of 28 473 542.

#### 16.4.2 **Directors' dealing in Shares**

Other than as noted in the below table, no Directors dealt in Shares in the period beginning six months before the date of the Firm Intention Announcement and ending on the Last Practicable Date:

<b>Directors*</b>	<b>Balance of Employee Scheme Participant Debt Repurchase value</b>	<b>Number of Employee Scheme Shares to be repurchased</b>	<b>Repurchase Price (cents)</b>	<b>Original Grant Date</b>	<b>Repurchase Date</b>
Stephen John Meijers	10 824 000	800 000	1 353	01/12/2010	07/07/2020
Stephen John Meijers	9 345 000	500 000	1 869	13/03/2018	07/07/2020
Michael Craig Easter	1 562 250	75 000	2 083	18/05/2017	07/07/2020
Cornelius Smith	2 812 050	135 000	2 083	18/05/2017	07/07/2020
Cornelius Smith	1 494 900	45 000	3 322	10/06/2013	07/07/2020
Cornelius Smith	1 055 340	78 000	1 353	01/12/2010	07/07/2020
<b>Total Directors</b>	<b>27 093 540</b>	<b>1 633 000</b>			

\* Directors who may have resigned/passed away within 18 months

#### 16.4.3 **Directors' interests in the Offer**

Charles Pettit is the controlling shareholder of Apex Partners and will therefore not participate in the Offer. Save for their direct and/or indirect participation in the Offer as Shareholders, the other Directors do not have any direct or indirect beneficial interest in the Offer.

#### 16.4.4 **Remuneration of Directors**

The remuneration of ELB Directors in their capacity as ELB Directors will not be affected as a result of the Transaction however the ELB Board will be reconstituted in line with the requirements of an unlisted company pursuant to the Delisting. The Directors' remuneration and benefits are set out in the consolidated audited historical financial statements of ELB for the financial year ended 30 June 2019, which is available on ELB's website. There will be no change to the remuneration of the Directors as a result of the Offer.

#### 16.4.5 **Service Agreements**

There are no service contracts in place between any ELB Director and the Group other than the existing employment contracts, where applicable, and the Advisory Agreement entered into between the Company and Apex Partners (an associate of Charles Pettit's) which agreement lapsed on 31 March 2020. No amendments to service contracts will be made

as a result of the Transaction. Service contracts with Directors are available for inspection in accordance with paragraph 24 below.

#### 17. **DEALINGS IN SHARES BY REMAINING SHAREHOLDER**

Other than for the Exempt Trade, the Remaining Shareholder has not dealt in Shares in the period beginning six months before the date of the Firm Intention Announcement and ending on the Last Practicable Date.

#### 18. **MATERIAL CHANGES**

Shareholders are advised of the following material changes in the financial or trading position of ELB and the Group since 31 December 2019 and the Last Practicable Date:

- The business forecast for ELB Engineering Services did not materialise which placed unsustainable cash funding requirements on the Group and a decision was therefore made that the Group can no longer support ELB Engineering Services. Accordingly, the ELB Engineering Services board of directors resolved to proceed with placing ELB Engineering Services under business rescue in terms of the Companies Act effective 6 April 2020. The required resolutions were filed and Daniel Terblanche was appointed as the business rescue practitioner.
- The first creditors meeting was held on 18 May 2020. The business rescue practitioner has taken various steps to reduce costs and complete projects but will only be in a position to publish a business rescue plan once all potential liabilities associated with projects can be accurately quantified. This process is continuing.
- As announced on SENS on 28 February 2020, ELB, via its wholly-owned subsidiary ELB Engineering (Pty) Ltd reached agreement on the sale of its Australian equipment business through the disposal of 100% of the shares in its Australian subsidiary Metquip (Pty) Ltd to Leone Family Holdings (Pty) Ltd, or its nominee, an entity within the CFC Group of Companies ('CFC'). CFC is a diversified group of businesses with interests in distribution, supply chain logistics and specialised mining, infrastructure and utility services. The sale became effective on 30 June 2020.
- As a result of the ongoing downturn in the construction sector and the impact of the COVID-19 lockdown, the remaining Group businesses are expected to be loss making in the current financial year and will require further external funding support.

#### 19. **NOTICE OF GENERAL MEETING**

The General Meeting will be held entirely via electronic facility/communication given the impact of COVID-19 on in-person meetings, at 10:00 on Tuesday, 15 September 2020 (or any other rescheduled, adjourned or postponed date and time in accordance with the provisions of, amongst others, section 64(11) of the Companies Act and the MOI, as read with the Listings Requirements) to consider and, if deemed fit, approve, with or without modification, the Resolutions. For further information on how Shareholders can participate in the electronic General Meeting, Shareholders are referred to the sections titled "*Action required by Shareholders in relation to the Scheme*", which commences on page 17 of this Circular and "*Action required by Shareholders in relation to the General Offer*", which commences on page 23 of this Circular.

Shareholders are advised that the Company is in a 'closed period' (as such term is defined in the Listings Requirements) at the date of issue of this Circular due to the financial results for the year ended 30 June 2020 not yet being published. The Company intends to release its reviewed financial results by no later than Tuesday, 8 September 2020 and the General Meeting date of Tuesday, 15 September 2020 is conditional on the reviewed financial results being published by no later than Tuesday, 8 September 2020. Should the financial results not be published by this date, the General Meeting date will be rescheduled accordingly in order to provide Shareholders with sufficient time to consider the financial results as part of their assessment of how they wish to vote on the Resolutions set out in the Notice. Should it be required, any change to the General Meeting date will be released on SENS.

The Notice of General Meeting is attached to and forms part of this Circular.

#### 20. **SUSPENSION AND TERMINATION OF THE ELB LISTING**

Subject to the Scheme becoming unconditional and being implemented or the Delisting Resolution being passed, and the General Offer being implemented in the event that the Scheme does not become

operative, the Delisting is currently envisaged to take place with effect from Tuesday, 3 November 2020, subject to the events set out in the section titled “*Salient Dates and Times*” of this Circular.

## 21. COSTS

It is estimated that the total expenses relating to the Transaction (which will be borne by ELB) will amount to approximately R2.1 million (costs are exclusive of value added tax, levied in terms of the provisions of the Value-Added Tax Act No. 89 of 1991, as amended) and includes the following:

<b>Description</b>	<b>Estimated Amount R'000</b>
Independent Expert – Moore Advisory	300
Guarantee Fee – RMB	115
Sponsor – Questco	500
Legal Advisor – Webber Wentzel	750
Documentation Review – JSE	80
Documentation Review – TRP	56
Transfer Secretaries – Computershare Investor Services	75
Exchange Control – the South African Reserve Bank	10
Printing & Postage – Ince	125
Securities Transfer Tax – the South African Revenue Service	115
<b>Total</b>	<b>2 126</b>

## 22. RESPONSIBILITY STATEMENTS

The Independent Board and the ELB Board, individually and collectively, accept full responsibility for the accuracy of the information contained in this Circular which relates to the Transaction as well as the extracts of information relating to ELB and certifies that, to the best of their knowledge and belief, such information is true and this Circular does not omit any facts that would make any of the information false or misleading or would be likely to affect the importance of any information contained in this Circular. The Independent Board and the ELB Board has made all reasonable enquiries to ascertain that no facts have been omitted and this Circular contains all information required by law, the Companies Act and the Listings Requirements.

## 23. ADVISORS' CONSENTS

The advisors whose names appear in the sections “*Corporate Information and Advisors*” have all consented in writing to act in the capacities stated in this Circular and to their names being stated, and where applicable, inclusion of their reports, in this Circular and have not withdrawn their consent prior to the publication of this Circular.

## 24. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be accessible on ELB's website ([www.elb.co.za](http://www.elb.co.za)) and will furthermore be available for inspection by Shareholders at ELB' registered office and the offices of the Transfer Secretaries (the addresses of which appear in the sections “*Corporate Information and Advisors*”) during normal office hours, from the date of posting of this Circular up to and including the end of the Offer Period, being Friday, 30 October 2020, both days inclusive:

- 24.1 a signed copy of this Circular;
- 24.2 a signed copy of the report of the Independent Expert as set out in Annexure 1;
- 24.3 signed copies of the Irrevocable Undertakings;
- 24.4 the Company's MOI, and the memorandums of incorporation/constitutional documents of each of the Company's major Subsidiaries;

- 24.5 ELB's consolidated audited historical annual financial statements for the financial years ended 30 June 2017, 30 June 2018 and 30 June 2019 and the unaudited condensed consolidated interim results for ELB for the six months ended 31 December 2019;
- 24.6 copies of any material contracts and service agreements with Directors and concert parties;
- 24.7 the TRP approval; and
- 24.8 the written consents by the advisors.

**SIGNED AT JOHANNESBURG ON BEHALF OF THE ELB BOARD IN TERMS OF RESOLUTIONS PASSED BY THE ELB BOARD.**

By order of the ELB Board

**ELB GROUP LIMITED**



**Altea Spagnuolo**  
*Financial Director*

14 August 2020

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## REPORT OF THE INDEPENDENT EXPERT

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**MOORE ADVISORY JHB (PTY) LTD.**

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***Private & Confidential***

The Board of Directors  
 ELB Group Limited  
 14 Atlas Road  
 Anderbolt  
 Boksburg  
 1459

3 August 2020

Dear Sirs,

**RE: REPORT OF THE INDEPENDENT EXPERT REGARDING THE OFFER BY ELB GROUP LIMITED TO REPURCHASE ISSUED SHARES BY WAY OF A SCHEME OF ARRANGEMENT OR CONCURRENT GENERAL OFFER**

**1. INTRODUCTION**

In terms of the firm intention announcement published by ELB Group Limited (“**ELB**” or the “**Company**”) on the Stock Exchange News Service (“**SENS**”) of the exchange operated by the JSE Limited (“**JSE**”) on 1 July 2020 (“**Firm Intention Announcement**”), holders of ordinary shares of no par value in the issued share capital of ELB (“**ELB Shares**”) (“**Shareholders**”) were advised of the firm intention by the Company to make an offer to acquire all of their ELB Shares, except those ELB Shares held by Apex Partners Holdings Pty Ltd (“**Apex**”), for an offer consideration of R2.00 per ELB Share (the “**Offer Consideration**”) (the “**Offer**”). The proposed transaction (the “**Transaction**”) comprises:

- an offer to all Shareholders (except Apex) to acquire all of their ELB Shares (“**Scheme Shares**”) for the Offer Consideration, in accordance with the provisions of sections 48 and 114(1)(e) of the Companies Act, No. 71 of 2008, as amended (“**Companies Act**”) and paragraph 1.17(b) of the Listings Requirements of the JSE (“**Listings Requirements**”), by way of a scheme of arrangement (“**Scheme**”); and
- separate to the Scheme, but concurrently with it, a conditional general offer (“**General Offer**”) by ELB to all Shareholders (except Apex), to acquire all of their ELB Shares (“**General Offer Shares**”) for the Offer Consideration, in accordance with the provisions of sections 48 and 117(1)(c)(v) of the Companies Act and paragraphs 1.15(c) and 5.69 of the Listings Requirements, which will be implemented only if the Scheme fails; and
- the subsequent delisting of all of the ELB Shares from the JSE, in terms of paragraph 1.17(b) of the Listings Requirements (“**Delisting**”), pursuant to the implementation of the Scheme or, if the Scheme fails, pursuant to Shareholders approving the delisting as an ordinary resolution in terms of paragraphs 1.15 and 1.16 of the Listings Requirements (“**Delisting Resolution**”), and the General Offer being implemented.

Apex, the largest shareholder in ELB, holding 19.6% of the ELB Shares, will be excluded from the Offer.

The Scheme and General Offer are proposed concurrently on the basis that the implementation of the General Offer will be conditional upon, *inter alia*, the Scheme not becoming operative. In this regard, in the event that the Scheme becomes operative, the General Offer will lapse. Alternatively, if the Scheme does not become operative and the General Offer becomes wholly unconditional, the General Offer will be implemented.

As at the date of this Opinion (as defined below), the authorised and issued share capital of the Company comprises the following:

- Authorised no par value ordinary share capital comprising 500 000 000 shares; and
- Issued no par value ordinary share capital comprising 28 473 542 shares.

The effect of the Scheme will, *inter alia*, be that ELB will, upon implementation of the Scheme, become the registered and beneficial owner of all Scheme Shares (excluding, for the avoidance of doubt, the ELB Shares held by Apex), where after ELB will cancel such shares and have its securities register updated accordingly. As a consequence of the Scheme becoming operative, an application will be made to the JSE for the delisting of all ELB Shares from the JSE.

Should the General Offer become unconditional and be implemented, ELB will repurchase all ELB Shares tendered by Shareholders (other than Apex), including any ELB Shares which have not been tendered by non-accepting Shareholders in the event that (i) Shareholders holding 90% of the General Offer Shares accept the General Offer; and (ii) ELB exercises its rights to compulsorily acquire the remaining General Offer Shares in terms of section 124 of the Companies Act. Following the approval of the Delisting Resolution and the implementation of the General Offer, an application will be made to the JSE for the delisting of all ELB Shares from the JSE.

## 2. **INTEREST OF THE DIRECTORS OF ELB IN ELB SHARES**

At 4 August 2020, being the last practicable date prior to the finalisation of the circular to Shareholders, dated Friday, 14 August 2020 (the “**Circular**”) (“**Last Practicable Date**”), the directors of ELB held, directly and indirectly, beneficial interests in 6 438 931 ELB Shares, representing approximately 22.61% of the total ELB Shares in issue at that date. The direct and indirect beneficial interests of the directors of ELB, including directors who have resigned over the last 18 months as at the last practicable date, are set out in paragraph 16.4.1 of the Circular to which this Opinion is annexed as **Annexure 1**.

Charles Pettit is the controlling shareholder of Apex and will therefore not participate in the Offer. Save for their direct and/or indirect participation in the Offer as Shareholders, the other directors do not have any direct or indirect beneficial interest in the Offer and will participate in the Offer alongside other Shareholders.

Copies of sections 115 and 164 of the Companies Act are included as **Annexure 5** of the Circular, to which this Opinion is annexed as **Annexure 1**.

