

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to the action you should take in relation to the contents of this circular, please consult your stockbroker, banker, accountant, attorney, or other professional advisor immediately. Full particulars of the action required by Agribel ordinary shareholders are set out on page 2 of this circular.

If you have sold or otherwise transferred all your Agribel ordinary shares on or before 16:00 on 14 July 2023, please forward this circular to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected.

# **AGRIBEL HOLDINGS LIMITED**

(Incorporated in the Republic of South Africa)  
(Registration number 1996/017629/06)  
(*Agribel* or the *Company*)

## **CIRCULAR TO AGRIBEL SHAREHOLDERS** (*Circular*)

regarding

### **THE ELECTION TO RECEIVE A SCRIP DIVIDEND OF ORDINARY SHARES AS AN ALTERNATIVE TO THE DISTRIBUTION OF A CASH DIVIDEND TO AGRIBEL ORDINARY SHAREHOLDERS**

**Date of issue: 14 July 2023**

**Transfer Secretaries  
Senwes Limited  
By e-mail:  
Elmarie.Joynt@senwes.co.za  
Claudi.Smit@senwes.co.za  
Telefax no: 086 680 3124**

*Copies of this circular (in Afrikaans or English) may be obtained from the Senwes website, [www.senwes.co.za](http://www.senwes.co.za) and from the registered office of Agribel situated at 1 Charel de Klerk Street, Klerksdorp 2571. This will be made available on 14 July 2023.*

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## ACTION REQUIRED BY AGRIBEL SHAREHOLDERS

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SHAREHOLDERS ARE UNDER **NO** OBLIGATION TO PARTICIPATE IN THE SCRIP DIVIDEND. ACCORDINGLY, IF A SHAREHOLDER DOES NOT RESPOND TO THE CONTENTS OF THIS CIRCULAR, IT WILL BE DEEMED THAT THE SHAREHOLDER ELECTED TO RECEIVE THE CASH DIVIDEND.

The following information pertains to all the Company's ordinary shareholders ("Shareholders").

- The board of directors of the Company ("Board") approved a final cash dividend for the year ending 30 April 2023 of 29 cents (twenty-five cents) per ordinary Agribel share and a special dividend of 25 cents (twenty-one cents) per ordinary Agribel, a total dividend payment of 54 cents (forty-six cents) per ordinary share ("**Cash Dividend**") on the record date, being 8:00 on 22 August 2023 ("**Record Date**").
- The Board further resolved to offer the Shareholders the option to receive, in lieu of the Cash Dividend, a distribution of new fully paid ordinary Agribel shares ("**Scrip Dividend**"). The price per ordinary Agribel share ("**Share**") approved by the Board is R 8,00 (eight rand) per Share.
- Shareholders are not obliged to participate in the Scrip Dividend offer or to respond to the Scrip Dividend offer. Should a shareholder not respond to the Scrip Dividend offer, the Cash Dividend will be received in the normal course.
- Should a Shareholder choose to participate in the Scrip Dividend offer, an election can be made to receive half (50%) of the Cash Dividend as Shares. The right to participate in the Scrip Dividend is, however, limited to this choice and a Shareholder may not choose to receive a Scrip Dividend otherwise. The entitlement to participate in the Scrip Dividend is further subject to the terms set out in this Circular.
- Should you choose to receive the Scrip Dividend instead of the Cash Dividend, you will not be required to pay for the Scrip Dividend Shares to which you are entitled in terms of your choice.
- The entitlement to participate in the Scrip Dividend is in proportion to a Shareholder's shareholding in Agribel on the Record Date, on the basis that for each 1 (one) cent Cash Dividend, you may elect to receive such number of Shares as determined in the ratio that 1c (one cent) of Cash Dividend bears to the Scrip Dividend price of R 8,00 (eight rand) per Share.
- Should you wish to receive the Scrip Dividend you must complete the attached election form and return it to the Company during normal business hours, marked for the attention of the Company Secretary of Senwes, at 1 Charel de Klerk Street, Klerksdorp or via email to [Elmarie.Joynt@senwes.co.za](mailto:Elmarie.Joynt@senwes.co.za) or [Claudi.Smit@senwes.co.za](mailto:Claudi.Smit@senwes.co.za). You can also exercise your election electronically by going to [www.senwes.co.za](http://www.senwes.co.za).
- Your election to receive the Scrip Dividend must be received by the Company by no later than 16:00 on 18 August 2023. Any election form received after this date and time will be rejected.

