



BKB LIMITED

(Incorporated in the Republic of South Africa)
(Registration number: 1998/012435/06)
("BKB" or ("the Company"))

BOARD OF DIRECTORS:

D C Louw (Chairman)#
W Edmayr (Managing Director)
G E J Kingwill (Vice-Chairman)*#
M H Jonas*#
A S du Toit
C D Hobson*#

E A Meyer*#
V Pillay*#
H C Staple*#
H J Swart*#
F P R van Wyk*#

* *Independent*
Non-executive

* *Independent*
Non-executive

REGISTERED ADDRESS:

61 Grahamstown Road, North End
Port Elizabeth, 6001
Eastern Cape, South Africa

**NOTICE OF SUBMISSION OF PROPOSED RESOLUTIONS TO SHAREHOLDERS
TO BE ADOPTED IN TERMS OF SECTION 60 OF THE COMPANIES ACT**

Notice of the Resolutions (as defined below) is hereby given in terms of section 60(1) of the Companies Act to Shareholders to consider and, if deemed fit, pass the Resolutions.

This Notice has been sent to all Shareholders who are recorded as such in the securities register of the Company on **Thursday, 10 January 2019**, being the notice record date set by the Board in terms of the Companies Act determining which Shareholders are entitled to receive notice of the Resolutions.

If you have any doubt as to what action you should take, please contact the company secretary, your attorney or other professional advisor immediately.

This Notice is also available in Afrikaans. If any conflict exist between the English and Afrikaans versions of this Notice, the English version shall prevail.

Date: 14 January 2019

PART I: DEFINITIONS

1. DEFINITIONS

In this Notice, and the Voting Rights Exercise Form annexed hereto, unless otherwise indicated, the words in the first column have the meanings stated opposite them in the second column, words in the singular include the plural and *vice versa*, words importing one gender include the other gender and references to a person include references to a juristic person and *vice versa*.

“4AX”	Africa Exchange Proprietary Limited (Registration Number: 2013/031754/07), a limited-liability private company duly registered and incorporated in accordance with the company laws of South Africa and licensed as an exchange in terms of the Financial Markets Act, No. 19 of 2012, as amended;
“4AX Listing Requirements”	the listing requirements of 4AX, including the appendices thereto, as amended from time to time;
“Adjourned Annual General Meeting”	the adjourned Annual General Meeting of the Company which shall be held on Wednesday, 13 February 2019 at 15:00 at the BKB Building, 61 Grahamstown Road, Port Elizabeth;
“Annual General Meeting”	the annual general meeting of the Company held on Wednesday, 28 November 2018 at 15:00 at the BKB Building, 61 Grahamstown Road, Port Elizabeth;
“BKB” or “Company”	BKB Limited (Registration Number: 1998/012434/06), a limited-liability public company duly registered and incorporated in accordance with the company laws of South Africa;
“BKB Group”	collectively, BKB and its subsidiary companies;
“Board”	the board of directors of the Company (the names of the individual directors comprising the Board are listed on the first page of this Notice);
“Business Day”	any day other than a Saturday, Sunday or official public holiday in South Africa;
“Companies Act”	the Companies Act, No. 71 of 2008, as amended;
“Memorandum of Incorporation”	Memorandum of Incorporation, as defined in section 1 of the Companies Act;
“Notice”	the notice in terms of section 60(1) of the Companies Act to Shareholders, dated 14 January 2019 , as set out in this document, including the Voting Rights Exercise Form;
“Notice of Annual General Meeting”	the notice of the Annual General Meeting dated 26 October 2018;
“Resolutions”	the special resolutions proposed to be adopted by Shareholders, as set out in this Notice;
“Shares”	ordinary shares in the share capital of BKB;
“Shareholder”	the holder of a Share;
“South Africa”	the Republic of South Africa; and
“Voting Rights Exercise Form”	the voting rights exercise form attached to this Notice.

