
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 6 of this Circular apply, mutatis mutandis, throughout this Circular including this cover page, unless otherwise stated or the context so requires.

ACTION REQUIRED

- This Circular is important and should be read with particular attention to the section titled “Action Required by Reunert Shareholders” which commences on page 3 of this Circular.
- If you are in any doubt as to the action you should take, please consult your Broker, Participant, banker, attorney, accountant or other professional advisor immediately.
- If you have disposed of all your Reunert Shares, then this Circular should be forwarded to the purchaser of such Reunert Shares, or to the Broker, Participant, banker or other agent through whom the disposal was effected.

Reunert and the Board do not accept any responsibility and will not be held liable for any act of, or omission by, any Participant or Broker including, without limitation, any failure on the part of the Participant or Broker of any beneficial owner of Reunert Shares to notify such beneficial owner of the matters set out in this Circular.

REUNERT

R E U N E R T L I M I T E D

(Incorporated in the Republic of South Africa)

(Registration number: 1913/004355/06)

ISIN: ZAE000057428

Share code: RLO

(“Reunert” or the “Company”)

CIRCULAR TO REUNERT SHAREHOLDERS

regarding:

- the Proposed BEE Transaction comprising:
 - the Restructure of the Original BEE Transaction which entails, *inter alia*, the extension of the term of the Bargenel A Preference Shares held by Reunert for at least a further 10 (ten) years;
 - the Specific Issue of Reunert Shares, being the acquisition of 5 549 076 Reunert Shares by Bargenel from Julopro, a wholly-owned subsidiary of Reunert;
 - the Financial Assistance, as contemplated in section 44 of the Companies Act, to be provided by Reunert to Bargenel in the form of a subscription by Reunert for additional Bargenel A Preference Shares, in order to fund the Specific Issue of Reunert Shares; and
 - the ESOP Contributions, which entails, *inter alia*, the introduction of the ESOP as an indirect Reunert Shareholder.

incorporating:

- the Independent Expert Report;
- the Notice of General Meeting;
- the Form of Proxy (*blue*) in respect of the General Meeting; and
- the General Meeting Electronic Participation Form.

This Circular is available in English only. Copies of this Circular may be obtained from the registered office of Reunert whose address is set out in the “Corporate Information and Advisors” section commencing on the inside front cover of this Circular during business hours from Tuesday, 21 December 2021 until Tuesday, 15 February 2022. This Circular is also available on Reunert’s website (<https://www.reunert.co.za/>).

Financial Advisor



Legal Advisor



JSE Sponsor



Independent Reporting
Accountant and
Independent Auditor



Independent Expert



Date of issue: Tuesday, 21 December 2021

CORPORATE INFORMATION AND ADVISORS

Reunert Limited

(Registration number: 1913/004355/06)

Date of incorporation: 18 December 1913

Place of incorporation: South Africa

Company Secretary and Registered Office of Reunert

Reunert Management Services Proprietary Limited
(represented by Ms. Karen Louw (FCIS))
Nashua Building, Woodmead North Office Park
54 Maxwell Drive,
Woodmead, 2191
(PO Box 784391, Sandton, 2146)

Financial Advisor

Investec Bank Limited
(Registration number: 1969/0047631/06)
100 Grayston Drive, Sandown
Sandton, 2196
(PO Box 785700, Sandton, 2146)

Legal Advisor

Bowman Gilfillan Inc.
(Registration number: 1998/021409/21)
11 Alice Lane
Sandton, 2146
(PO Box 785812, Sandton, 2196)

Independent Expert

BDO Corporate Finance Proprietary Limited
(Registration number: 1983/002903/07)
Wanderers Office Park
52 Corlett Drive, Illovo
Johannesburg, 2196
(Private Bag X60500, Houghton, 2041)

Share Transfer Secretaries

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

JSE Sponsor

One Capital Sponsor Services Proprietary Limited
(Registration number: 2000/023249/07)
17 Fricker Road
Illovo, 2196
(PO Box 784573, Sandton, 2146)