## 3. **SCOPE**

### **Fair and reasonable opinion required in terms of the Companies Act**

Each of the Scheme and the General Offer is an affected transaction as defined in section 117(1)(c) and section 117(c)(iv), respectively, of the Companies Act. In terms of section 114(2) of the Companies Act, as read with Regulations 90 and 110 of the Companies Regulations, 2011 (the “**Companies Regulations**”), the board of ELB (the “**ELB Board**”) is required to retain an independent expert to provide an independent expert report (in the form of a fair and reasonable opinion) in terms of section 114(3) of the Companies Act (as well as in terms of section 48(8) of the Companies Act which is also applicable to each of the Scheme and the General Offer) and Regulation 90 of the Companies Regulations (the “**Fair and Reasonable Opinion**”).

Moore Advisory Jhb (Pty) Ltd (“**Moore**”) has been appointed as the independent expert by the Independent Board to assess each of the Scheme and the General Offer and the Offer Consideration as required in terms of section 114 of the Companies Act and Regulation 90 of the Companies Regulations. The Fair and Reasonable Opinion set out herein is provided to the ELB Board for the sole purpose of assisting the ELB Board in forming and expressing an opinion on the Scheme, the General Offer and the Offer Consideration for the benefit of Shareholders (other than Apex).

## **Fairness opinion required in terms of the Listing Requirements**

In terms of paragraph 1.15(d) and, to the extent applicable, paragraph 5.69(e) of the Listings Requirements, the ELB Board is required to obtain a fairness opinion from an independent expert confirming whether the General Offer is fair insofar as Shareholders are concerned (the “**Fairness Opinion**”) and to advise Shareholders accordingly.

Moore has been appointed as the independent expert by the ELB Board to provide the Fairness Opinion in respect of the General Offer.

The Fair and Reasonable Opinion and the Fairness Opinion are together referred to as the “**Opinion**”.

## **4. RESPONSIBILITY**

Compliance with the Listings Requirements, Companies Act and Companies Regulations is the responsibility of the ELB Board. Our responsibility is to report on whether the terms and conditions of the Scheme, the General Offer and Offer Consideration are fair and reasonable.

This Opinion is provided to the ELB Board in connection with and for the purpose of the Transaction and for the sole purpose of assisting each of the ELB Board and the independent board of ELB as contemplated in regulation 108 of the Companies Regulations (“**Independent Board**”) in forming and expressing an opinion for the benefit of Shareholders (other than Apex). This opinion is prepared solely for the ELB Board and the Independent Board and therefore should not be regarded as suitable for use by any other party or give rise to third party rights.

## **5. EXPLANATION AS TO HOW THE TERMS “FAIR” AND “REASONABLENESS” APPLY IN THE CONTEXT OF THE TRANSACTION**

The “fairness” of a transaction is based on quantitative issues. A transaction will generally be considered fair to a company’s shareholders if the benefits received, as a result of the transaction, are equal to or greater than the value surrendered.

An offer may be considered to be fair to shareholders if the offer consideration is equal to or greater than the fair value of an ELB Share, or unfair if the offer consideration is less than the fair value of an ELB Share. Furthermore, in terms of Regulation 110(8) of the Companies Regulations, an offer with a consideration per offeree regulated company security within the fair-value range is generally considered to be fair.

The assessment of reasonableness of a transaction is generally based on qualitative considerations surrounding the transaction. Hence, even though the consideration to be paid in respect of an offer may be lower than the market value, the offer may be considered reasonable after considering other significant qualitative factors. In the context of the Transaction, the Offer may be said to be reasonable if the Offer Consideration is greater than the trading price of an ELB Share as at the time of announcement of the Transaction, or at some other more appropriate identifiable time.

## **6. SOURCE OF INFORMATION**

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

- The terms and conditions of the Transaction as set out in the Circular.
- ELB Group Limited integrated annual reports for the years ended 30 June 2018 and 30 June 2019 incorporating ELB and its subsidiaries (the “**Group**”).
- Unaudited management accounts of the Company and Group for the 12-month period ended 30 June 2019.
- Unaudited condensed consolidated interim financial results of the Group for the six-month period ended 31 December 2019.
- Unaudited management accounts of the Company and Group for the nine-month period ended 31 March 2020.
- Forecast financial information of the Company and Group for the year ending 30 June 2020.
- Forecast financial information of ELB Equipment (Pty) Ltd for the year ending 30 June 2021.
- A paper, prepared by management for the ELB Board, setting out the rationale for and structure of the Transaction.

- The ELB Engineering Services (Pty) Ltd (“**ELBES**”) business rescue application submitted to the Companies and Intellectual Property Commission on 6 April 2020.
- Discussions with the directors of ELB, advisors, the ELBES Business Rescue Practitioner and management regarding:
  - a. the rationale for the Transaction;
  - b. the historical and forecast financial information of the Company and the Group;
  - c. the prevailing market conditions which may affect underlying value; and
  - d. the guarantees and suretyships provided by ELB and the Group in favour of third parties and in respect of ELBES.
- Publicly available information relating to the engineering and construction industries in general; and
- Publicly available information relating to ELB that we deemed to be relevant, including Company announcements and media articles.

The information was obtained from:

- The executive directors and management of ELB and their advisors; and
- Third-party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing ELB.

## 7. PROCEDURES PERFORMED

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

- Reviewed the terms and conditions of the Scheme and the General Offer as contained in the Circular.
- Reviewed the financial and other information relating to ELB, as detailed above.
- Held discussions with the directors and management of ELB as to the long-term strategy and the rationale for the Transaction and considered such other matters as we considered necessary including assessing prevailing economic and market conditions and trends in the industries in which ELB operates and the associated exposure of ELB in terms of the various guarantees and suretyships provided to third parties on behalf of ELBES and as a consequence of the intervening business rescue.
- Obtained the 30, 60, 90-day VWAP and quoted closing market price per share as at the last practically available date.
- Reviewed ELB’s historic traded share prices and trading volumes on the JSE to ascertain the relative trading activities, liquidity and volatility of the ELB shares.
- Assessed ELB’s historic share price against its tangible net asset value (“**TNAV**”) and benchmarked to that of its peers.
- Performed a sum-of-the-parts (“**SOTP**”) valuation of ELB.
- Performed a sensitivity analysis on key assumptions included in the valuation.
- Where relevant, corroborated information and/or details with representative(s) of ELB.
- Reviewed certain publicly available information relating to ELB and the industry in which it operates that we deem to be relevant, including company announcements and media articles.

## 8. OTHER CONSIDERATIONS

In arriving at our opinion, we have considered, in addition to the procedures referred to above, other key quantitative and qualitative factors, which are set out below:

- Despite the successful implementation of the restructuring initiatives announced on 8 January 2020, including *inter alia*: the sale of the Australasian segment, downsizing of the head office function and the raising of a bridging facility, ELB has continued to experience steady losses, an increase in debt and a steady deterioration in the net asset value;
- ELB incurred a consolidated loss after tax of R31 million for the year ended 30 June 2019 and a consolidated loss after tax of R100 million for the six months ended 31 December 2019.
- ELBES new business forecasts have not materialised. This has placed unsustainable cash funding requirements on the Group and a decision was therefore made that the Group could no longer support ELBES. Accordingly, ELBES was placed into business rescue on 6 April 2020.

- ELBES had the following guarantees, supported by Group cross-sureties, in issue at the Last Practicable Date:
  - Advance Payment Guarantees – R236.8m;
  - Performance Guarantees – R245.9m;
  - Retention Guarantees – R14.0m.
- ELB has provided numerous suretyships and guarantees to third parties in respect of both the indebtedness of and due performance by ELBES of its obligations under ongoing contracts and including the parental guarantees provided in respect of the Gamsberg and Ngodwana projects, still to be completed (collectively, “the **Guarantees**”).
- General trading conditions remain extremely challenging across the markets in which the rest of the Group operates, and the current situation is expected to worsen by the impact of the Covid-19 pandemic.
- ELB is not currently generating sufficient cash flows to cover operating expenses, capital expenditure and working capital requirements and consequently requires access to further external funding in the near term.

## 9. LIMITING CONDITIONS

This Opinion is provided to the Board and the Independent Board in connection with and for the purposes of the Transaction. The Opinion of the Independent Expert does not purport to cater for each individual Shareholder’s perspective, but rather that of the general body of Shareholders. Should an individual Shareholder have any doubts as to what action to take, such Shareholder should consult an independent advisor.

We have relied upon and assumed the accuracy of the information provided to and obtained by us in deriving our Opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our Opinion, whether in writing or obtained in discussion with ELB management, by reference to publicly available or independently obtained information.

While our work has involved an analysis of, *inter alia*, the annual financial statements and other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

We confirm that the scope of our procedures and work performed were not subject to any limiting conditions excepting those referenced herein.

We have made the assumptions referred to hereinbefore and in paragraph 10 below and consequently accept that all agreements have full legal force and effect as represented to us, are furthermore lawful and duly authorised

This Opinion is provided in terms of the Listing Requirements, the Companies Act and the Companies Regulations. It does not constitute a recommendation to any Shareholder as to how to vote at any Shareholders’ meeting relating to the Transaction or on any matter relating to it and is not to be regarded by the Board and/or the Independent Board as a substitute of or for its authority or responsibility, the Board and the Independent Board (as applicable) at all times and in all circumstances being required to make its own independent assessment and conclude on the necessary matters in terms of its own determinations and with due regard to its own responsibilities. Therefore, it should not be relied upon for any other purpose. We assume no responsibility to anyone if this opinion is used or relied upon for anything other than its intended purpose.

Budgets/projections/forecasts relate to future events and are based on assumptions which may not remain valid for the whole of the forecast period. Accordingly, this information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods.

We express no opinion as to how closely actual results will correspond to those projected/forecast by management of ELB. We have compared the projected/forecast financial information to past trends as well as discussed the assumptions inherent therein with management.

Our Opinion is based upon the market, regulatory and trading conditions as they currently exist and can only be evaluated as at the date of this report. It should be understood that subsequent developments may affect our Opinion, which we are under no obligation to update, revise or re-affirm.

The valuation of companies and businesses is not a precise science and conclusions arrived at, will, in many cases be subjective and dependent on the exercise of individual judgment.

## 10. ASSUMPTIONS

We arrived at our findings based on the following assumptions:

- ELB is, at the date of this Opinion, not engaged in any advanced discussions relating to any acquisitions or transactions that will have a significant impact on the value of ELB, other than those disclosed in the Circular.
- Other than as specifically set out in the Circular, there are no undisclosed contingencies that could affect the value of ELB.
- The liability of ELB under the Guarantees is contractually established and is limited to the quantum of the respective security instruments.
- That all agreements that are to be entered into in terms of the Transaction will be legally enforceable.
- That all conditions precedent to the sale of Australian segment will be fulfilled.
- The Transaction will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives and advisors of/by ELB.
- That reliance can be placed on the financial information of ELB.

## 11. APPROPRIATENESS AND REASONABLENESS OF UNDERLYING INFORMATION AND ASSUMPTIONS

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

- Reliance on audit reports in the financial statements of ELB.
- Conducting analytical reviews on the historical financial results and forecast financial information, such as key ratio and trend analyses.
- Comparing and corroborating such information and assumptions with external sources of information, to the extent such information was available.
- Determining the extent to which representations from management were confirmed by documentary evidence, as well as our understanding of ELB and the Transaction.

## 12. VALUATION APPROACH

Moore performed a valuation of ELB on a SOTP basis to determine whether the Offer Consideration in terms of the Scheme and/or General Offer is fair to ELB Shareholders.

The valuation was based on the following approach:

- Performed a valuation on a segment basis for each of the reported segments comprising the ELB Group, being "Equipment", "Engineering Services", "Australasia" and "Central".
- With the exception of "Australasia" and "Engineering Services", the primary valuation approach adopted was the capitalisation of maintainable earnings approach (otherwise also known as the "market approach").
- The valuation results determined using the market approach were benchmarked to the attributable segmental net asset value for reasonability.
- The Australasian segment was valued with reference to the proposed terms of its sale, as set out in the ELB circular issued to Shareholders on Thursday, 23 April 2020, and the sale and purchase agreement.
- The Engineering Services segment was valued on a net asset valuation basis, taking into account that the segment is currently in business rescue.
- The risk and quantum of any liability of ELB under the Guarantees was considered.
- Other financial assets and financial liabilities were valued based on their carrying values.

Key internal and external value drivers of the capitalisation of maintainable earnings approach include:

- The sustainable earnings of each segment.
- Market-related earnings multiples applicable to comparable publicly traded companies, adjusted for differences between the segments and the market comparables to account for the risk profile of the segment relative to the basket of peers.

In addition, sensitivity analyses were performed in respect of the following:

- Increasing and decreasing the earnings multiples for unlisted investments by a maximum of 0.5x.

The sensitivity analyses did not indicate a sufficient effect to alter our opinion in respect of the Offer Consideration.

### 13. VALUATION RESULTS

In undertaking the valuation exercise above, we determined a negative valuation range of (R5.70) per ELB Share to (R4.82) per ELB Share, and therefore determined that there is nominal value attributable per ELB Share. In arriving at the valuation range we have considered the impact of the Guarantees on the company's operation. In the circumstances the Offer Consideration is considered to be fair as the Offer Consideration in the amount of R2.00 falls above the valuation per ELB Share.

The valuation determination is provided solely in respect of the Opinion and should not be used for any other purpose.

### 14. THE OFFER CONSIDERATION COMPARED TO THE TRADING PRICE

The Offer Consideration represents a premium of 57.48% to the volume weighted average price ("VWAP") of ELB Shares on the JSE for the 30 (thirty) days up to the last trading date immediately prior to the Firm Intention Announcement.

The current trading price is not considered to be a fair reflection of the current market value of an ELB Share due to the low volume of trades.

### 15. KEY QUALITATIVE CONSIDERATIONS

In arriving at our Opinion, we have also considered the following key qualitative considerations in evaluating the fairness of the Offer Consideration and the reasonableness of the Transaction:

- The rationale for the Transaction as set out in the Circular.
- The Company's continuation as a going concern being contingent upon:
  - A recovery in Equipment segment business and an improvement in margins in accordance with the Company's plans and forecast; and
  - The liabilities of ELB under the Guarantees not materialising.
- The factual solvency and liquidity of ELB after completing the Transaction.
- The fair value of the Offer Consideration being at a premium to the 30-day VWAP of ELB Shares up to the last trading date immediately prior to the Firm Intention Announcement; and
- The limited free float and tradability of the ELB Shares.

### 16. FAIRNESS AND REASONABLENESS OPINION

#### 16.1 REASONABLENESS OF THE TRANSACTION

We have assessed the terms of the Transaction and based on and subject to the conditions set out herein, have found no indication that the Transaction will have any material adverse effect on the Company or its Shareholders and have identified no transaction parameters which could be considered unreasonable to the Company or its Shareholders (other than Apex).