PART II: ADDITIONAL INFORMATION

2. BACKGROUND

- 2.1 Prior to the commencement of the Annual General Meeting held on 28 November 2018, two major Shareholders of the Company formally submitted their proxy forms to participate in and vote on the resolutions to be considered at the Annual General Meeting. In these proxy forms the relevant Shareholders instructed their proxies to vote against, amongst others, the ordinary resolution granting the Board the authority to issue Shares, the special resolutions granting the Board the authority to allow the Company to provide financial assistance in terms of sections 44 and 45 of the Companies Act, and the special resolution granting the Board the authority to buy-back Shares in terms of section 48 of the Companies Act.
- 2.2 Given that the special resolution granting the Board the authority to provide financial assistance in terms of section 45 of the Companies Act to related and inter-related companies of the Company ("**Section 45 Financial Assistance Resolution**"), is critical to the day to day operations of the Company and the BKB Group, the chairman of BKB, with the approval of Shareholders at the Annual General Meeting, adjourned the consideration of the Section 45 Financial Assistance Resolution until further notice. This adjournment had the effect that the authority granted by the Shareholders to the Board at the Company's annual general meeting held in 2017 to provide financial assistance in terms of section 45 of the Companies Act, remained in place, as that authority was given for a two year period from the date of that annual general meeting.
- 2.3 The Adjourned Annual General Meeting has now been scheduled to be held on **Wednesday, 13 February 2019** at 15:00 at which meeting the Section 45 Financial Assistance Resolution will be put to the vote of Shareholders.
- 2.4 The Board is of the view that the Company requires the relevant general authorities that were voted down at the Annual General Meeting. This Notice is distributed to Shareholders for all Shareholders to consider and vote on the Resolutions. The Resolutions comprise special resolutions similar to those that were voted down at the Annual General Meeting and the Section 45 Financial Assistance Resolution, in anticipation that the Section 45 Financial Assistance Resolution may be voted down at the Adjourned Annual General Meeting. The Board hopes to receive favourable responses from all Shareholders in order for the Resolutions to be passed.

3. SUBMISSION IN TERMS OF SECTION 60 OF THE COMPANIES ACT

The Board has resolved to propose that the Resolutions be considered by written consent in terms of section 60 of the Companies Act:

- 3.1 Section 60(1) of the Companies Act, read with the Company's Memorandum of Incorporation, provides that a resolution that could be voted on at a Shareholders' meeting may instead be submitted for consideration to the Shareholders entitled to exercise voting rights in relation to the resolution, and be voted on in writing by Shareholders entitled to exercise voting rights in relation to the resolution, within 20 Business Days after the Resolutions were submitted to them.
- 3.2 Section 60(2) of the Companies Act, read with the Company's Memorandum of Incorporation, further provides that a resolution contemplated in section 60(1) of the Companies Act will have been adopted if it is supported by persons entitled to exercise sufficient voting rights for it to have been adopted as an ordinary or special resolution, as the case may be, at a properly constituted shareholders meeting, and, if adopted, such resolution will have the same effect as if it had been approved by voting at a meeting.

PART III: SPECIAL RESOLUTIONS

1. SPECIAL RESOLUTION 1: GENERAL AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE TO RELATED AND INTER-RELATED COMPANIES AND CORPORATIONS

RESOLVED THAT, subject to the Section 45 Financial Assistance Resolution not being adopted at the Adjourned Annual General Meeting, the Board of the Company be and is hereby authorised in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval, which approval will be in place for a period of two years from the date of adoption of this special resolution number 1, to authorise the Company to provide any direct or indirect financial assistance (“**financial assistance**” will herein have the meaning attributed to such term in section 45(1) of the Companies Act) that the Board may deem fit to any one or more related or inter-related companies or corporations of the Company (“**related**” and “**inter-related**” will herein have the meanings attributed to those terms in section 2 of the Companies Act) and/or to any one or more members of any such related or inter-related corporations and/or to any one or more persons related to any such companies or corporations, on such terms and conditions as the Board, or any one or more persons authorised by the Board from time to time for such purpose, deems fit, provided that any such financial assistance shall not in the aggregate exceed an amount of R950 000 000 in any financial year.