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## **SALIENT DATES AND TIMES**

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Announce cash Dividend/Scrip Dividend and salient dates.	<b>27 June 2023</b>
Posting of circular and form of election.	<b>14 July 2023</b>
Date to elect scrip dividend in lieu of cash dividend. Forms of election to reach the Transfer Secretaries by 16:00 on 18 August 2023.	<b>18 August 2023 at 16:00</b>
Record date in respect of the Cash Dividend and Scrip Dividend alternative.	<b>22 August 2023 at 08:00</b>
Shares trade 'ex' the Cash Dividend and Scrip Dividend alternative	<b>22 August 2023 after 08:00</b>
Cash Dividend payments made	<b>30 August 2023</b>
Issue of the Scrip Dividend Shares	<b>1 September 2023</b>
Announcement relating to the results of the Cash Dividend and the Scrip Dividend alternative.	<b>6 September 2023</b>

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All times provided are South African local times. The above dates and times are subject to change. Any changes will be announced.

# AGRIBEL HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)  
(Registration number 1996/017629/06)  
(*Agribel* or the *Company*)

Directors:

**NDP (Nico) LIEBENBERG<sup>1,2</sup> (CHAIRMAN)**

**JJ (Jaco) MINNAAR<sup>1</sup> (VICE CHAIRMAN)**

**GL (Gert) MALHERBE<sup>1,2</sup>**

**JDM (Danie) MINNAAR<sup>1</sup>**

**WH (Thabo) van Zyl<sup>1</sup>**

**JJ (Hansie) VILJOEN<sup>1,2</sup>**

*All directors are South African citizens.*

*1. Non-executive*

*2. Independent non-executive*

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## CIRCULAR TO AGRIBEL SHAREHOLDERS

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### 1. INTRODUCTION

- 1.1. The resolution adopted by the board of directors of the Company ("**Board**") to approve and declare a final dividend for the year ended 30 April 2023 of 29 cents (twenty-nine cents) per ordinary Agribel share and a special dividend of 25 cents (twenty-five cents) per ordinary Agribel, a total dividend payment of 54 cents (fifty-four cents) per ordinary share ("**Cash Dividend**"), by way of the payment of a final cash distribution to ordinary shareholders recorded in the register of the Company ("**Shareholders**") on the record date, 8:00 on 22 August 2023 ("**Record Date**"), was announced on 27 June 2023 with the financial results of Agribel for the year ended 30 April 2023, published on Thursday 20 July 2023.
  - 1.2. The Board also announced on 27 Junie 2023 that, as an alternative, Shareholders recorded in the register of the Company on the Record Date, may choose to receive half (50%) of the Cash Dividend as fully paid-up ordinary shares ("**Shares**") in the share capital of the Company ("**Scrip Dividend**"). The Scrip Dividend distribution will only be made to those Shareholders who, on or before 16:00 on 18 August 2023, elected to receive the Scrip Dividend.
  - 1.3. As the Shares issued in terms of the Scrip Dividend will be issued after the record date for the Cash Dividend, Shares received in terms of the Scrip Dividend will not participate in the Cash Dividend payment on 30 August 2023. The Shares issued in terms of the Scrip Dividend will, however, after their issue on 1 September 2023 rank equal with all other ordinary shares in the Company and share the same entitlement as all other ordinary shares in distributions by the Company after their issue.
  - 1.4. The Scrip Dividend will only be distributed to those Shareholders who have exercised the option to receive the Scrip Dividend on or before 16:00 on 18 August 2023 by completing the attached election form and return it to the Company during normal business hours, marked for the attention of the Company Secretary of Senwes, at 1 Charel de Klerk Street, Klerksdorp or via email to [Elmarie.Joynt@senwes.co.za](mailto:Elmarie.Joynt@senwes.co.za) or [Claudi.Smit@senwes.co.za](mailto:Claudi.Smit@senwes.co.za) or by exercising the election electronically by going to [www.senwes.co.za](http://www.senwes.co.za).
- Shareholders who do not, on or before 16:00 on 18 August 2023, elect to receive the Scrip Dividend will, without any further action on their part, receive the Cash Dividend on 30 August 2023.**
- 1.5. The terms of the Scrip Dividend are set out further in paragraph 3 below.
  - 1.6. Agribel does not accept any responsibility, and will not be held liable for any action on the part of, or omission by, any broker or other agent of any beneficial owner of Shares to react to this Circular or their failure to act in accordance with any instructions issued to them by a Shareholder.

- 1.7. No distribution to Shareholders as contemplated in this Circular shall carry interest against the Company.
- 1.8. References in this Circular to the Cash Dividend payable to or receivable by Shareholders, refer to the amount of such cash distribution, before the deduction of Dividend Withholding Tax ("**DWT**"), if any, as explained in more detail in paragraph 3.5 below.