#### 16.2 FAIRNESS OF THE TRANSACTION

We have assessed the terms and conditions of the Transaction and based on and subject to the conditions set out herein, are of the opinion that the terms and conditions thereof, based on quantitative considerations, is fair to Shareholders (other than Apex).

**17. INDEPENDENCE, COMPETENCE AND FEES**

We confirm that Moore has no independence issues relating to directorships, employment, owning shares, management and fees earned in ELB or related parties.

We confirm that Moore and the directors responsible for this assignment have the necessary competencies relating to internal control systems, quality control, experience and qualifications.

We confirm that we have no financial interest and no relationship in ELB or related parties. Furthermore, we confirm that our professional fees of R300 000 (ex VAT) are not contingent upon the success of the Transaction.

**18. CONSENT**

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

Yours sincerely,

**MOORE ADVISORY JHB (PTY) LTD**

Per: Olivier Barbeau

Director

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## **EXTRACTS OF THE CONSOLIDATION AUDITED HISTORICAL FINANCIAL STATEMENTS OF ELB FOR THE FINANCIAL YEARS ENDED 30 JUNE 2017, 30 JUNE 2018 AND 30 JUNE 2019**

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The extracts of the consolidated audited historical financial statements of ELB for the years ended 30 June 2017, 30 June 2018 and 30 June 2019 are included in this Annexure 2. Full copies of the last three years' audited historical financial statements will: (i) be made available to Shareholders, on request; and (ii) is accessible on ELB's website ([www.elb.co.za](http://www.elb.co.za)), as follows:

for the year ended 30 June 2017 – <https://www.elb.co.za/wp-content/uploads/2018/01/ELB-INTEGRATED-ANNUAL-REPORT-2017.pdf>

for the year ended 30 June 2018 – <https://www.elb.co.za/wp-content/uploads/2018/10/ELB-INTEGRATED-ANNUAL-REPORT-2018.pdf>; and

for the year ended 30 June 2019 – <https://www.elb.co.za/wp-content/uploads/2019/10/Integrated-Annual-Report-2019.pdf>.

and (iii) are available for inspection, at the registered office of ELB.

### **ACCOUNTING POLICIES**

ELB Group Limited is a South African registered company. The consolidated annual financial statements of ELB Group Limited for the years ended 30 June 2017, 30 June 2018 and 30 June 2019 comprises ELB Group Limited and its subsidiaries (together referred to as the ELB Group) and the ELB Group's interest in associate companies and joint ventures.

### **Statement of compliance**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) of the International Accounting Standards Board (IASB), the SAICA Financial Reporting Guides as issued by the South African Institute Of Chartered Accountants or its successor and the requirements of the Companies Act of South Africa (as amended).

**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2017, 30 JUNE 2018 AND 30 JUNE 2019**

	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>R'000</b>	<b>Restated</b>	<b>Restated</b>
		<b>R'000</b>	<b>R'000</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	156 350	181 555	164 589
Goodwill	–	12 783	12 783
Intangible assets	1 472	3 861	6 434
Pension fund employer surplus account	39 650	39 650	39 938
Deferred tax assets	101 953	108 912	127 678
	<b>299 425</b>	<b>346 761</b>	<b>351 422</b>
<b>Current Assets</b>			
Contract assets	212 284	667 806	93 158
Inventories	858 934	727 830	670 213
Trade and other receivables	152 357	273 512	222 638
Other financial assets	1 608	4 784	12 372
Income tax receivable	6 709	7 983	10 957
Other current assets	25 773	63 235	52 412
Cash and cash equivalents	244 621	335 124	437 901
	<b>1 502 286</b>	<b>2 080 274</b>	<b>1 499 651</b>
<b>Total Assets</b>	<b>1 801 711</b>	<b>2 427 035</b>	<b>1 851 073</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Issued capital	109 178	109 178	109 479
Treasury shares	(71 770)	(74 571)	(46 737)
Reserves	74 574	75 546	79 867
Retained earnings	388 267	771 065	663 074
	500 249	881 218	805 683
Non-controlling interest	(1 069)	(2 169)	(2 671)
<b>Total Equity</b>	<b>499 180</b>	<b>879 049</b>	<b>803 012</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Interest-bearing borrowings	18 501	22 554	20 428
Deferred tax liabilities	14 059	15 253	15 748
	<b>32 560</b>	<b>37 807</b>	<b>36 176</b>
<b>Current Liabilities</b>			
Contract liabilities and onerous contract provisions	113 935	176 404	129 589
Interest-bearing borrowings	77 571	108 407	59 523
Trade and other payables	875 674	973 513	681 798
Other financial liabilities	4 570	25 163	12 722
Income tax payable	2 587	13 955	7 050
Other current liabilities	163 705	196 325	121 203
Bank overdraft	31 929	16 412	–
	<b>1 269 971</b>	<b>1 510 179</b>	<b>1 011 885</b>
<b>Total Liabilities</b>	<b>1 302 531</b>	<b>1 547 986</b>	<b>1 048 061</b>
<b>Total Equity and Liabilities</b>	<b>1 801 711</b>	<b>2 427 035</b>	<b>1 851 073</b>

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017, 30 JUNE 2018 AND 30 JUNE 2019**

	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>R'000</b>	<b>Restated*</b>	<b>Restated*</b>
		<b>R'000</b>	<b>R'000</b>
Revenue	2 206 439	3 714 238	2 480 497
Operating costs before impairment of financial assets and depreciation and amortisation of non-financial assets	(2 132 947)	(3 531 662)	(2 343 505)
<b>Operating profit before impairment of financial assets and depreciation and amortisation of non-financial assets</b>	<b>73 492</b>	<b>182 576</b>	<b>136 992</b>
Impairment of trade receivables	(6 149)	–	–
Depreciation and amortisation of non-financial assets	(20 200)	(20 076)	(23 368)
<b>Profit from operations</b>	<b>47 143</b>	<b>162 500</b>	<b>113 624</b>
Finance income	13 240	19 787	17 566
Finance expense	(19 486)	(12 310)	(12 091)
<b>Profit before income tax</b>	<b>40 897</b>	<b>169 977</b>	<b>119 099</b>
Income tax expense	(71 993)	(59 662)	(38 554)
<b>(Loss)/profit for the year</b>	<b>(31 096)</b>	<b>110 315</b>	<b>80 545</b>
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Pension fund employer surplus account remeasurements	(3 530)	(3 733)	(3 474)
Aeroplane revaluation surplus (decrease)/increase	(894)	173	(1 424)
Non-controlling interests in foreign currency translation adjustments	(4)	(87)	81
Income tax relating to items that will not be reclassified	1 237	998	1 372
<b>Total items that will not be reclassified to profit or loss</b>	<b>(3 191)</b>	<b>(2 649)</b>	<b>(3 445)</b>
<i>Items that may be reclassified to profit or loss:</i>			
Foreign currency translation adjustments attributable to ordinary shareholders of the Company	17	1 349	(19 709)
Income tax relating to items that may be reclassified	773	(373)	2 704
<b>Total items that may be reclassified to profit or loss</b>	<b>790</b>	<b>976</b>	<b>(17 005)</b>
<b>Total other comprehensive income for the year</b>	<b>(2 401)</b>	<b>(1 673)</b>	<b>(20 450)</b>
<b>Total comprehensive income for the year</b>	<b>(33 497)</b>	<b>108 642</b>	<b>60 095</b>
<b>(Loss)/profit attributable to:</b>			
Ordinary shareholders of the Company	(32 456)	109 656	78 710
Non-controlling interest	1 360	659	1 835
	<b>(31 096)</b>	<b>110 315</b>	<b>80 545</b>
<b>Total comprehensive income for the year attributable to:</b>			
Ordinary shareholders of the Company	(34 853)	108 070	58 179
Non-controlling interest	1 356	572	1 916
	<b>(33 497)</b>	<b>108 642</b>	<b>60 095</b>
<b>Earnings per share</b>			
Earnings per ordinary share			
Basic earnings per share (cents)	(114,3)	389,5	275,0
Diluted earnings per share (cents)	(114,3)	389,4	275,0

**STATEMENT OF CHANGES OF EQUITY FOR THE YEAR ENDED 30 JUNE 2017, 30 JUNE 2018 AND 30 JUNE 2019**

	Issued capital R'000	Treasury shares R'000	Reserves R'000	Retained earnings R'000	Total attributable to equity holders of the Company R'000	Non-controlling interest R'000	Total equity R'000
<b>Opening balance as previously reported at 30 June 2017</b>	<b>109 479</b>	<b>(46 737)</b>	<b>67 685</b>	<b>587 394</b>	<b>717 821</b>	<b>84 408</b>	<b>802 229</b>
Prior period error			12 182	75 680	87 862	(87 079)	783
<b>Restated balance at 1 July 2017</b>	<b>109 479</b>	<b>(46 737)</b>	<b>79 867</b>	<b>663 074</b>	<b>805 683</b>	<b>(2 671)</b>	<b>803 012</b>
Profit for the year				109 656	109 656	659	110 315
Other comprehensive income			1 102	(2 688)	(1 586)	(87)	(1 673)
<b>Total comprehensive income for the year</b>			<b>1 102</b>	<b>106 968</b>	<b>108 070</b>	<b>572</b>	<b>108 642</b>
Ordinary dividends				(23 493)	(23 493)		(23 493)
Distributions to non-controlling interests*						(70)	(70)
Equity settled share options expense* Treasury shares paid up and released to participants		18 459	1 171		1 171 18 459		1 171 18 459
Transfer from reserves to retained earnings ELB ordinary shares repurchased and cancelled	(301)		926	(926)	(301)		(301)
ELB ordinary shares acquired and held as treasury shares		(28 371)			(28 371)		(28 371)
Transfers from share options reserve to retained earnings for share options which became fully paid			(7 520)	7 520			
Transfer from treasury shares to retained earnings for share options which became fully paid		(17 922)		17 922			
<b>Total (distributions to)/ contributions by owners of the Company</b>	<b>(301)</b>	<b>(27 834)</b>	<b>(5 423)</b>	<b>1 023</b>	<b>(32 535)</b>	<b>(70)</b>	<b>(32 605)</b>
<b>Opening balance as previously reported at 30 June 2018</b>	<b>109 178</b>	<b>(74 571)</b>	<b>75 546</b>	<b>771 065</b>	<b>881 218</b>	<b>(2 169)</b>	<b>879 049</b>
Adjustment on initial application of IFRS 15, net of tax				(332 670)	(332 670)		(332 670)
<b>Restated balance at 1 July 2018</b>	<b>109 178</b>	<b>(74 571)</b>	<b>75 546</b>	<b>438 395</b>	<b>548 548</b>	<b>(2 169)</b>	<b>546 379</b>
Loss for the year				(32 456)	(32 456)	1 360	(31 096)
Other comprehensive income			145	(2 542)	(2 397)	(4)	(2 401)
<b>Total comprehensive income for the year</b>			<b>145</b>	<b>(34 998)</b>	<b>(34 853)</b>	<b>1 356</b>	<b>(33 497)</b>
Ordinary dividends paid							
Transfer from share options reserve to retained earnings for share options which became fully paid				(14 690)	(14 690)		(14 690)
Treasury shares paid up and released to participants		855		1 117			855
Transfer from reserves to retained earnings		(859)		859			
Disposal of non-controlling interest						(33)	(33)
Acquisition of non-controlling interests						(223)	(223)
Disposal of treasury shares		2 805		(2 416)	389		389
<b>Total contributions by/ (distributions to) owners of the Company</b>		<b>2 801</b>	<b>(1 117)</b>	<b>(15 130)</b>	<b>(13 446)</b>	<b>(256)</b>	<b>(13 702)</b>
<b>Balance at 30 June 2019</b>	<b>109 178</b>	<b>(71 770)</b>	<b>74 574</b>	<b>388 267</b>	<b>500 249</b>	<b>(1 069)</b>	<b>499 180</b>

**STATEMENT OF CHANGES IN CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017, 30 JUNE 2018 AND 30 JUNE 2019**

	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>R'000</b>	<b>Restated*</b>	<b>Restated*</b>
		<b>R'000</b>	<b>R'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (utilised by)/ generated from operations	(59 142)	(23 205)	229 368
Finance income	13 240	19 787	17 566
Finance expense	(19 486)	(12 310)	(11 775)
Ordinary dividends paid	(14 690)	(23 493)	(9 176)
Income tax paid	(46 011)	(30 831)	(127)
Distributions to non-controlling interests	–	(70)	(27 851)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(126 089)</b>	<b>(70 122)</b>	<b>198 005</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	(31 894)	(32 505)	(18 385)
Proceeds from the sale of plant and equipment	19 410	3 674	5 486
Proceeds from disposal of subsidiaries, net of cash and cash equivalents	24 348	–	–
Acquisition of additional interest in joint operation	–	(3 393)	–
<b>Net cash inflow/(outflow) from investing activities</b>	<b>11 864</b>	<b>(32 224)</b>	<b>(12 899)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest-bearing borrowings raised	5 945	6 287	7 302
Interest-bearing borrowings repaid	(6 463)	(11 338)	(9 020)
ELB ordinary shares repurchased and cancelled	–	(301)	–
Treasury shares paid up by participants	855	18 459	2 262
ELB ordinary shares acquired and held as treasury shares	–	(28 371)	(7 569)
Acquisition of non-controlling interests	(223)	–	(6 896)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>114</b>	<b>(15 264)</b>	<b>(13 921)</b>
<b>(Decrease)/Increase in cash and cash equivalents</b>	<b>(114 111)</b>	<b>(117 610)</b>	<b>171 185</b>
Cash and cash equivalents at the beginning of the year	318 712	437 901	274 562
Effect of foreign exchange rate movement on cash balances	8 091	(1 579)	(7 846)
<b>Cash and cash equivalents at end of the year</b>	<b>212 692</b>	<b>318 712</b>	<b>437 901</b>

## EXTRACTS OF THE UNAUDITED CONSOLIDATION AUDITED HISTORICAL FINANCIAL STATEMENTS OF ELB FOR THE INTERIM PERIOD ENDED 31 DECEMBER 2019

The extracts of the unaudited condensed consolidated interim results of ELB for the six months ended 31 December 2019 are included in this Annexure 3.