Independent Reporting Accountant and Independent Auditor

Deloitte & Touche
(Practice number: 902276)
5 Magwa Crescent
Waterfall City
Midrand, 2090
(Private Bag X6, Gallo Manor, Johannesburg, 2052)

Company Nominee for Forms of Proxy and General Meeting Electronic Participation Form Processor

The Meeting Specialist Proprietary Limited
(Registration number: 2017/287419/07)
JSE Building
One Exchange Square, 2 Gwen Lane
Sandown, 2196
(PO Box 62043, Marshalltown, 2107)

Technical Accounting Expert

James Luke Consultancy
6 Kingsbrook Road
Hatton Estate
Pinetown, 3610
(PO Box 50531, Musgrave Road, 4062)

FORWARD-LOOKING STATEMENTS

This Circular contains statements about the Reunert Group 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 industries in which the Reunert Group operates; 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, estimates of capital expenditures, acquisition strategy, or future capital expenditure levels.

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. Reunert cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industries in which the Reunert Group 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, all of which estimates and assumptions, although Reunert may consider them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Many factors (including factors not yet known to the Reunert Group, or not currently considered material), could cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those estimates, statements or assumptions.

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 may emerge from time to time that could cause the business of the Reunert Group or other matters to which such forward-looking statements relate, not to develop as expected 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. Reunert 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 statements have not been reviewed nor reported on by the Independent Reporting Accountant and the Independent Auditor.

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ACTION REQUIRED BY REUNERT SHAREHOLDERS

The definitions and interpretations commencing on page 6 of this Circular apply to this section, unless otherwise stated or the context so requires.

Please take careful note of the following provisions regarding the actions required by Reunert Shareholders.

If you are in any doubt as to what action you should take, please consult your Broker, Participant, banker, accountant, attorney or other professional advisor immediately.

In order for the Proposed BEE Transaction to be implemented, among other things, the Resolutions must be adopted at the General Meeting by Reunert Shareholders.

The Board is in support of the Proposed BEE Transaction and recommends that Reunert Shareholders vote in favour of the Resolutions.

A. VOTING, ATTENDANCE AND REPRESENTATION AT THE GENERAL MEETING

As provided for in terms of sections 61(10) and 63(2) of the Companies Act, the General Meeting will be held entirely through the use of an interactive electronic platform **at 09:00 on Tuesday, 15 February 2022** in order to consider and, if deemed fit, pass, with or without modification, the Resolutions. The electronic platform will allow Reunert Shareholders or their proxies, registered in accordance with the instructions set out in the Notice of General Meeting, to participate in and exercise their voting rights at the General Meeting.

If you are a Dematerialised Shareholder with “own name” registration or a Certificated Shareholder, you may:

- attend the General Meeting by completing the General Meeting Electronic Participation Form, attached to the Notice of General Meeting and utilising the link that will be provided to you by TMS; or
- appoint a proxy or proxies to represent you at the General Meeting and to participate and vote in your stead by completing the enclosed Form of Proxy (*blue*) in accordance with the instructions set out therein.

If you are a Dematerialised Shareholder without “own name” registration you must NOT complete the Form of Proxy (*blue*) but:

- if you wish to attend and vote at the General Meeting, or to appoint a proxy to attend and vote in your stead, you must obtain the requisite letter of representation from your Broker, Participant or nominee, as the case may be and complete the General Meeting Electronic Participation Form attached to the Notice of General Meeting; or
- if you do not wish to attend or vote at the General Meeting, but would like your vote to be recorded, you should contact your Broker, Participant or nominee and furnish them with your voting instructions (you must verify the cut-off date for the submission of voting instructions directly with your Broker, Participant or nominee).

Submission of Forms of Proxy (*blue*) and/or General Meeting Electronic Participation Forms

Each Reunert Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy or proxies to participate and vote in his/her stead. In this regard, Reunert Shareholders are referred to the Form of Proxy (*blue*). A proxy need not be a Reunert Shareholder.

The Form of Proxy (*blue*) and the General Meeting Electronic Participation Form are attached to the Notice of General Meeting. Reunert Shareholders are requested to forward completed Forms of Proxy (*blue*) and/or General Meeting Electronic Participation Forms to TMS to be received by no later than **09:00 on Friday, 11 February 2022** in order to allow sufficient time for the verification and collation of the information.