Additional information in respect of special resolution number 1

The reason for this special resolution is to grant the Board the authority to authorise the Company to provide direct or indirect financial assistance as contemplated in section 45 of the Companies Act to any one or more related or inter-related companies or corporations of the Company and/or to any one or more members of any such related or inter-related corporations and/or to any one or more persons related to any such companies or corporations. In the circumstances and in order to, inter alia, ensure that the Company’s subsidiaries and other related and inter-related companies and corporations have access to financing and/or financial assistance from the Company (as opposed to only banks and other third-party financiers), it is necessary to obtain this approval of shareholders.

In the event that the Company provides financial assistance to its subsidiary companies in the form of loans, the Company’s solvency will not be impaired, as the Company will raise an asset in its books for the equivalent amount then due by that subsidiary.

Notice to Shareholders in terms of section 45(5) of the Companies Act of a resolution adopted by the Board authorising the Company to provide direct or indirect financial assistance.

- By the time this Notice is delivered to Shareholders, the Board will have adopted a resolution (“**Section 45 Board Resolution**”) authorising the Company to provide, at any time and from time to time during the period commencing on the date on which special resolution number 1 is adopted until the date of the next annual general meeting of the Company, any direct or indirect financial assistance as contemplated in section 45 of the Companies Act to any one or more related or inter-related companies or corporations of the Company and/or to any one or more members of any such related or inter-related corporations and/or to any one or more persons related to any such companies or corporations, provided that such financial assistance shall not in the aggregate exceed an amount of R950 000 000 in any financial year.
- The Section 45 Board Resolution will be effective only if and to the extent that special resolution number 1 is adopted by the Shareholders and the provision of any such direct or indirect financial assistance by the Company, pursuant to such resolution, will always be subject to the Board being satisfied that: (i) immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Companies Act; and (ii) the terms under which such financial assistance is to be given are fair and reasonable to the Company as referred to in section 45(3)(b)(ii) of the Companies Act.
- In as much as the Section 45 Board Resolution contemplates that such financial assistance will, in the aggregate, exceed one-tenth of one percent of the Company’s net worth at the date of adoption of such resolution, the Company hereby provides notice of the Section 45 Board Resolution to Shareholders. Such notice will also be provided to any trade union representing any employees of the Company.

2. SPECIAL RESOLUTION 2: FINANCIAL ASSISTANCE FOR THE SUBSCRIPTION AND/OR PURCHASE OF SHARES IN THE COMPANY OR A RELATED OR INTER-RELATED COMPANY

RESOLVED THAT, in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval, that the Board be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance (“**financial assistance**” will herein have the meaning attributed to such term in section 44(1) of the Companies Act) that the Board may deem fit to any company or corporation that is related or inter-related to the Company (“**related**” or “**inter-related**” will herein have the meanings attributed to such terms in section 2 of the Companies Act) and/or to any investor or financier in respect of any securities in the Company or any company or corporation that is related or inter-related to the Company, on the terms and conditions and for amounts that the Board may determine for the purpose of, or in connection with the subscription of any option, or any shares or other securities, issued or to be issued by the Company or a related or inter-related company or corporation, or for the purchase of any shares or securities of the Company or a related or inter-related company or corporation, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the Company.

Additional information in respect of special resolution number 2

The reason for and effect of special resolution number 2 is to grant the Board the authority, until the next annual general meeting of the Company, to provide financial assistance to any company or corporation which is related or inter-related to the Company and/or to any investor or financier for the purpose of or in connection with the subscription or purchase of options, shares or other securities in the Company or any related or inter-related company or corporation. This means that the Company is authorised, inter alia, to grant loans to its subsidiaries and to guarantee and furnish security for the debt of its subsidiaries where any such financial assistance is directly or indirectly related to a party acquiring for options, shares or securities in the Company or its subsidiaries. The Company would also be authorised to provide financial assistance to any investor acquiring shares in the Company and to any financier of such investor.