A full copy of the unaudited condensed consolidated interim results of ELB for the six months ended 31 December 2019 will: (i) be made available to Shareholders, on request; and (ii) is accessible on ELB's website ([www.elb.co.za](http://www.elb.co.za)), at <https://www.elb.co.za/wp-content/uploads/2020/04/Group-Interim-Report-for-the-six-months-ended-31-December-2019.pdf>; and (iii) are available for inspection, at the registered office of ELB.

### Condensed consolidated interim balance sheet

	Unaudited 31 Dec 19 R' 000	Unaudited 31 Dec 18 Restated* R' 000	Audited 30 Jun 19 R' 000
<b>Assets</b>			
<b>Non-current assets</b>	<b>243 472</b>	351 414	299 425
Property, plant and equipment	<b>96 645</b>	184 749	156 350
Goodwill and intangible assets	–	15 358	1 472
Right of use assets	<b>4 240</b>	–	–
Pension fund employer surplus account	<b>39 650</b>	39 650	39 650
Deferred tax assets	<b>102 937</b>	111 657	101 953
<b>Current assets</b>	<b>1 043 030</b>	1 428 966	1 502 286
Contract assets	<b>216 028</b>	137 635	212 284
Inventories	<b>462 542</b>	833 388	858 934
Trade and other receivables, other financial assets, income tax receivables and other current assets	<b>178 585</b>	195 969	186 447
Cash and cash equivalents	<b>185 875</b>	261 974	244 621
Assets held for sale	<b>464 844</b>		
<b>Total assets</b>	<b>1 751 346</b>	1 780 380	1 801 711
<b>Equity and liabilities</b>			
<b>Equity attributable to ordinary shareholders of the Company</b>	<b>397 597</b>	261 729	500 249
Issued capital	<b>109 178</b>	109 178	109 178
Treasury shares	<b>(71 770)</b>	(74 575)	(71 770)
Reserves	<b>76 334</b>	76 303	74 574
Retained earnings	<b>283 855</b>	150 823	388 267
<b>Non-controlling interests</b>	<b>(757)</b>	(918)	(1 069)
<b>Total equity</b>	<b>396 840</b>	260 811	499 180
<b>Non-current liabilities</b>	<b>49 316</b>	40 807	32 560
Interest bearing borrowings	<b>16 434</b>	25 409	18 501
Lease liabilities	<b>18 959</b>	–	–
Deferred tax liabilities	<b>13 923</b>	15 398	14 059

	<b>Unaudited 31 Dec 19 R' 000</b>	Unaudited 31 Dec 18 Restated* R' 000	Audited 30 Jun 19 R' 000
<b>Current liabilities</b>	<b>1 026 388</b>	1 478 762	1 269 971
Contract liabilities and onerous contract provisions	<b>115 574</b>	218 638	113 935
Interest-bearing borrowings	<b>137 365</b>	96 870	77 571
Lease liabilities	<b>15 373</b>	–	–
Trade and other payables, other financial liabilities, income tax payables and other current liabilities	<b>715 934</b>	1 095 062	1 046 536
Restructuring provision	<b>7 000</b>	–	–
Bank overdraft	<b>35 142</b>	68 192	31 929
Liabilities held for sale	<b>278 802</b>		
<b>Total liabilities</b>	<b>1 354 506</b>	1 519 569	1 302 531
<b>Total equity and liabilities</b>	<b>1 751 346</b>	1 780 380	1 801 711

#### Condensed consolidated interim statement of profit or loss and other comprehensive income

	<b>Unaudited Six months ended 31 Dec 19 R' 000</b>	<b>Unaudited Six months ended 31 Dec 18 Restated* R' 000</b>	<b>Audited Year ended 30 Jun 19 R' 000</b>
<b>Continuing operations</b>			
<b>Revenue</b>	<b>868 551</b>	1 310 911	1 584 732
Operating costs excluding depreciation and amortisation of non-financial assets	<b>(894 386)</b>	(1 532 350)	(1 553 118)
<b>Operating (loss)/profit before impairment of financial assets and depreciation and amortisation of non-financial assets</b>	<b>(25 835)</b>	(221 439)	31 614
Depreciation and amortisation of non-financial assets	<b>(12 553)</b>	(9 063)	(16 479)
Impairment of financial assets	<b>(5 607)</b>	–	(6 149)
<b>(Loss)/profit from operations</b>	<b>(43 995)</b>	(230 502)	8 986
Finance income	<b>5 478</b>	6 025	12 857
Finance expenses	<b>(8 679)</b>	(8 766)	(17 251)
<b>(Loss)/profit before income tax</b>	<b>(47 196)</b>	(233 243)	4 592
Income tax credit/(expense)	<b>5 081</b>	(49 551)	(61 120)
<b>Loss for the period from continuing operations</b>	<b>(42 115)</b>	(282 794)	(56 528)
<b>Discontinued operations</b>			
<b>Revenue</b>	<b>279 843</b>	287 218	621 707
Operating costs excluding impairment of disposal group and financial assets and depreciation and amortisation of non-financial assets	<b>(273 803)</b>	(270 264)	(579 740)

	Unaudited Six months ended 31 Dec 19 R' 000	Unaudited Six months ended 31 Dec 18 Restated* R' 000	Audited Year ended 30 Jun 19 R' 000
<b>Operating profit before impairment of disposal group and financial assets and depreciation and amortisation of non-financial assets</b>	<b>6 040</b>	16 954	41 967
Impairment of disposal group	<b>(55 750)</b>	–	–
Depreciation and amortisation of non-financial assets	<b>(7 053)</b>	(1 888)	(3 811)
Impairment of financial assets	–	–	–
<b>(Loss)/profit from operations</b>	<b>(56 763)</b>	15 066	38 156
Finance income	<b>54</b>	327	383
Finance expenses	<b>(2 699)</b>	(765)	(2 234)
<b>(Loss)/profit before income tax</b>	<b>(59 408)</b>	14 628	36 305
Income tax credit/(expense)	<b>1 401</b>	(3 672)	(10 873)
<b>(Loss)/profit for the period from discontinued operations</b>	<b>(58 007)</b>	10 956	25 432
<b>Net loss for the period</b>	<b>(100 122)</b>	(271 838)	(31 096)
<b>Other comprehensive income</b>	<b>(2 218)</b>	328	(2 401)
<b>Items that will not be reclassified to profit or loss</b>			
Non-controlling interests in foreign currency translation adjustments	<b>(4)</b>	(46)	(4)
Pension fund employer surplus account remeasurements	<b>(1 765)</b>	(1 500)	(3 530)
Aeroplane revaluation surplus increase/(decrease)	–	678	(894)
Income tax relating to items that will not be reclassified to profit or loss	<b>494</b>	230	1 237
<b>Items that may be reclassified to profit or loss</b>			
Foreign currency translation reserve adjustments attributable to ordinary shareholders of the Company	<b>(1 128)</b>	934	17
Income tax relating to items that may be reclassified	<b>185</b>	32	773
<b>Total comprehensive income for the period</b>	<b>(102 340)</b>	(271 510)	(33 497)
<b>Loss for the period attributable to:</b>			
Ordinary shareholders of the Company from continuing operations	<b>(42 432)</b>	(284 314)	(57 888)
Ordinary shareholders of the Company from discontinued operations	<b>(58 007)</b>	10 956	25 432
Non-controlling interests from continuing operations	<b>317</b>	1 520	1 360
	<b>(100 122)</b>	(271 838)	(31 096)

	Unaudited Six months ended 31 Dec 19 R' 000	Unaudited Six months ended 31 Dec 18 Restated* R' 000	Audited Year ended 30 Jun 19 R' 000
<b>Total comprehensive income for the period attributable to:</b>			
Ordinary shareholders of the Company from continuing operations	(43 306)	(284 480)	(56 280)
Ordinary shareholders of the Company from discontinued operations	(59 347)	11 496	21 427
Non-controlling interests from continuing operations	313	1 474	1 356
	<b>(102 340)</b>	<b>(271 510)</b>	<b>(33 497)</b>
<b>(Losses)/earnings per share (cents)</b>			
Basic losses per share from continuing operations	(149,0)	(1 002,2)	(203,8)
Basic (losses)/earnings per share from discontinued operations	(203,7)	38,6	89,5
<b>Total basic losses per share</b>	<b>(352,7)</b>	<b>(963,5)</b>	<b>(114,3)</b>
Diluted basic earnings per share from continuing operations	(149,0)	(1 001,7)	(203,8)
Diluted basic (losses)/earnings per share from discontinued operations	(203,7)	38,6	89,5
<b>Total diluted basic losses per share</b>	<b>(352,7)</b>	<b>(963,1)</b>	<b>(114,3)</b>
<b>Condensed consolidated interim statement of changes in equity</b>			
	Unaudited Six months ended 31 Dec 19 R' 000	Unaudited Six months ended 31 Dec 18 Restated* R' 000	Audited Year ended 30 Jun 19 R' 000
<b>Opening balance as previously reported*</b>	499 180	878 466	879 049
Prior period error*		583	–
<b>Restated balance at 1 July</b>	499 180	879 049	879 049
Adjustment on initial application of IFRS 15, net of tax		(332 670)	(332 670)
<b>Restated opening balance</b>	499 180	546 379	546 379
<b>Total comprehensive income for the period</b>	<b>(102 340)</b>	<b>(271 510)</b>	<b>(33 497)</b>
Loss for the period	(100 122)	(271 838)	(31 096)
Other comprehensive income	(2 218)	328	(2 401)
<b>Total contributions by and distributions to owners</b>	–	(13 835)	(13 479)
Ordinary dividends paid	–	(14 690)	(14 690)
Disposal of non-controlling interest	–	–	(33)
Disposal of treasury shares	–	–	389
Treasury shares paid up and released to participants	–	855	855
<b>Changes in ownership interests in subsidiaries</b>			
Acquisition of non-controlling interests	–	(223)	(223)

<b>Closing balance</b>	<b>396 840</b>	260 811	499 180
	<b>Unaudited Six months ended 31 Dec 19 R' 000</b>	<b>Unaudited Six months ended 31 Dec 18 Restated* R' 000</b>	<b>Audited Year ended 30 Jun 19 R' 000</b>
<b>Comprising:</b>			
Issued capital	<b>109 178</b>	109 178	109 178
Treasury shares	<b>(71 770)</b>	(74 575)	(71 770)
Reserves	<b>76 334</b>	76 303	74 574
Retained earnings	<b>283 855</b>	150 823	388 267
<b>Equity attributable to ordinary shareholders of the Company</b>	<b>397 597</b>	261 729	500 249
<b>Non-controlling interests</b>	<b>(757)</b>	(918)	(1 069)
<b>Total equity</b>	<b>396 840</b>	260 811	499 180

#### Condensed consolidated interim statement of cash flows

	<b>Unaudited Six months ended 31 Dec 19 R' 000</b>	Unaudited Six months ended 31 Dec 18 *Restated R' 000	Audited Year ended 30 Jun 19 R' 000
<b>Net cash flows utilised by operating activities</b>	<b>(48 379)</b>	(108 817)	(126 089)
Cash generated from/(utilised by) operations	<b>(42 064)</b>	(67 996)	(59 142)
Finance income	<b>5 532</b>	6 352	13 240
Finance expense	<b>(7 412)</b>	(9 531)	(19 486)
Taxation paid	<b>(4 435)</b>	(22 952)	(46 011)
Dividends and distributions paid	<b>–</b>	(14 690)	(14 690)
<b>Net cash flows from/(utilised by) investing activities</b>	<b>1 510</b>	(10 948)	11 864
Purchase of property, plant and equipment	<b>(7 688)</b>	(13 242)	(31 894)
Proceeds from the sale of plant and equipment	<b>404</b>	2 294	19 410
Proceeds on disposal of subsidiaries	<b>328</b>		24 348
Proceeds on disposal of partnership	<b>8 466</b>		
<b>Net cash flows (utilised by)/from financing activities</b>	<b>(1 315)</b>	1 496	114
Interest-bearing borrowings raised	<b>19 048</b>	7 485	5 945
Interest-bearing borrowings repaid	<b>(6 255)</b>	(6 621)	(6 463)
Lease liabilities repaid	<b>(14 108)</b>		
Acquisition of non-controlling interests	<b>–</b>	(223)	(223)
Treasury shares paid up and released to participants	<b>–</b>	855	855
<b>Decrease in cash and cash equivalents</b>	<b>(48 184)</b>	(118 269)	(114 111)
Cash and cash equivalents at the beginning of the year	<b>212 692</b>	318 712	318 712
Effect of exchange rate movements on cash balances	<b>(173)</b>	(6 661)	8 091
Cash and cash equivalents held for sale	<b>(13 602)</b>		
<b>Cash and cash equivalents at the end of the year</b>	<b>150 733</b>	193 782	212 692

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**VOLUMES AND VALUES TRADED FOR SHARES**


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The daily closing share price, highest share price, lowest share price and volumes traded for the 30 trading days preceding the Last Practicable Date is set out below:

<b>Date</b>	<b>Closing price (ZAR)</b>	<b>Highest day price (ZAR)</b>	<b>Lowest day price (ZAR)</b>	<b>Volume traded</b>
23-Jun-20	1.41	1.45	1.41	12 064
24-Jun-20	1.40	1.44	1.40	17 674
25-Jun-20	1.40	1.40	1.15	9 000
26-Jun-20	1.16	1.16	1.16	8 700
29-Jun-20	1.16	1.16	1.16	–
30-Jun-20	1.20	1.20	1.20	4 000
1-Jul-20	1.85	1.85	1.40	294 448
2-Jul-20	1.85	1.90	1.85	79 999
3-Jul-20	1.85	1.85	1.85	–
6-Jul-20	1.91	1.94	1.86	33 900
7-Jul-20	1.90	1.92	1.90	34 351
8-Jul-20	1.86	1.86	1.86	264
9-Jul-20	1.90	1.90	1.86	6 800
10-Jul-20	1.90	1.90	1.90	–
13-Jul-20	1.90	1.90	1.90	–
14-Jul-20	1.85	1.89	1.85	23 208
15-Jul-20	1.85	1.85	1.85	3 328
16-Jul-20	1.85	1.85	1.85	–
17-Jul-20	1.90	1.90	1.85	25 082
20-Jul-20	1.81	1.84	1.81	21 400
21-Jul-20	1.82	1.89	1.82	3 520
22-Jul-20	1.80	1.82	1.80	42 500
23-Jul-20	1.80	1.80	1.80	–
24-Jul-20	1.80	1.80	1.80	3 000
27-Jul-20	1.76	1.80	1.76	20 661
28-Jul-20	1.88	1.88	1.80	2 339
29-Jul-20	1.88	1.88	1.88	1 719
30-Jul-20	1.88	1.88	1.88	–
31-Jul-20	1.80	1.88	1.80	11.600
3-Aug-20	1.80	1.80	1.80	–

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## EXCHANGE CONTROL REGULATIONS

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The settlement of the Offer Consideration for both Certificated Shareholders and Dematerialised Shareholders will be subject to the Exchange Control Regulations.