## 2. **RATIONALE**

After considering the current and predicted solvency and liquidity of the Company, the Board approved the payment of a cash dividend of 29 cents per ordinary share as a final dividend for the period ended 30 April 2023, and a special dividend of 25 cents per ordinary share (a total payment of 54 cents per ordinary share).

The Board has also further resolved to offer the Shareholders the opportunity to elect to receive the Scrip Dividend instead of a portion of the Cash Dividend.

The election by Shareholders to receive the Scrip Dividend instead of the whole or a portion of the Cash Dividend, will allow Agribel to increase its capital base, to decrease liabilities and support continued growth of its investment in Senwes Limited and other agri-related companies, while affording Shareholders the opportunity to increase their shareholding in Agribel and, at the same time, providing flexibility for those Shareholders who would prefer to only receive the Cash Dividend.

## 3. **THE AWARDING OF THE SCRIP DIVIDEND**

Shareholders are not obliged to participate in the Scrip Dividend offer or respond to the Scrip Dividend offer as contained in this circular if they wish to receive only the Cash Dividend.

### 3.1. **Scrip Dividend Alternative**

- 3.1.1. Shareholders will be entitled to receive the Cash Dividend in respect of all ordinary shares held by them on the Record Date (08:00 on 22 August 2023), provided that a Shareholder has not elected to receive the Scrip Dividend as indicated in this Circular.
- 3.1.2. Shareholders will, however, be entitled to choose, as an alternative to receiving the Cash Dividend, to receive half (50%) of the Cash Dividend as a scrip distribution of Shares ("**Scrip Dividend**"). If the choice is properly exercised to receive the Scrip Dividend, the Shares to which a Shareholder is entitled will be issued to the Shareholder on 1 September 2023.
- 3.1.3. The number of Shares to which a Shareholder will be entitled in terms of the Scrip Dividend will be determined by reference to such Shareholder's shareholding in Agribel on the Record Date (08:00 on 22 August 2023) on the basis that for each 1 (one) cent Cash Dividend, a Shareholder may elect to receive such number of Shares as determined in the ratio that 1c (one cent) of Cash Dividend bears to the Scrip Dividend price of R8 (eight rand) per Share, provided that:
  - i) the entitlement to participate in the Scrip Dividend will be limited to half (50%) of the Cash Dividend as shares; and
  - ii) should the application of this ratio give rise to a fraction of a Share, the rounding principles described in paragraph 3.3 below, will be applied.
- 3.1.4. As Scrip Dividend shares are issued instead of the disbursement of the Cash Dividend, shareholders who choose to receive the Scrip Dividend instead of the Cash Dividend, will not be required to pay for the Scrip Dividend Shares to which they are entitled in terms of their choice.

### 3.2. Examples of Scrip Dividend entitlement:

This example assumes that a Shareholder holds 100 Shares on the Record Date, being 08:00 on 22 August 2023, and elects to receive the Cash Dividend as a Scrip Dividend:

$$\left( \frac{100 \text{ Shares} \times 46 \text{ cents}}{800 \text{ cents}} \right) \times 50\%$$

This would result that, after applying the rounding down principles set out in paragraph 3.3 below, a Shareholder with 100 Shares will be entitled to receive a Scrip Dividend of 3 Shares to the value of R24 with the balance of R30 being settled in cash as part of the Cash Dividend. The cash payment remains subject to the deduction of Dividend Withholding Tax, if applicable, as more fully set out in paragraph 3.5 below.

### 3.3. Fractions

- 3.3.1. The Board has decided, as part of the Scrip Dividend offer terms, not to permit fractions and fractional entitlements. Should the application of the ratio referred to in paragraph 3.1.3 give rise to a fraction of a Share, the number of Shares that a Shareholder receives will be rounded down to the nearest whole number, resulting in only whole Shares being allocated in terms of the Scrip Dividend and the fraction being settled in cash (Cash Payment).
- 3.3.2. The Cash Payment shall therefore be the balance of the Cash Dividend not applied to the Scrip Dividend.
- 3.3.3. The Cash Payment will be settled on the distribution date, 30 August 2023, after taking into consideration any dividend withholding tax applicable to the distribution. The dividend withholding tax treatment of the Cash Payment for the fraction will be the same as explained for the Cash Dividend (see paragraph 3.5. below for an explanation of the tax treatment of the Cash Dividend).