3. SPECIAL RESOLUTION 3: SHARE REPURCHASE BY BKB AND ITS SUBSIDIARIES

RESOLVED THAT, the Company and its subsidiaries be and are hereby authorised, as a general approval, to repurchase any of the Shares issued by the Company, upon such terms and conditions and in such amounts as the Board may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the Memorandum of Incorporation of the Company and the 4AX Listing Requirements (to the extent applicable – refer to note below), including, *inter alia*, that:

- with effect from the date upon which the Company’s securities are listed on 4AX (“**4AX Listing Date**”), if applicable, the general repurchase of the Shares may only be implemented through the order book operated by the 4AX trading system and done without any prior understanding or arrangement between the Company and the counterparty;
- this general authority shall only be valid until the next annual general meeting of the Company, unless revoked and/or amended by Shareholders in general meeting;
- the general authority to repurchase is limited to a maximum of 5% in the aggregate in any one financial year of the Company’s issued share capital at the time the authority is granted where the repurchases are made by the Company and limited to a maximum of 10% in the aggregate in any one financial year of the Company’s issued share capital at the time the authority is granted where the repurchases are made by subsidiaries of the Company;
- a resolution has been passed by the Board approving the repurchase, that the BKB Group has satisfied the solvency and liquidity test as defined in the Companies Act and that, since the solvency and liquidity test was applied, there have been no material changes to the financial position of the BKB Group;
- the general repurchase is authorised by the Memorandum of Incorporation of the Company;
- at any time prior to the 4AX Listing Date, the Board shall have the necessary authority to determine such price at which a general repurchase of Shares will be implemented (including the manner thereof) and the related contractual arrangements required to give effect to the repurchase concerned; and
- the Company may, at any point in time, only appoint one agent to effect any repurchase(s) on the Company’s behalf.

Additional information relating to special resolution number 3:

The reason for and effect of special resolution number 3 is to grant the Board a general authority in terms of the Memorandum of Incorporation of the Company and the 4AX Listing Requirements (to the extent applicable) for the repurchase by the Company or by a subsidiary of the Company of Shares issued by the Company on the basis reflected in special resolution number 3.

In terms of section 48(2)(b)(i) of the Companies Act, subsidiaries may not hold more than 10%, in aggregate, of the number of the issued shares of a company.

For the avoidance of doubt, a pro rata repurchase by the Company from all its Shareholders will not require Shareholder approval, save to the extent as may be required by the Companies Act.

Note regarding references made to 4AX, the 4AX Listings Requirements and or the 4AX trading system:

In this special resolution number 3, where references are made to 4AX, the 4AX Listings Requirements and or the 4AX trading system, these references shall only be applicable in relation to the authority granted, subject to the successful passing of this resolution by Shareholders, with effect from the date upon which BKB commences live trading of its’ Shares on the 4AX.

4. APPROVALS REQUIRED FOR RESOLUTION

The Resolutions require the approval by at least 75% of the votes exercised on the Resolutions, and are further subject to the provisions of the Companies Act and the Memorandum of Incorporation of the Company.

5. VOTING RIGHTS EXERCISE FORM

A Voting Rights Exercise Form is attached for the convenience of Shareholders. Voting Rights Exercise Forms may also be obtained on request from the Company Secretary at the Company’s registered office. The completed Voting Rights Exercise Form must be deposited at, emailed, faxed or posted, to be received by **Monday, 18 February 2019** (being a period within 20 Business Days from the date of receipt hereof as contemplated in paragraph 6 below) at any one of the following addresses (for attention The Company Secretary):

- the registered office of the Company at 61 Grahamstown Road, North End, Port Elizabeth, 6001 (or at PO Box 2002, North End, 6056);
- fax: 086 206 0051; or
- email: jo.oosthuizen@bkb.co.za.

6. GENERAL

Where a Shareholder has received this Notice by means of fax such Shareholder is deemed to have received these documents on the date and at the time recorded by the fax receiver, unless there is conclusive evidence that it was delivered on a different date or at a different time.