The following is a summary of the relevant Exchange Control Regulations. Shareholders who are not resident in South Africa, or who have registered addresses outside South Africa, must satisfy themselves as to the full observance of the laws of the relevant jurisdiction concerning the receipt of the Offer Consideration, including obtaining any required governmental or other consents, observing any other required formalities and paying any issue, transfer or other taxes due in that jurisdiction. If in any doubt, Shareholders should consult their professional advisors without delay.

### 1. RESIDENTS OF THE COMMON MONETARY AREA

In the case of:

Certificated Shareholders whose registered addresses in the Register are within the Common Monetary Area and whose Documents of Title are not restrictively endorsed in terms of the Exchange Control Regulations, the Offer Consideration will be paid by way of EFT or posted to such Shareholders in accordance with paragraphs 4.4 and 5.9;

or

Dematerialised Shareholders whose registered addresses in the Register are within the Common Monetary Area and have not been restrictively designated in terms of the Exchange Control Regulations, the Offer Consideration will be credited directly to the accounts nominated for the relevant Shareholders by their duly appointed CSDP or Broker in terms of the provisions of your Custody Agreement with their CSDP or Broker.

### 2. EMIGRANTS FROM THE COMMON MONETARY AREA

In the case of Shareholders who are emigrants from the Common Monetary Area and whose Shares form part of their remaining assets, the Offer Consideration will:

- in the case of Certificated Shareholders whose Documents of Title are restrictively endorsed in terms of the Exchange Control Regulations, be forwarded to the Authorised Dealer in foreign exchange in South Africa controlling such Shareholders' remaining assets in terms of the Exchange Control Regulations. The attached Form of Surrender and Transfer (*blue*) makes provision for details of the Authorised Dealer concerned to be given; or
- in the case of Dematerialised Shareholders whose registered addresses in the Register are within the Common Monetary Area and have not been restrictively designated in terms of the Exchange Control Regulations, be paid to their CSDP or Broker, which shall arrange for same to be credited directly to the capital account of the Shareholder concerned with their Authorised Dealer in foreign exchange in South Africa.

### 3. ALL OTHER NON-RESIDENTS OF THE COMMON MONETARY AREA

The Offer Consideration accruing to non-resident Shareholders whose registered addresses are outside the Common Monetary Area and emigrants from the Common Monetary Area who acquired the Shares utilising funds from abroad, will:

- in the case of Certificated Shareholders whose Documents of Title have been restrictively endorsed in terms of the Exchange Control Regulations, be paid by way of EFT or posted to their registered address in accordance with paragraphs 4.4 and 5.9. The attached Form of Surrender and Transfer (*blue*) makes provision for a substitute address or bank details; or
- in the case of Dematerialised Shareholders, be paid to their duly appointed CSDP or Broker and credited to such shareholders in terms of the provisions of your Custody Agreement with their CSDP or Broker.

4. **INFORMATION NOT PROVIDED**

If the information regarding Authorised Dealers is not given or the instructions are not given and no bank account or address details for the Shareholder in question appears in the Register, the Offer Consideration will be held in trust by ELB or the Transfer Secretaries on behalf of ELB.

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**SECTIONS 114 AND 115 OF THE COMPANIES ACT**

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**EXTRACT OF SECTION 114 OF THE COMPANIES ACT**

- (1) Unless it is in liquidation or in the course of business rescue proceedings in terms of Chapter 6, the board of a company may propose and, subject to subsection (4) and approval in terms of this Part, implement any arrangement between the company and holders of any class of its securities by way of, among other things:
- (a) a consolidation of securities of different classes;
  - (b) a division of securities into different classes;
  - (c) an expropriation of securities from the holders;
  - (d) exchanging any of its securities for other securities;
  - (e) a re-acquisition by the company of its securities; or
  - (f) a combination of the methods contemplated in this subsection.
- (2) The company must retain an independent expert, who meets the following requirements, to compile a report as required by subsection (3):
- (a) The person to be retained must be:
    - (i) qualified, and have the competence and experience necessary to:
      - (aa) understand the type of arrangement proposed;
      - (bb) evaluate the consequences of the arrangement; and
      - (cc) assess the effect of the arrangement on the value of securities and on the rights and interests of a holder of any securities, or a creditor of the company; and
    - (ii) able to express opinions, exercise judgment and make decisions impartially.
  - (b) The person to be retained must not:
    - (i) have any other relationship with the company or with a proponent of the arrangement, such as would lead a reasonable and informed third party to conclude that the integrity, impartiality or objectivity of that person is compromised by that relationship;
    - (ii) have had any relationship contemplated in subparagraph (i) within the immediately preceding two years; or
    - (iii) be related to a person who has or has had a relationship contemplated in subparagraph (i) or (ii).
- (3) The person retained in terms of subsection (2) must prepare a report to the board, and cause it to be distributed to all holders of the company's securities, concerning the proposed arrangement, which must, at a minimum:
- (a) state all prescribed information relevant to the value of the securities affected by the proposed arrangement;
  - (b) identify every type and class of holders of the company's securities affected by the proposed arrangement;
  - (c) describe the material effects that the proposed arrangement will have on the rights and interests of the persons mentioned in paragraph (b);
  - (d) evaluate any material adverse effects of the proposed arrangement against:
    - (i) the compensation that any of those persons will receive in terms of that arrangement; and
    - (ii) any reasonably probable beneficial and significant effect of that arrangement on the business and prospects of the company;

- (e) state any material interest of any director of the company or trustee for security holders;
  - (f) state the effect of the proposed arrangement on the interest and person contemplated in paragraph (e); and
  - (g) include a copy of sections 115 and 164.
- (4) Section 48 applies to a proposed arrangement contemplated in this section to the extent that the arrangement would result in any re-acquisition by a company of any of its previously issued securities.

**EXTRACT OF SECTION 115 OF THE COMPANIES ACT**

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

- (4) for the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights:
- (a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or
  - (b) required to be voted in support of a resolution, or actually voted in support of the resolution.
- (4A) In subsection (4), “*act in concert*” has the meaning set out in section 117(1)(b).
- (5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the company must either:
- (a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or
  - (b) treat the resolution as a nullity.
- (6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant:
- (a) is acting in good faith;
  - (b) appears prepared and able to sustain the proceedings; and
  - (c) has alleged facts which, if proved, would support an order in terms of subsection (7).
- (7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if:
- (a) the resolution is manifestly unfair to any class of holders of the company’s securities; or
  - (b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.
- (8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person:
- (a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and
  - (b) was present at the meeting and voted against that special resolution.
- (9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect:
- (a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;
  - (b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;
  - (c) the transfer of shares from one person to another;
  - (d) the dissolution, without winding-up, of a company, as contemplated in the transaction;
  - (e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or
  - (f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger.

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**SECTION 124 OF THE COMPANIES ACT**

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- (1) If, within four months after the date of an offer for the acquisition of any class of securities of a regulated company, that offer has been accepted by the holders of at least 90 percent of that class of securities, other than any such securities held before the offer by the offeror, a related or inter-related person, or persons acting in concert, or a nominee or subsidiary of any such person or persons:
  - (a) within two further months, the offeror may notify the holders of the remaining securities of the class, in the prescribed manner and form:
    - (i) that the offer has been accepted to that extent; and
    - (ii) that the offeror desires to acquire all remaining securities of that class; and
  - (b) subject to subsection (2), after giving notice in terms of paragraph (a), the offeror is entitled, and bound, to acquire the securities concerned on the same terms that applied to securities whose holders accepted the original offer.
- (2) Within 30 business days after receiving a notice in terms of subsection (1)(a), a person may apply to a court for an order:
  - (a) that the offeror is not entitled to acquire the applicant's securities of that class; or
  - (b) imposing conditions of acquisition different from those of the original offer.
- (3) If an offer to acquire the securities of a particular class has not been accepted to the extent contemplated in subsection (1):
  - (a) the offeror may apply to a court for an order authorising the offeror to give a notice contemplated in subsection (1)(a); and
  - (b) the court may make the order applied for, if:
    - (i) after making reasonable enquiries, the offeror has been unable to trace one or more of the persons holding securities to which the offer relates;
    - (ii) by virtue of acceptances of the original offer, the securities that are the subject of the application, together with the securities held by the person or persons referred to in subparagraph (i), amount to not less than the minimum specified in subsection (1);
    - (iii) the consideration offered is fair and reasonable; and
    - (iv) the court is satisfied that it is just and equitable to make the order, having regard, in particular, to the number of holders of securities who have been traced but who have not accepted the offer.
- (4) If an offer for the acquisition of any class of securities of a regulated company has resulted in the acquisition by the offeror or a nominee or subsidiary of the offeror, or a related or inter-related person of any of them, individually or in aggregate, of sufficient securities of that class such that, together with any other securities of that class already held by that person, or those persons in aggregate, they then hold at least 90 percent of the securities of that class:
  - (a) the offeror must notify the holders of the remaining securities of the class that the offer has been accepted to that extent;
  - (b) within three months after receiving a notice in terms of paragraph (a), a person may demand that the offeror acquire all of the person's securities of the class concerned; and
  - (c) after receiving a demand in terms of paragraph (b), the offeror is entitled, and bound, to acquire the securities concerned on the same terms that applied to securities whose holders accepted the original offer.
- (5) If an offeror has given notice in terms of subsection (1), and no order has been made in terms of subsection (3), or if the offeror has received a demand in terms of subsection (4)(b):

- (a) six weeks after the date on which the notice was given or, if an application to a court is then pending, after the application has been disposed of, or after the date on which the demand was received, as the case may be, the offeror must:
    - (i) transmit a copy of the notice to the regulated company whose securities are the subject of the offer, together with an instrument of transfer, executed on behalf of the holder of those securities by any person appointed by the offeror; and
    - (ii) pay or transfer to that company the consideration representing the price payable by the offeror for the securities concerned,
  - (b) subject to the payment of prescribed fees or duties, the company must thereupon register the offeror as the holder of those securities.
- (6) An instrument of transfer contemplated in subsection (5) is not required for any securities for which a share warrant is for the time being outstanding.
- (7) A regulated company must deposit any consideration received under this section into a separate interest-bearing bank account with a banking institution registered under the Banks Act and, subject to subsection (8), those deposits must be:
- (a) held in trust by the company for the person entitled to the securities in respect of which the consideration was received; and
  - (b) paid on demand to the person contemplated in paragraph (a), with interest to the date of payment.
- (8) If a person contemplated in subsection (7)(a) fails for more than five years to demand payment of an amount held in terms of that paragraph, the amount, together with any accumulated interest, must be paid to the benefit of the Guardian's Fund of the Master of the High Court, to be held and dealt with in accordance with the rules of that Fund.
- (9) In this section any reference to a "*holder of securities who has not accepted the offer*" includes any holder who has failed or refused to transfer their securities to the offeror in accordance with the offer.

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**SECTION 164 OF THE COMPANIES ACT**

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

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

- (bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;
  - (iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and
  - (v) must make an order requiring:
    - (aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and
    - (bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.
- (15A) At any time before the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case:
- (a) that shareholder must comply with the requirements of subsection 13(a); and
  - (b) the company must comply with the requirements of subsection 13(b).
- (16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.
- (17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 months:
- (a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and
  - (b) the court may make an order that:
    - (i) is just and equitable, having regard to the financial circumstances of the company; and
    - (ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.
- (18) If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.
- (19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to:
- (a) the provisions of that section; or
  - (b) the application by the company of the solvency and liquidity test set out in section 4.
- (20) Except to the extent:
- (a) expressly provided in this section; or
  - (b) that the Panel rules otherwise in a particular case,
- a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person.

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**DEALINGS IN SHARES BY PROVIDERS OF IRREVOCABLE UNDERTAKINGS**

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<b>Shareholder</b>	<b>Date</b>	<b>Trade</b>	<b>Number of Shares</b>	<b>Average Price</b>	<b>Total Value</b>
Laurium Capital	01/07/2020 <sup>1</sup>	Acquisition	99 741	R1.7887	R178,406.73

**Notes:**

1. Time stamp on trading data confirms trades took place after the publication of the FIA on 1 July.
2. All other Irrevocable providers have confirmed no trading in ELB Shares from 1 January 2020 to the last practicable date.



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

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## NOTICE OF GENERAL MEETING

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**THE ATTENTION OF SHAREHOLDERS IS DRAWN TO ANNEXURES 6 AND 8 THE CIRCULAR, WHICH SETS OUT THE PROVISIONS OF SECTIONS 114, 115 AND 164 OF THE COMPANIES ACT.**

**If you are in any doubt as to what action you should take in respect of the General Meeting and/or the following Resolutions, please consult your CSDP, Broker, banker, attorney, accountant or other professional advisor immediately.**

The definitions and interpretation commencing on page 9 of the Circular to which this Notice is attached, apply, *mutatis mutandis*, to this Notice and to the Resolutions set out below.

Notice is hereby given that a meeting of Shareholders, as at the Scheme Voting Record Date of Friday, 4 September 2020 will be held at 10:00 on Tuesday, 15 September 2020, such meeting to be held entirely via electronic facility/communication in terms of section 63(2)(a) of the Companies Act, to consider and, if deemed fit, to pass, with or without modification, the Special Resolutions and Ordinary Resolution set out below.

**Shareholders are advised that the Company is in a ‘closed period’ (as such term is defined in the Listings Requirements) at the date of issue of this Circular due to the financial results for the year ended 30 June 2020 not yet being published. The Company intends to release its reviewed financial results by no later than Tuesday, 8 September 2020 and the General Meeting date of Tuesday, 15 September 2020 is conditional on the reviewed financial results being published by no later than Tuesday, 8 September 2020. Should the financial results not be published by this date, the General Meeting date will be rescheduled accordingly in order to provide Shareholders with sufficient time to consider the financial results as part of their assessment of how they wish to vote on the Resolutions set out in the Notice. Should it be required, any change to the General Meeting date will be released on SENS.**

**Shareholders be reminded that:**

- **a Shareholder who is entitled to attend and vote at the General Meeting is entitled to appoint a proxy, or two or more proxies, to attend and participate in and vote at the General Meeting in the place of the Shareholder, by completing the Form of Proxy (*white*) in accordance with the instructions set out therein;**
- **a proxy need not be a Shareholder; and**
- **Shareholders recorded in the Register on the Scheme Voting Record Date (including Shareholders and their proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in the General Meeting. Forms of identification include valid identity documents, driver’s licences and passports.**

The General Meeting will only be accessible via electronic facility/communication in terms of section 63(2)(a) of the Companies Act, and as permitted in terms of the Listings Requirements and the Company’s MOI.