### 3.4. Share Capital

- 3.4.1. The Company's total number of issued Shares at the date of this Circular is 131 711 878.
- 3.4.2. The Cash Dividend will be paid out of the Company's distributable retained profits while the issue price of the Scrip Dividend will be settled in cash from the Company's distributable retained profits. The Shares issued as a result of the Scrip Dividend will, in all respects, be equal to the other Shares from the date of issue, being 1 September 2023.
- 3.4.3. If all shareholders elect to receive the Cash Dividend as Scrip Dividend, the number of ordinary shares issued would amount to 4 390 395 based on the assumed Scrip Dividend ratio in the example above (and ignoring rounding down for fractions on a per Shareholder basis).
- 3.4.4. Should none of the Shareholders elect to receive the Scrip Dividend, the maximum gross Cash Dividend payable by the Company on 30 August 2023 would be R65 855 939.

### 3.5. Tax implications

- 3.5.1. Any distribution by a company, whether the payment of a cash dividend or a Scrip Dividend has tax implications, regardless of whether the Shareholder is a South African resident or a non-resident. Shareholders are therefore advised to consult their professional tax advisors regarding the tax implications and effect of any option they exercised between receiving the Scrip Dividend or the Cash Dividend.

3.5.2. The Income Tax Act, 58 of 1962 (**Income Tax Act**) provides that a Cash Dividend, unless a shareholder is exempted, will be subject to dividend withholding tax (**DWT**). In the case of a South African resident Shareholder who is not exempted, the DWT rate is 20% (twenty per cent) of the Cash Dividend. Accordingly, the amount that will be withheld from the Cash Dividend of 54 cents per Share, will result in 10,8 cents being withheld and a net amount of 43,2 cents per Share being received. Non-resident Shareholders may be subject to DWT at a rate of less than 20%, depending on their country of residence and the applicability of any Double Tax Agreement between South Africa and their country of residence.

3.5.3. The Scrip Dividend is not subject to DWT, but the subsequent disposal of Shares obtained as a result of the Scrip Dividend is likely to have Income Tax or Capital Gains Tax (**CGT**) implications. Where any future disposal of Shares obtained as a result of the Scrip Dividend falls within the CGT regime, the base cost of such Shares will be deemed to be zero in terms of the Income Tax Act (or the value at which such Shares will be included in the determination of the weighted average base cost method will be zero).

3.5.4. Agribel's income tax reference number is 9418001617.

#### 4. **NOMINEE COMPANIES**

Applications from nominee companies will be handled as separate applications on the submission of a breakdown of the beneficial owners of Shares registered in the name of the nominee companies.

#### 5. **FOREIGN SHAREHOLDERS**

5.1. The distribution of this Circular, and the rights to receive the Scrip Dividend shares in jurisdictions other than the Republic of South Africa, may be restricted by law and any failure to comply with those restrictions may constitute a violation of the securities laws of such jurisdictions. Accordingly, Shareholders will not be entitled to receive the Scrip Dividend shares, directly or indirectly, in those jurisdictions and shall be deemed not to have elected the Scrip Dividend alternative.

5.2. Such non-resident Shareholders should make sure of and observe any applicable legal requirements in such jurisdictions. It is the responsibility of non-resident Shareholders to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant jurisdictions in respect of the Scrip Dividend, including the obtaining of any governmental, exchange control or other consents or the making of any filing which may be required, compliance with other necessary formalities and payment of any issue, transfer or other taxes or other requisite payments due in such jurisdictions. Shareholders who have any doubts as to their position, including, without limitation, their tax status, should consult an appropriate advisor in the relevant jurisdictions without delay.

#### 6. **PROCEDURE TO ELECT TO RECEIVE THE SCRIP DIVIDEND ALTERNATIVE**

##### 6.1. **Participation in the Scrip Dividend**

Shareholders who do not wish to receive any Scrip Dividend do not need to take any further action and will receive the Cash Dividend in the ordinary course.

Shareholders electing to receive the Scrip Dividend must note that the election is irrevocable and, once an election to receive the Scrip Dividend is made the election cannot be cancelled.

##### 6.2. **Procedure for Shareholders wishing to receive the Scrip Dividend**

Shareholders who wish to receive the Scrip Dividend must complete the attached election form and return it to the Company on or before 16:00 on 18 August 2023 during normal business hours, marked for the attention of the Company Secretary of Senwes, at 1 Charel de Klerk Street, Klerksdorp or via email to [Elmarie.Joynt@senwes.co.za](mailto:Elmarie.Joynt@senwes.co.za) or [Claudi.Smit@senwes.co.za](mailto:Claudi.Smit@senwes.co.za) or exercise the election electronically by going to [www.senwes.co.za](http://www.senwes.co.za).