Where a Shareholder has received this Notice by means of electronic mail such Shareholder is deemed to have received these documents on the date and at the time recorded by the computer used by the sender, unless there is conclusive evidence that it was delivered on a different date or at a different time.

Where a Shareholder has received this Notice by means of registered post such Shareholder is deemed to have received these documents on the 7th day following the day on which the notice or document was posted as recorded by a post office, unless there is conclusive evidence that it was delivered on a different day.

Where a Shareholder has received this Notice by hand, in the case of a natural person, or in the case of a company or body corporate, by hand to a responsible employee, at its registered office or its principal place of business within South Africa, then such Shareholder is deemed to have received these documents on the date and at the time recorded on the receipt for delivery, unless there is conclusive evidence that it was delivered on a different date or at a different time.

A Resolution shall be deemed to have been adopted on the date on which the Company received the written votes of the Shareholder whose vote results in that Resolution being supported by sufficient votes for its adoption irrespective of any votes received thereafter.

By order of the Board.

J OOSTHUIZEN (MRS)

Company Secretary

Port Elizabeth

14 January 2019



BKB LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 1998/012435/06)
("BKB" or "Company")

VOTING RIGHTS EXERCISE FORM

Capitalised terms in this voting rights exercise form have the same meanings as the meanings assigned to them in the Notice to Shareholders to which this form is attached.

This Voting Rights Exercise Form is only for use by registered Shareholders in the Company's securities register as at the voting record date, being Thursday, 10 January 2019, which Shareholders are entitled to exercise voting rights in respect of the Resolutions.

I/We (name in print) _____ Member No _____

of _____ (address)

being the holder/s of _____ Shares in the Company

(see instruction 1 overleaf)

hereby exercise the voting rights attaching to my/our Shares as follows:

		Insert an "x" in the space provided below		
		For	Against	Abstain
Special Resolution 1	General authority to provide financial assistance to related and inter-related companies and corporations			
Special Resolution 2	Financial assistance for the subscription and/or purchase of shares in the Company or a related or inter-related company			
Special Resolution 3	Share repurchase by BKB and its subsidiaries			

Signed at _____ on _____ 2019.

Signature/s _____

Assisted by me (where applicable) _____

Please read the notes and instructions overleaf.

NOTES AND INSTRUCTIONS ON SIGNING AND LODGING THE VOTING RIGHTS EXERCISE FORM

1. Only Shareholders who are registered in the securities register of the Company on the date on which Shareholders must be recorded as such in the securities register maintained by the Company, being **Thursday, 10 January 2019** ("**Voting Record Date**"), may complete a Voting Rights Exercise Form.
2. Any alteration or correction made to this Voting Rights Exercise Form must be initialled by the signatory/ies. A deletion of any printed matter and the completion of any blank space(s) need not be signed or initialled.
3. A Shareholder's exercise of voting rights on the Resolutions must be indicated by the insertion of a cross by that Shareholder in the appropriate spaces provided overleaf. Failure to do so may result in the Company Secretary disregarding such Voting Rights Exercise Form. A Shareholder is not obliged to use all the votes exercisable by him/her, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the Shareholder.
4. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company Secretary.
5. To be valid the completed Voting Rights Exercise Forms must be deposited, posted, emailed or faxed to the Company Secretary at 61 Grahamstown Road, North End, Port Elizabeth or PO Box 2002, North End, 6056 (facsimile number 086 206 0051; e-mail jo.oosthuizen@bkb.co.za), to be received by her no later than **Monday, 18 February 2019**.
6. Documentary evidence establishing the authority of a person signing this Voting Rights Exercise Form in a representative capacity must be attached to this Voting Rights Exercise Form unless previously recorded by the Company Secretary or waived by the Chairman of the Board.
7. The Chairman of the Board may reject or accept any Voting Rights Exercise Forms which is completed other than in accordance with these notes or instructions, provided that he is satisfied as to the manner in which a Shareholder has exercised his/her voting rights.