Shareholders who wish to electronically participate in and/or vote at the General Meeting are required to contact Computershare on **proxy@computershare.co.za** as soon as possible, but in any event, for administrative purposes only, by no later than 10:00 am on Friday, 11 September 2020. However, this will not in any way affect the rights of Shareholders to register for the General Meeting after this date, provided, however, that only those Shareholders who are fully verified (as required in terms of section 63(1) of the Companies Act)

and subsequently registered at the commencement of the General Meeting will be allowed to participate in and/or vote by electronic means. Shareholders are strongly encouraged to submit votes by proxy before the General Meeting. If Shareholders wish to attend the General Meeting, they should instruct their CSDP or Broker to issue them with the necessary letter of representation to attend the General Meeting in person, in the manner stipulated in your Custody Agreement. These instructions must be provided to the CSDP or Broker by the cut-off time and date advised by the CSDP or Broker for instructions of this nature.

Computershare will assist Shareholders with the requirements for electronic participation in, and/or voting at, the General Meeting. Computershare is further obliged to validate (in correspondence with ELB and, in particular, the Transfer Secretaries and your CSDP) each such Shareholder's entitlement to participate in and/or vote at the General Meeting, before providing it with the necessary means to access the General Meeting and/or the associated voting forms.

Shareholders will be liable for their own network charges and expenses in relation to electronic participation in and/or voting at the General Meeting. Any such charges will not be for the account of the ELB or the Transfer Secretaries. None of ELB or the Transfer Secretaries can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which may prevent any such Shareholder from participating in and/or voting at the General Meeting.

The Special Resolutions and Ordinary Resolution to be considered at the General Meeting are as follows:

**SPECIAL RESOLUTION 1 – APPROVAL OF THE SCHEME RESOLUTION IN ACCORDANCE WITH SECTIONS 48(8)(a), 48(8)(b), 114(1)(e) AND 115(2)(a) OF THE COMPANIES ACT**

“**RESOLVED THAT** the Scheme in terms of section 114(1) of the Companies Act (as more fully set out in the Circular and as may be amended as contemplated in the Circular), proposed by the ELB Board between ELB and the Shareholders, other than the Excluded Shareholders, in terms of which, *inter alia*, ELB will, subject to the fulfilment or waiver of the Scheme Conditions Precedent (save for any Scheme Condition Precedent relating to the passing of this Special Resolution), and on the Operative Date, repurchase all of the Scheme Shares from the Scheme Participants and each Scheme Participant will receive the Scheme Consideration, pursuant to which the Shares will be delisted, in accordance with paragraph 1.17(b) of the Listings Requirements from the Main Board of the JSE be and is hereby approved as a Special Resolution in accordance with sections 48(8)(a), 48(8)(b), 114(1)(e) and 115(2)(a) of the Companies Act, as amended, provided that the Scheme will terminate and that this Special Resolution Number 1 will be treated as a nullity and will be deemed to have been revoked with immediate effect upon the ELB Board's determination that any or all of the Scheme Conditions Precedent have not been fulfilled (or waived, to the extent possible) on or before the relevant date for fulfilment (or waiver, to the extent possible).”

**Voting requirement**

In order for Special Resolution Number 1 to be passed the support of at least 75% of all of the voting rights exercised on the resolution by the Shareholders (eligible to vote) present in person or represented by proxy at the General Meeting, excluding an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them (as contemplated in section 115(4) of the Companies Act). Accordingly, the Remaining Shareholder is not allowed to vote on this Special Resolution Number 1. The Scheme will terminate and Special Resolution Number 1 will be treated as a nullity and will be deemed to have been revoked with immediate effect upon the ELB Board's determination that any or all of the Scheme Conditions Precedent have not been fulfilled (or waived, to the extent possible) on or before the relevant date for fulfilment (or waiver, to the extent possible).

**Explanatory note**

In accordance with section 48(8)(a) and 115(2)(a) of the Companies Act, the Scheme must be approved by a Special Resolution if any Shares are to be acquired by ELB from a Director or prescribed officer of ELB or a person related to a Director or prescribed officer of ELB. In addition, the Scheme will result in ELB acquiring more than 5% of Shares in issue as at the Scheme Consideration Record Date and thus the Scheme, as required by section 48(8)(b) of the Companies Act, is subject to the requirements of sections 114 and 115 of the Companies Act. Accordingly, the reason for this Special Resolution is to approve the Scheme in terms of sections 48(8)(a), 48(8)(b), 114(1)(e) and 115(2)(a) of the Companies Act.

## **SPECIAL RESOLUTION NUMBER 2 – APPROVAL OF THE REPURCHASE OF SHARES IN TERMS OF SECTION 48(8) OF THE COMPANIES ACT IF THE SCHEME TERMINATES OR LAPSES**

“**RESOLVED THAT**, subject to, and conditional upon the passing of Special Resolution Number 3, the Repurchase (as more fully described in paragraph 5.1 of the Circular to which this Notice is attached), in terms of which ELB will, subject to the fulfilment or waiver of the General Offer Conditions (save for any General Offer Condition relating to the passing of this Special Resolution Number 2), and on and from the General Offer Payment Date, repurchase up to 100% of the General Offer Shares, in exchange for the General Offer Consideration, be and is hereby approved as a Special Resolution in terms of section 48(8) of the Companies Act, provided that the General Offer will terminate and that this Special Resolution Number 2 will be treated as a nullity and will be deemed to have been revoked with immediate effect upon the ELB Board’s determination that any or all of the General Offer Conditions have not been fulfilled (or waived, to the extent possible) on or before the relevant date for fulfilment (or waiver, to the extent possible).”

### **Voting requirement**

In order for Special Resolution Number 2 to be passed the support of at least 75% of all of the voting rights exercised on the resolution by the Shareholders (eligible to vote) present in person or represented by proxy at the General Meeting, excluding an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them (as contemplated in section 115(4) of the Companies Act). Accordingly, the Remaining Shareholder is not allowed to vote on this Special Resolution Number 2. The General Offer will terminate and Special Resolution Number 2 will be treated as a nullity and will be deemed to have been revoked with immediate effect upon the ELB Board’s determination that any or all of the General Offer Conditions have not been fulfilled (or waived, to the extent possible) on or before the relevant date for fulfilment (or waiver, to the extent possible).

### **Explanatory note**

Special resolution Number 2 is required to approve the Repurchase by the requisite percentage of voting rights pursuant to which ELB will repurchase up to 100% of the General Offer Shares from the General Offer Participants in terms of section 48(8) of the Companies Act. Specifically, it should be noted that, in accordance with section 48(8)(a) and 115(2)(a) of the Companies Act, the Repurchase Resolution must be approved by a Special Resolution if in terms of the General Offer any Shares are to be acquired by ELB from a Director or prescribed officer of ELB or a person related to a Director or prescribed officer of ELB. In addition, the General Offer will likely result in ELB acquiring more than 5% of Shares in issue and thus the Repurchase Resolution (and therefore the General Offer), as required by section 48(8)(b) of the Companies Act, is subject to the requirements of sections 114 and 115 of the Companies Act. Accordingly, the reason for this Special Resolution is to approve the Repurchase Resolution in terms of sections 48(8)(a), 48(8)(b) and 115(2)(a) of the Companies Act.

## **SPECIAL RESOLUTION NUMBER 3 – APPROVAL OF THE SPECIFIC REPURCHASE OF SHARES IN TERMS OF PARAGRAPH 5.69(B) OF THE LISTINGS REQUIREMENTS IF THE SCHEME TERMINATES OR LAPSES**

“**RESOLVED THAT**, subject to, and conditional upon the passing of Special Resolution Number 2, the Specific Repurchase (as more fully described in paragraph 5.1 of the Circular to which this Notice is attached), in terms of which ELB will, subject to the fulfilment or waiver of the General Offer Conditions (save for any General Offer Condition relating to the passing of this Special Resolution Number 3), and on the Operative Date or on and from the General Offer Payment Date (as applicable), repurchase up to 100% of the General Offer Shares, in exchange for the General Offer Consideration, be and is hereby approved as a Special Resolution in terms of paragraph 5.69(b) of the Listings Requirements.”

### **Voting requirement**

In order for Special Resolution Number 3 to be passed the support of at least 75% of all of the voting rights exercised on the resolution by the Shareholders (eligible to vote) present in person or represented by proxy at the General Meeting, excluding any Shareholders and their associates that are participating in the Specific Repurchase (as contemplated in paragraph 5.69(b) of the Listings Requirements). As it is uncertain which specific Shareholders will participate in the Specific Repurchase and in the absence of any Shareholders undertaking to accept the General Offer, all Shareholders (including the Remaining Shareholder) will be able to vote on this Special Resolution Number 3.

### **Explanatory note**

Special Resolution Number 3 is required to approve the Specific Repurchase by the requisite percentage of voting rights pursuant to which ELB will repurchase up to 100% of the General Offer Shares from the General Offer Participants (or if applicable, the Scheme Shares from the Scheme Participants in terms of paragraph 5.69(b) of the Listings Requirements).

### **ORDINARY RESOLUTION NUMBER 1 – APPROVAL FOR THE DELISTING IN TERMS OF PARAGRAPHS 1.15 AND 1.16 OF THE LISTINGS REQUIREMENTS**

“**RESOLVED THAT**, subject to, and conditional upon the passing of Special Resolution Numbers 2 and 3 and the implementation of the General Offer in accordance with its terms, the listing of all Shares on the JSE be terminated with effect from Tuesday, 3 November 2020, or such other date as the JSE may determine.”

### **Voting requirement**

In order for Ordinary Resolution Number 1 to be passed the support of more than 50% of all of the voting rights exercised on the resolution by the Shareholders (eligible to vote) present in person or represented by proxy at the General Meeting, excluding any controlling shareholder, its associates and any party acting in concert. The Remaining Shareholder is allowed to vote on this Ordinary Resolution Number 1.

### **Explanatory note**

Ordinary Resolution Number 1 is required is to authorise ELB to make application to the JSE to delist the Shares from the Main Board of the JSE in terms of paragraphs 1.15 and 1.16 of the Listings Requirements, in the event that the General Offer becomes unconditional and is implemented.

### **QUORUM**

The General Meeting may not begin until sufficient persons are present (in person or represented by proxy) at the General Meeting to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the General Meeting. A matter to be decided at the General Meeting may not begin to be considered unless sufficient persons are present at the meeting (in person or represented by proxy) to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter at the time the matter is called on the agenda. In addition, a quorum shall consist of at least three ELB Shareholders personally present or represented by proxy (and if the Shareholder is a body corporate, it must be represented) and entitled to vote at the General Meeting on matters to be decided by Shareholders.

### **APPRAISAL RIGHTS FOR DISSENTING SHAREHOLDERS**

In terms of section 164 of the Companies Act, at any time before the Scheme Resolution and Repurchase Resolution as set out in this Notice of the General Meeting is voted on, a Shareholder may give ELB a written notice objecting to the Scheme Resolution and/or Repurchase Resolution.

A Shareholder may demand that ELB pay the Shareholder the fair value for all of the Shares held by that person if:

- the Shareholder has sent ELB a notice of objection in terms of section 164(3) of the Companies Act;
- ELB has adopted Special Resolution Number 1 and the Scheme becomes wholly unconditional and is implemented and/or ELB has adopted Special Resolution Number 2 and the General Offer becomes wholly unconditional and is implemented; and
- such Shareholder voted against Special Resolution Number 1 and/or Special Resolution Number 2 and has complied with all of the procedural requirements of section 164 of the Companies Act.

The right to receive such fair value is subject to the provisions of the Circular and the Companies Act, including section 164(9).

Shareholders are referred to paragraph 4.8 of the Circular to which this Notice is attached for more information regarding Appraisal Rights. A copy of section 164 of the Companies Act is set out in Annexure 8 to the Circular to which this Notice is attached.

## **FORM OF PROXY (WHITE)**

A Form of Proxy (*white*) is attached for the convenience of any Certificated Shareholders and “*own name*” Dematerialised Shareholders who are unable to attend the General Meeting who wish to be represented thereat. Forms of Proxy (*white*) may also be obtained on request from ELB’s registered office. The duly completed Forms of Proxy (*white*) must be deposited at or posted to the office of the Transfer Secretaries, for administrative efficiency to be received by no later than 48 hours prior to the General Meeting, i.e. by 10:00 on Friday, 11 September 2020. The Form of Proxy (*white*) may also be handed to the chairperson of the General Meeting before the proxy exercises the voting rights of the Shareholder at the General Meeting or adjourned, postponed or rescheduled General Meeting (as the case may be). Any Shareholder who completes and lodges a Form of Proxy (*white*) will nevertheless be entitled to attend and vote in person at the General Meeting should the Shareholder subsequently decide to do so.

Attached to the Form of Proxy (*white*) is an extract of section 58 of the Companies Act, to which Shareholders are referred.

Shareholders who have already Dematerialised their Shares through a CSDP or Broker and who wish to attend the General Meeting must instruct their CSDP or Broker to issue them with the necessary letter of representation to attend.

Dematerialised Shareholders who have elected “*own-name*” registration in the Register through a CSDP and who are unable to attend but who wish to vote at the General Meeting must complete and return the attached relevant Form of Proxy (*white*) and lodge it with the Transfer Secretaries; for administrative efficiency to be received by no later than 10:00 on Friday, 11 September 2020.

By order of the ELB Board.

### **Seamless Secretarial Solutions Proprietary Limited**

Company Secretary  
*Johannesburg*

**Friday, 14 August 2020**

### **Business address and registered office**

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

### **Transfer Secretaries to ELB**

Computershare Investor Services Proprietary Limited  
(Registration number: 2004/003647/07)  
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196  
(Private Bag X9000, Saxonwold, 2132)





**ELB Group Limited**

(Incorporated in the Republic of South Africa)  
(Registration number 1930/002553/06)

Share code: ELR

ISIN: ZAE000035101

("ELB" or the "Company")

**FORM OF PROXY (WHITE) ("FORM")**

Where appropriate and applicable the terms defined in the Circular to which this Form is attached forms part of and shall bear the same meaning in this Form.