7. **PAYMENT OF CASH DIVIDEND AND ISSUE OF SHARES AND UPDATING OF THE AGRIBEL SHARE REGISTER**

7.1. **Cash Payments**

Cash Dividend payments, after accounting for the issue of any Scrip Dividend and/or any DWT (if applicable), will be made by electronic fund transfers on 30 August 2023.

7.2. **Scrip Dividend Issue**

The Agribel share register will be updated on 1 September 2023 with the Shares issued in terms of the Scrip Dividend.

8. **RIGHT TO RENOUNCE THE OFFER**

The right to receive new Shares in terms of the Scrip Dividend is not renounceable and may not be traded.

9. **EXCHANGE CONTROL REGULATIONS**

Any Cash Dividend payments paid out of the Company's distributable profits to non-residents and emigrant Shareholders from the Common Monetary Area, are freely transferable.

10. **EXPERTS' CONSENTS**

The Transfer Secretaries have all consented in writing to act in the capacity stated and to their names being included in this Circular and have not withdrawn their consents prior to the publication of this Circular.

This Circular is available in Afrikaans and English. Copies of this Circular may be obtained from the registered office of Agribel.

This circular has been signed on 14 July 2023 for and on behalf of the directors.



**AE Scholtz**  
*Company Secretary*  
**AGRIBEL HOLDINGS LIMITED**  
1 Charel de Klerk Street  
Klerksdorp  
2571



# AGRIBEL HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1996/017629/06)

(*Agribel* or the *Company*)

## SCRIP DIVIDEND ELECTION FORM

**SHAREHOLDERS ARE REMINDED THAT THEY ARE NOT REQUIRED TO SUBMIT AN ELECTION FORM IF THEY DO NOT WISH TO PARTICIPATE IN THE SCRIP DIVIDEND.**

**IF NO PROPERLY COMPLETED ELECTION FORM IS RECEIVED ON OR BEFORE 16:00 ON FRIDAY, 18 August 2023, IT WILL BE DEEMED THAT A SHAREHOLDER ELECTED TO RECEIVE THE CASH DIVIDEND.**

The definitions and interpretations in the Circular shall apply *mutatis mutandis* to this section.

### **Important:**

1. Shareholders who wish to exercise the election to receive the Scrip dividend must complete the following sections of this document:
  - 1.1 **PART A**
  - 1.2 **PART B**
2. The details of the terms of the Scrip Dividend offer are contained in the circular to which this form is attached and are hereby incorporated by reference as if repeated herein.
3. Please read the instructions on the next page. Failure to follow the instructions may result in this document being rejected and it will be deemed that you did not accept the offer.
4. If you have any doubt about how to complete the document, consult your banker, broker, attorney, accountant or auditor or other professional advisor immediately.
5. A duly completed election form is required for each shareholder who wishes to participate in the Scrip Dividend.

**Shareholders who wish to elect to receive the Scrip dividend must submit a duly completed election form during office hours to reach the Company by no later than 16:00 on 18 August 2023.**

**Election form can be submitted at the following addresses:**

**By e-mail: Elmarie.Joynt@senwes.co.za or Claudi.Smit@senwes.co.za**

**By hand: 1 Charel de Klerk Street, Klerksdorp, 2571 (marked for the attention of the Senwes Company Secretary).**

**Election forms will be rejected if they are not properly completed and received before the cut-off time.**

**PART A: PARTICULARS OF AGRIBEL SHAREHOLDER WHO ELECTS TO ACCEPT THE SCRIP DIVIDEND OFFER**

Full name of the Agribel shareholder:

.....

Postal Address: .....

.....

.....

ID / Registration Number: .....

Telephone number: ..... Cell phone number: .....

E-mail: .....

Customer number: ..... Shareholder number: .....

**PART B: ACCEPTANCE OF THE SCRIP DIVIDEND OFFER**

Indicate your acceptance with a "X" in the block and signing this form

**ACCEPTANCE:**

I/We –

- accept the Scrip Dividend offer on the terms and conditions as indicated in the Circular;
- confirm that I/we choose to receive 50% of the Cash Dividend of 54 cents per Share as a Scrip Dividend at the issuance price of R8,00 per Share in respect of ordinary shares in the Company registered in my/our name and of which I am the registered owner as at 22 August 2023 at 8:00 as calculated in terms of the formula contained in the Circular and after the rounding principle as described in the Circular, has been applied.

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2023.

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Signature**

If proxy is signed on behalf of a legal entity, indicate capacity, e.g., director, member of CC, trustee of a trust.

\_\_\_\_\_  
Assisted by (*where applicable*)

Please fax to: **086 680 3124** or e-mail to: [claudi.smit@senwes.co.za](mailto:claudi.smit@senwes.co.za)