**Shareholders are advised that the Company is in a 'closed period' (as such term is defined in the Listings Requirements) at the date of issue of this Circular due to the financial results for the year ended 30 June 2020 not yet being published. The Company intends to release its reviewed financial results by no later than Tuesday, 8 September 2020 and the General Meeting date of Tuesday, 15 September 2020 is conditional on the reviewed financial results being published by no later than Tuesday, 8 September 2020. Should the financial results not be published by this date, the General Meeting date will be rescheduled accordingly in order to provide Shareholders with sufficient time to consider the financial results as part of their assessment of how they wish to vote on the Resolutions set out in the Notice. Should it be required, any change to the General Meeting date will be released on SENS.**

For use by the holders of Certificated Shares and/or Dematerialised Shares held through a CSDP or Broker who have selected "own-name" registration, registered as such at the close of business on the Scheme Voting Record Date, at the General Meeting to be held at 10:00 on Tuesday, 15 September 2020 entirely via electronic facility/communication in terms of section 63(2)(a) of the Companies Act or any adjourned, postponed or rescheduled General Meeting. The Form may be handed to the chairperson of the General Meeting before the proxy exercises the voting rights of the Shareholder at the General Meeting or adjourned, postponed or rescheduled General Meeting (as the case may be).

Dematerialised Shareholders who have not selected "own-name" registration must inform their CSDP or Broker timeously of their intention to attend and vote at the General Meeting or be represented by proxy thereat in order for the CSDP or Broker to issue them with the necessary letter of representation to do so or provide the CSDP or Broker timeously with their voting instruction should they not wish to attend the General Meeting in order for the CSDP or Broker to vote in accordance with their instructions at the General Meeting.

I/We (FULL NAMES IN BLOCK LETTERS PLEASE)

of (ADDRESS)

Telephone work ( )

Telephone home ( )

Cellphone number

Email address

being the holder(s) of [ ] shares in ELB, hereby appoint (see note 1)

1. him/her, or failing

2. him/her, of failing

3. the chairperson of the General Meeting,

or

as my/our proxy to act for me/us on my/our behalf at the General Meeting in accordance with the following instructions (see note 2):

	Number of votes		
	*For	*Against	*Abstain
<b>Special Resolution Number 1</b> – Approval of the Scheme Resolution in accordance with sections 48(8)(a), 48(8)(b), 114(1)(e) and 115(2)(a) of the Companies Act			
<b>Special Resolution Number 2</b> – Approval of the Repurchase of Shares in terms of section 48(8) of the Companies Act			
<b>Special Resolution Number 3</b> – Approval of the Specific Repurchase of Shares in terms of paragraph 5.69(b) of the Listings Requirements			
<b>Ordinary Resolution Number 1</b> – Delisting of Shares from the JSE in terms of paragraphs 1.15 and 1.16 of the Listings Requirements			

\* One vote per share held by Shareholders recorded in the Register on the Scheme Voting Record Date.

Signed at

on

2020

Signature

Assisted by me (where applicable)

## Summary of the rights established in terms of section 58 of the Companies Act

For purposes of this summary, the term "shareholder" shall have the meaning ascribed thereto in section 57(1) of the Companies Act.

In terms of section 58 of the Companies Act:

At any time, a shareholder of a company is entitled to appoint an individual, including an individual who is not a shareholder of that company, as a proxy, to participate in, speak and vote at, a shareholders' meeting on behalf of the shareholder.

A shareholder may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.

A proxy appointment must be in writing, dated and signed by the relevant shareholder, and such proxy appointment remains valid for one year after the date upon which the proxy was signed, or any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in section 58(4)(c) of the Companies Act or expires earlier as contemplated in section 58(8)(d) of the Companies Act.

A proxy may delegate his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing the proxy.

A copy of the instrument appointing a proxy must be delivered to the relevant company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.

Irrespective of the form of instrument used to appoint a proxy, the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder of the relevant company.

Unless the proxy appointment expressly states otherwise, the appointment of a proxy is revocable. If the appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by 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 ELB.

The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the relevant shareholder as of the later of the date: (a) stated in the revocation instrument, if any; or (b) upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act.

If the instrument appointing a proxy or proxies has been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the relevant company's memorandum of incorporation to be delivered by such company to the shareholder, must be delivered by such company to the shareholder, or to the proxy or proxies, if the shareholder has directed the relevant company to do so in writing and paid any reasonable fee charged by ELB for doing so.

A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the memorandum of incorporation, or the instrument appointing the proxy provide otherwise.

If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:

such invitation must be sent to every shareholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;

the invitation, or form of instrument supplied by the relevant company, must: (a) bear a reasonably prominent summary of the rights established in section 58 of the Companies Act; (b) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by such shareholder; and (c) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour or against the applicable resolution/s to be put at the relevant meeting, or is to abstain from voting;

ELB must not require that the proxy appointment be made irrevocable; and

the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.

### Notes:

- Every Shareholder present in person or by proxy and entitled to vote at the General Meeting shall in the event of a poll be entitled to one vote in respect of each Share held by him/her.
- The Form must only be used by Certificated Shareholders or Shareholders who hold Dematerialised Shares with "own-name" Registration.
- All other beneficial owners who have Dematerialised their shares through a CSDP or Broker and wish to attend the General Meeting must provide the CSDP or Broker with their voting instructions in terms of the relevant agreement entered into between them and the CSDP or Broker, as the case may be.
- A minor or any person under incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Transfer Secretaries.
- Where this Form is signed under power of attorney, such power of attorney must accompany this Form, unless previously recorded by the Transfer Secretaries or waived by the chairperson of the General Meeting.
- A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Shares in respect of which the proxy is given, provided that no notification in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by ELB at its registered office before the commencement of the meeting or adjourned, postponed or rescheduled meeting at which the proxy is used.
- A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space(s) provided with or without deleting "the chairperson of the General Meeting", but any such deletion must be initialled by the Shareholder. Should this space be left blank, the chairperson of the General Meeting will exercise the proxy. The person whose name appears first on this Form and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
- A proxy appointed by a Shareholder in terms hereof may not delegate his authority to act on behalf of the Shareholder to any other person.
- A Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the General Meeting as he/she deems fit in respect of all the Shareholder's votes exercisable thereat.
- Forms must be lodged at or posted to **Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132) or emailed to proxy@computershare.co.za** to be received by not later than 10:00 on Friday, 11 September 2020 or not less than 48 hours before the recommencement of any adjourned, postponed or rescheduled meeting, or 10 minutes before the General Meeting is due to commence or recommence.
- The completion and lodging of this Form will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so. In addition to the foregoing, a Shareholder may revoke the proxy appointment by (i) cancelling it in writing or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to ELB. 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 at the later of the date stated in the revocation instrument, if any; or the date on which the revocation instrument was delivered in the required manner.
- The chairperson of the General Meeting may reject or accept any Form which is completed and/or received otherwise than in accordance with these notes, provided that, in respect of acceptances, he/she is satisfied as to the manner in which the Shareholder(s) concerned wish(es) to vote.
- Each Shareholder is entitled to appoint one or more proxies (none of whom need be a member of ELB) to attend, speak and vote in place of that Shareholder at the General Meeting.
- Documentary evidence establishing the authority of a person signing this Form in a representative capacity (eg for a company, close corporation, trust, pension fund, deceased estate etc.) must be attached to this Form unless previously recorded by ELB or Computershare Investor Services Proprietary Limited or waived by the chairperson of the General Meeting.
- The completion of any blank spaces overleaf need not be initialled. Any alteration or correction made to this Form must be initialled by the signatory(ies).
- Where there are joint holders of shares:
  - any one holder may sign the Form; and
  - the vote of the senior (for that purpose seniority will be determined by the order in which the names of Shareholders appear in the Register of members) who Tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint holder(s) of ELB Shares.
- This Form may be used at any adjourned, postponed or rescheduled General Meeting, including (but not limited to) any postponement due to a lack of quorum, unless withdrawn by the Shareholder.



## ELB Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 1930/002553/06)

Share code: ELR

ISIN: ZAE000035101

("ELB" or the "Company")

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## FORM OF SURRENDER AND TRANSFER FOR THE SCHEME (*BLUE*) ("FORM")

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### For use by Certificated Shareholders only

The definitions and interpretations commencing on page 9 of this Circular to which this Form of Surrender and Transfer (*blue*) is attached apply to this Form of Surrender and Transfer (*blue*).

Important:

1. This Form is only for use in respect of the scheme of arrangement proposed by the ELB Board between ELB and the Shareholders (the "**Scheme**") in accordance with the requirements of section 114 of the Companies Act.
2. Full details of the Scheme are contained in the Circular to Shareholders, dated 14 August 2020 (the "**Circular**"), to which this Form is attached.
3. Scheme Participants will receive the Scheme Consideration.
4. A Dissenting Shareholder who subsequently becomes a Scheme Participant after the Scheme Consideration Record Date shall receive the Scheme Consideration.
5. This Form is attached for the convenience of Certificated Shareholders who may wish to surrender their Documents of Title prior to the date of the General Meeting to be held entirely via electronic facility/communication in terms of section 63(2)(a) of the Companies Act on 15 September 2020.

### HOLDERS OF DEMATERIALIZED SHARES MUST NOT COMPLETE THIS FORM

Instructions:

1. Part A must be completed by all Scheme Participants.
2. Part B must be completed by Scheme Participants in respect of all or some of their Shares and who are emigrants from, or non-residents of, the Common Monetary Area.
3. If this Form is returned with the relevant Documents of Title to Shares, it will be treated as a conditional surrender which is made subject to the Scheme becoming operative. In the event of the Scheme not becoming operative for any reason whatsoever, Computershare Investor Services Proprietary Limited will, by not later than five Business Days after the date upon which it becomes known that the Scheme will not be operative, return the Documents of Title to the Scheme Participants concerned, by registered post, at the risk of such Scheme Participants.
4. The Scheme Consideration will not be sent to Certificated Scheme Participants unless and until Documents of Title in respect of the relevant Scheme Shares have been surrendered to Computershare Investor Services Proprietary Limited.
5. If you are in any doubt as to how to complete this Form of Surrender and Transfer (*blue*), please consult your CSDP, Broker, banker, attorney, accountant or other professional advisor immediately.
6. A separate Form of Surrender and Transfer (*blue*) is required to be completed by each Certificated Shareholder.

**To:**

The Transfer Secretary

**Hand deliveries to:**

Computershare Investor Services Proprietary Limited

Rosebank Towers, 15 Biermann Avenue

Rosebank, 2196

**Email:** corporate.events@computershare.co.za

**Postal deliveries to:**

Computershare Investor Services Proprietary Limited

PO Box 61763, Marshalltown, 2107

Marshalltown, 2107

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## PART A: TO BE COMPLETED BY ALL SCHEME PARTICIPANTS

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All Scheme Participants must please complete Part A and deliver this Form of Surrender and Transfer (*blue*) together with the Documents of Title in respect of their Shares to the Transfer Secretary at any of the above addresses by no later than 12:00 on the Scheme Consideration Record Date.

I/We hereby surrender the enclosed Documents of Title in respect of the Certificated Shares held by me: Surname or Name of corporate body

First names (in full)

Title

Identity number or registration number

Address to which Documents of Title should be sent (if different from the address recorded in the Register) should the Scheme not become operative.

Country

Contact information	
Telephone number (home):	Telephone number (office):
Facsimile number:	Cellphone number:
Email:	

Documents of Title surrendered:

Share certificate number(s) and/or details of other Documents of Title	Number of Shares represented by each Share certificate and/ or other Documents of Title

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2020

Duly authorised

Signature name and capacity of signatory

Signatory assisted by (if applicable)

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## **PART B: EMIGRANTS FROM AND NON-RESIDENTS OF THE COMMON MONETARY AREA**

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Part B must be completed by Shareholders who are emigrants from the Common Monetary Area and by non-residents if they wish the Scheme Consideration to be paid to an Authorised Dealer in South Africa or a foreign bank account not currently recorded by the Transfer.

### **1. SHAREHOLDERS WHO ARE EMIGRANTS FROM THE COMMON MONETARY AREA**

The Scheme Consideration will be forwarded to the Authorised Dealer nominated below for its control and credited to the emigrant's blocked Rand account. Accordingly, Shareholders who are emigrants from the Common Monetary Area must give the following information:

Name and address of Authorised Dealer in South Africa:

Bank name:	
Bank address:	
Branch:	
Branch number:	
Account name:	
Account number:	

### **2. ALL OTHER NON-RESIDENT SHAREHOLDERS**

The Scheme Consideration will be forwarded to the Authorised Dealer nominated below, should a non-resident wish that the Scheme Consideration be paid to an Authorised Dealer in South Africa, failing which the Scheme Consideration will be paid directly into the non-resident's foreign bank account.

Accordingly, Shareholders who are non-residents of the Common Monetary Area, and wish that the Scheme Consideration be paid to an Authorised Dealer in South Africa or into a non-resident foreign bank account not currently recorded by the Transfer Secretary, must give the following information:

Name and address of Authorised Dealer in South Africa (should the non-resident wish for the Scheme Consideration to be paid to an Authorised Dealer in South Africa):

Bank name:	
Bank address:	
Branch:	
Branch number:	
Account name:	
Account number:	

If Part B is not completed or incorrectly filled, the Scheme Consideration payable to emigrants and non-resident Shareholders will be held in trust by ELB (or any third-party nominated by it for this purpose) for the benefit of the relevant Shareholder for a maximum period of five years from the Operative Date, after which period such funds shall be made over to the Guardians fund of the High Court. For the avoidance of doubt, no interest will accrue on any such funds held by ELB.

**Notes:**

1. In order to comply with the requirements of the Financial Intelligence Act, 2001 (Act 38 of 2001), Computershare Investor Services Proprietary Limited will be unable to record any changes of address or payment mandates unless the following documentation is received from the relevant Shareholder:
  - a certified true copy of the original identification document (in respect of changes of address and payment mandate); and
  - a certified true copy of an original bank statement (in respect of bank mandate).
2. Emigrants from the Common Monetary Area must complete point 1 of Part B.
3. All other non-residents of the Common Monetary Area must complete point 2 of Part B if they wish the Scheme Consideration to be paid to an Authorised Dealer in South Africa or into a non-resident foreign bank account not currently recorded by the Transfer Secretary.
4. If Part B is not properly completed, the Scheme Consideration will be held in trust by ELB (or any third party nominated by it for this purpose) for the benefit of the relevant Certificated Shareholder, pending receipt of the necessary nomination or instruction, for a maximum period of five years from the Operative Date, after which period such funds may be made over to the Guardians fund of the High Court. For the avoidance of doubt, no interest will accrue on any such funds held by ELB.
5. The Scheme Consideration will not be paid to a Scheme Consideration Participant that holds Certificated Shares unless and until this Form of Surrender and Transfer (*blue*) has been properly completed by such Certificated Shareholder and delivered, together with the Documents of Title in respect of the relevant Shares, to the Transfer Secretary. In the event that any Shareholder who holds Certificated Shares fails to surrender their Documents of Title and completed Forms of Surrender to the Transfer Secretary then, unless otherwise agreed between ELB and the Shareholders concerned, the relevant Scheme Consideration will be held in trust by ELB (or any third party nominated by it for this purpose) for the benefit of the Shareholder concerned for a maximum period of five years, after which period such funds shall be made over to the Guardians fund of the High Court. For the avoidance of doubt, no interest will accrue on any such funds held by ELB.
6. If a Certificated Shareholder produces evidence to the satisfaction of ELB that Documents of Title in respect of Shares have been lost or destroyed, ELB may waive the surrender of such Documents of Title against delivery of a duly executed indemnity in a form and on terms and conditions approved by ELB, or may in its discretion waive such indemnity.
7. If this Form of Surrender and Transfer (*blue*) is not signed by the Certificated Shareholder, the Certificated Shareholder will be deemed to have irrevocably appointed the company secretary of ELB to implement that Shareholder's obligations under the Scheme on his/her behalf.
8. Persons who have acquired Shares after the date of posting of this Circular to which this form is attached, can obtain copies of the Form of Surrender and Transfer (*blue*) and this Circular from Computershare Investor Services Proprietary Limited, whose address is Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 South Africa (PO Box 61763, Marshalltown, 2107).
9. No receipts will be issued for documents lodged, unless specifically requested. In compliance with the Listings Requirements, lodging agents are requested to prepare special transaction receipts. Signatories may be called upon for evidence of their authority or capacity to sign this form.
10. Any alteration to this form must be signed in full and should not be merely initialled.
11. If this form is signed under a power of attorney, then such power of attorney, or a notarially certified copy hereof, must be sent with this form for noting (unless it has already been noted by ELB or the Transfer Secretary).
12. Where the Certificated Shareholder is a company or a close corporation, unless it has already been registered with ELB or the Transfer Secretary, a certified copy of the Directors' or members' resolution authorising the signing of this form must be submitted if so requested by ELB.
13. Note 8 above does not apply in the event of this form bearing the stamp of a broking member of the JSE.
14. Where Shares are held jointly, all joint holders are required to sign. Any joint holder may vote at the General Meeting in respect of his/her joint shares as if he/she was solely entitled thereto, but if more than one such joint holders are present or represented at the General Meeting, the one whose name stands first in the Register in respect of such Shares or his/her proxy, as the case may be, is alone entitled to vote in respect thereof.
15. A minor must be assisted by his/her parent or guardian, unless the relevant documents establishing his or her legal capacity are produced or have been registered by the Transfer Secretaries.



## ELB Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 1930/002553/06)

Share code: ELR

ISIN: ZAE000035101

("ELB" or the "Company")

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## FORM OF ACCEPTANCE AND TRANSFER FOR THE GENERAL OFFER (FOR USE BY CERTIFICATED SHAREHOLDERS ONLY) (PINK) ("FORM")

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Where appropriate and applicable the terms defined in the Circular to Shareholders dated Friday, 14 August 2020 (the "Circular"), to which this Form is attached, shall bear the same meaning in this Form, unless a word or term is otherwise defined herein.

**This Form should be read in conjunction with the Circular.**

This Form is only for use by Eligible Shareholders holding Certificated Shares ("Certificated Eligible Shareholders") in respect of the General Offer proposed by ELB.

**Shareholders are advised that the Company is in a 'closed period' (as such term is defined in the Listings Requirements) at the date of issue of this Circular due to the financial results for the year ended 30 June 2020 not yet being published. The Company intends to release its reviewed financial results by no later than Tuesday, 8 September 2020 and the General Meeting date of Tuesday, 15 September 2020 is conditional on the reviewed financial results being published by no later than Tuesday, 8 September 2020. Should the financial results not be published by this date, the General Meeting date will be rescheduled accordingly in order to provide Shareholders with sufficient time to consider the financial results as part of their assessment of how they wish to vote on the Resolutions set out in the Notice. Should it be required, any change to the General Meeting date will be released on SENS.**

Shareholders should take note of the Company's intention to release its reviewed financial results for the year ended 30 June 2020 by no later than Tuesday, 8 September 2020 in making their assessment in whether they wish to tender an acceptance to the General Offer. Shareholders are cautioned to avoid accepting the General Offer until such time as the Company publishes its financial results for the year ended 30 June 2020, as the acceptance of the General Offer is final and irrevocable, and may not be withdrawn, once an Eligible Shareholder's acceptance of the General Offer in respect of any of its General Offer Shares has been communicated to the Transfer Secretaries.

Full details of the General Offer are contained in the Circular to which this Form is attached.

**This Form is attached for use by Certificated Eligible Shareholders for purposes of accepting the General Offer and Tendering General Offer Shares in terms of the General Offer.**

**HOLDERS OF DEMATERIALIZED SHARES MUST NOT COMPLETE THIS FORM.**

### INSTRUCTIONS:

1. A separate Form is required for each Certificated Eligible Shareholder.
2. Certificated Eligible Shareholders must complete this form in **BLOCK CAPITALS**.
3. The surrender of Documents of Title is for use only by General Offer Participants who are Certificated Shareholders.
4. Part A must be completed by all Certificated Eligible Shareholders who return this Form.
5. Part B must be completed by a Certificated Eligible Shareholder who completed Part A and who is an emigrant from, or non-resident of, the Common Monetary Area.
6. Part C must be completed by Certificated Eligible Shareholders who completed Part A and who elect to receive the General Offer Consideration to be made by way of the electronic flow of funds.
7. The completed Form and the Documents of Title in respect of the General Offer Shares Tendered must be returned to the Transfer Secretaries so as to be received by not later than 12:00 on the General Offer Closing Date.
8. Once this Form is received by the Transfer Secretaries, your acceptance of the General Offer will be final, and you may not withdraw your acceptance unless expressly permitted by the Companies Regulations.
9. If you do not validly accept the General Offer by 12:00 on the General Offer Closing Date, you will be deemed to have declined the General Offer. Late acceptances may be accepted or rejected at ELB's absolute and sole discretion.
10. If this Form is returned with the relevant Documents of Title to the General Offer Shares, it will be treated as a conditional surrender which is made subject to the General Offer becoming wholly unconditional. In the event of the General Offer not becoming wholly unconditional for any reason whatsoever the Transfer Secretaries will, by not later than five Business Days after the date upon which it becomes known that the General Offer will not become wholly unconditional, return the Documents of Title to the Shareholders concerned, by registered post, at the risk of such Shareholders.
11. Persons who have acquired Shares after the date of the issue of the Circular to which this Form is attached, may obtain copies of the Form and the Circular from the Transfer Secretaries.
12. The General Offer Consideration will not be sent to Certificated General Offer Participants unless and until Documents of Title in respect of the relevant General Offer Shares have been surrendered to the Transfer Secretaries.

**To:****The Transfer Secretary****Hand deliveries to:**

Computershare Investor Services Proprietary Limited  
 Rosebank Towers, 15 Biermann Avenue  
 Rosebank, 2196

**Email:** corporate.events@computershare.co.za

**Postal deliveries to:**

Computershare Investor Services Proprietary Limited  
 PO Box 61763  
 Marshalltown, 2107

Dear Sirs,

**PART A: TO BE COMPLETED BY ALL SCHEME PARTICIPANTS WHO RETURN THIS FORM.**

I/We hereby surrender the Share certificate(s) and/or other Documents of Title attached hereto, representing Shares, registered in the name of the person mentioned below and authorise the Transfer Secretaries, conditional upon the General Offer becoming operative, to register the transfer of these Shares into the name of ELB or its nominee(s):

Name of Shareholder	Certificate number(s)	Number of Shares covered by each certificate(s) enclosed
Total		

Surname or Name of corporate body:

First name(s) in full

Title (Mr, Mrs, Miss, Ms, etc.)

Address to which the General Offer Consideration should be sent (if different from registered address)

Postal code

Note:

Signature of Shareholder	Name and address of agent lodging this Form (if any)
Assisted by me (if applicable)	
(State full name and capacity)	
Date 2020	
Telephone number (Home) (    )	
Telephone number (Work) (    )	
Cell phone number	

**PART B: TO BE COMPLETED BY A CERTIFICATED ELIGIBLE SHAREHOLDER WHO COMPLETED PART A AND WHO IS AN EMIGRANT FROM, OR NON-RESIDENT OF, THE COMMON MONETARY AREA**

(see notes 3 and 4 below).

In the case of Certificated Eligible Shareholders who are emigrants: The General Offer Consideration will be posted, or transferred (at the risk of the Certificated Eligible Shareholders) to the Authorised Dealer nominated by the Certificated Eligible Shareholders below for its control and credited to the emigrant's capital account. Accordingly, non-residents who are emigrants must provide the following information:

**NB**

**PART A must also be completed**

Name of Authorised Dealer:	Stamp and address of agent lodging this Form (if any)
Account number:	
Address:	
Signature of Authorised Dealer:	

If emigrants make no nomination above, the Transfer Secretaries will hold the consideration in trust for the benefit of the emigrants concerned until lawfully claimed by such General Offer Participant for a maximum period of five years, after which such funds shall be paid over to the Guardian's Fund.

In the case of all other Certificated Eligible Shareholders: The General Offer Consideration will be posted, to the registered address of the non-resident concerned, unless written instructions to the contrary are received and a substitute address is provided below (in each case at the risk of the Certificated Eligible Shareholder):

Substitute address:	Stamp and address of agent lodging this Form (if any)
Signature of Shareholder:	
Name of Authorised Dealer:	
Signature of Authorised Dealer:	

**PART C: TO BE COMPLETED BY CERTIFICATED ELIGIBLE SHAREHOLDERS WHO COMPLETED PART A AND WHO ELECT TO RECEIVE THE GENERAL OFFER CONSIDERATION TO BE MADE BY WAY OF THE ELECTRONIC FLOW OF FUNDS.**

To be completed in **BLOCK CAPITALS** by Certificated Eligible Shareholders wishing to receive payment of the General Offer Consideration by means of EFT.

I/We, being a holder(s) of General Offer Shares hereby request that the General Offer Consideration be electronically deposited into my/our bank account, the details of which are as follows:

Name of account holder (no third party accounts):		
Bank name:		
Branch name:		
Branch code:		
Account number:		
Signature of Shareholder:		
Assisted by me (if applicable):		
(State full name and capacity):		
Date:		
Tel (Home) ( )	Tel (Work) ( )	Cell phone

In terms of the Financial Intelligence Centre Act, No. 38 of 2001, as amended, the Transfer Secretaries will only be able to record the bank details if certified true copies of the Shareholder's identity document and bank statement are submitted with this Form.

ELB undertakes no responsibility for verification of the banking details provided above nor for the authenticity of the signature above. Certificated Eligible Shareholders warrant the correctness of the above banking details and indemnify and hold ELB harmless against any loss for funds having been paid into the account, details of which have been provided above.

**Notes and instructions:**

1. Applications under this Form are irrevocable and may not be withdrawn once submitted.
2. General Offer Participants should consult their professional advisors in case of doubt as to the correct completion of this Form.
3. Emigrants of the Common Monetary Area must, in addition to Part A, also complete Part B. If Part B is not properly completed, the General Offer Consideration will be held in trust by ELB or the Transfer Secretaries until claimed for a maximum period of five years, after which period such funds shall be paid over to the Guardians Fund of the High Court. No interest will accrue or be paid on any General Offer Consideration so held in trust.
4. All other non-residents of the Common Monetary Area must also complete Part B if they wish the General Offer Consideration to be to be paid to an Authorised Dealer in South Africa.
5. Persons who are emigrants from the Common Monetary Area should nominate the Authorised Dealer in foreign exchange in South Africa which has control of their remaining assets in Part B of this Form. Failing such nomination, the General Offer Consideration due to such General Offer Participants in accordance with the provisions of the General Offer will be held by ELB or the Transfer Secretaries, pending instructions from the General Offer Participants concerned.
6. The General Offer Consideration will not be sent to General Offer Participants unless and until Documents of Title in respect of the relevant General Offer Shares have been surrendered to the Transfer Secretaries.
7. If a Certificated Eligible Shareholder produces evidence to the satisfaction of ELB that Documents of Title in respect of General Offer Shares have been lost or destroyed, ELB may waive the surrender of such Documents of Title against delivery of a duly executed indemnity (including against any damage, expense, loss or payment that ELB, or any of its duly authorised representatives, may incur or suffer by reason of, or arising from, the payment of the General Offer Consideration to such person) in a form and on terms and conditions approved by ELB, or may in their discretion waive such indemnity.
8. If this Form is not signed by the Certificated Eligible Shareholder, the Certificated Eligible Shareholder will be deemed to have irrevocably appointed the Transfer Secretaries to implement that Certificated Eligible Shareholder's obligations under the General Offer, as the case may be, on his/her behalf.
9. No receipts will be issued for documents lodged, unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts. Signatories may be called upon for evidence of their authority or capacity to sign this Form.
10. Any alteration to this Form must be signed in full and should not be merely initialled.
11. If this Form is signed under a power of attorney, then such power of attorney, or a notarially certified copy hereof, must be sent with this Form for noting (unless it has already been noted by ELB or the Transfer Secretaries).
12. Where the Certificated Eligible Shareholder is a company or a close corporation, unless it has already been registered with ELB or the Transfer Secretaries, a certified copy of the Directors' or members' resolution authorising the signing of this Form must be submitted if so requested by ELB.
13. A minor must be assisted by his parent or guardian, unless the relevant documents establishing his legal capacity are produced or have been registered by ELB or the Transfer Secretaries.
14. Notes 11, 12 and 13 do not apply in the case of a form bearing a JSE Broker's stamp.
15. Where General Offer Shares are held jointly, only the holder whose name stands first in the Register must sign this Form.