Forms of Proxy (*blue*) and/or General Meeting Electronic Participation Forms that reach TMS after 09:00 on Friday, 11 February 2022, but before the scheduled date and time of the General Meeting, being 09:00 on Tuesday, 15 February 2022 will, however, be taken into account at the General Meeting.

Forms of Proxy (*blue*) and/or General Meeting Electronic Participation Forms can be submitted in any of the ways below:

Emails (preferred):	Hand deliveries to:	Postal deliveries to:
proxy@TMSmeetings.co.za	The Meeting Specialist (Proprietary) Limited JSE Building One Exchange Square Gwen Lane Sandown 2196	The Meeting Specialist (Proprietary) Limited PO Box 62043 Marshalltown 2107

B. GENERAL

1. Dematerialisation or rematerialisation of, and trading in, Reunert Shares

If you wish to Dematerialise your Reunert Shares, please contact the Share Transfer Secretaries or your Broker or Participant. Reunert Shareholders should note that it will take between 1 (one) and 10 (ten) Business Days to Dematerialise your Reunert Shares through the Share Transfer Secretaries or your Broker or Participant.

No Dematerialisation or rematerialisation of Reunert Shares by Reunert Shareholders may take place from the Business Day following the General Meeting LDT up to and including the General Meeting Record Date.

2. Other

The contents of this Circular do not purport to constitute legal, financial or other advice or to deal comprehensively with the legal, regulatory and tax implications of the Proposed BEE Transaction for each Reunert Shareholder. Reunert Shareholders are accordingly advised to consult their professional advisors about their personal, legal, regulatory and tax positions regarding the Proposed BEE Transaction.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 6 of this Circular apply to this section, unless otherwise stated or the context so requires.

EVENT^{1,2}

Record date to determine which Reunert Shareholders are entitled to receive this Circular, on	Friday, 10 December 2021
Publication of this Circular to Reunert Shareholders, on	Tuesday, 21 December 2021
Notice of publication of this Circular published on SENS, on	Tuesday, 21 December 2021
General Meeting LDT, being the last day to trade in Reunert Shares in order to be recorded in the Register and thereby be eligible to attend, speak and vote (or abstain from voting) at the General Meeting, on ^{3,4}	Tuesday, 1 February 2022
General Meeting Record Date, being the date on which a Reunert Shareholder must be recorded in the Register to be eligible to attend, speak and vote (or abstain from voting) at the General Meeting, on	Friday, 4 February 2022
Form of Proxy (<i>blue</i>) and/or the General Meeting Electronic Participation Form to be lodged with TMS by 09:00, on ^{6,7}	Friday, 11 February 2022
General Meeting to be held at 09:00, on	Tuesday, 15 February 2022
Results of the General Meeting published on SENS, on	Tuesday, 15 February 2022

Notes:

1. The dates and times set out in this Circular are subject to change, with approval of the JSE, if required. Any change will be published on SENS.
2. All times given in this Circular are in South African Standard Time, unless otherwise stated.
3. Reunert Shareholders should note that, since trades in Reunert Shares are settled by way of the electronic settlement system used by Strate, settlement of trades will take place 3 (three) Business Days after the date of a trade. Therefore, persons who acquire Reunert Shares after the General Meeting LDT, being, Tuesday, 1 February 2022, will not be entitled to attend, speak or vote (or abstain from voting) at the General Meeting.
4. No Dematerialisation or rematerialisation of Reunert Shares by Reunert Shareholders may take place on or after the Business Day following the General Meeting LDT until the General Meeting Record Date.
5. Dematerialised Shareholders, other than those with "own name" registration, must provide their Broker or Participant with their instructions for voting at the General Meeting by the cut-off date and time stipulated by their Broker or Participant in terms of their respective Custody Agreements.
6. Any General Meeting Electronic Participation Forms that reach TMS after 09:00 on Friday, 11 February 2022, but before the scheduled date and time of the General Meeting will be taken into account at the General Meeting.
7. If the General Meeting is adjourned or postponed, the Forms of Proxy (*blue*) and/or the General Meeting Electronic Participation Forms submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless otherwise stated or the context requires otherwise the words and expressions in the first column have the meanings assigned to them in the second column:

“Bahedile Trust”	the Bahedile Trust, a trust registered in accordance with the Laws of South Africa, with Master’s reference number IT 1588/06, being an <i>inter vivos</i> trust established by Advocate Noluthando Dorian Bahedile Orleyn pursuant to the Original BEE Transaction for the purposes of holding her and her family’s interest in Rebatona;
“Bargenel”	Bargenel Investments Proprietary Limited, a private company registered in accordance with the Laws of South Africa under registration number: 1971/011041/07, being a wholly-owned Subsidiary of Rebatona;
“Bargenel A Preference Dividends”	preference dividends payable to a holder of a Bargenel A Preference Share;
“Bargenel A Preference Shares”	‘A’ redeemable preference shares in Bargenel, having the rights and conditions set out in Bargenel’s memorandum of incorporation;
“Bargenel Arrear Preference Dividends”	the arrear preference dividends in respect of the Bargenel A Preference Shares as at the Transaction Implementation Agreement Effective Date, arising pursuant to the terms of the Bargenel A Preference Shares as set out in Bargenel’s memorandum of incorporation;
“Bargenel Ordinary Shares”	ordinary shares in Bargenel, having the rights and conditions set out in Bargenel’s memorandum of incorporation;
“Bargenel Pledge”	the agreement of pledge entered into between Reunert and Bargenel pursuant to the terms of the Transaction Implementation Agreement, which pledge agreement will be available for inspection in terms of paragraph 21 of this Circular;
“Bargenel Special Preference Share”	the special redeemable preference share of R1.00 in Bargenel, having the rights and conditions set out in Bargenel’s memorandum of incorporation;
“Bargenel Special Preference Shareholder”	the holder of the Bargenel Special Preference Share for the time being and from time to time, which shall, as at the Transaction Effective Date, be Reunert;
“BEE”	broad-based black economic empowerment, as contemplated in the BEE Act and the Codes;
“BEE Act”	the Broad-Based Black Economic Empowerment Act, No. 53 of 2003 and any regulations promulgated thereunder (as amended from time to time);
“BEE Benefit”	any benefit enjoyed or exploited or capable of being enjoyed or exploited by Reunert in consequence of: <ul style="list-style-type: none">• the number of Ownership Points earned by it;• the holding by Bargenel of Reunert Shares;• the holding by Rebatona of all of the Bargenel Ordinary Shares;• the holding by Black Persons of any direct or indirect interest in the Reunert Shares;
“BEE Event”	any amendment, modification, replacement or novation of the Codes or the coming into effect of any of the Laws of South Africa or any action of any Relevant Authority or any action of Bargenel, Rebatona, the Rebatona Trust or the ESOP, which occurs at any time during the Term and which results or is reasonably likely to result in any loss or diminution by Reunert of any BEE Benefit enjoyed immediately prior to the occurrence of the event in question;
“Beneficiary”	a Qualifying Employee who is appointed as a beneficiary of the ESOP by virtue of his or her allocation of Units and continues to satisfy the employment requirements in terms of the ESOP Trust Deed, and “Beneficiaries” shall have a corresponding meaning;
“Black Person”	a black person as defined under the BEE Act (as read with the Codes);
“Board” or “Directors”	the board of directors of the Reunert as at the Last Practicable Date, whose names are set out on page 12 of this Circular, or any one of them, as the context may require;
“Broker”	a “stockbroker” as defined in the Financial Markets Act;
“Business Day”	any day other than a Saturday, Sunday or public holiday in South Africa;
“Cache Trust”	the Cache Trust, a trust registered in accordance with the Laws of South Africa, with Master’s reference number IT 14798/06, being an <i>inter vivos</i> trust established by Cheryl Ann Carolus for her benefit pursuant to the Original BEE Transaction for the purposes of holding her and her family’s interest in Rebatona, the trustees of which are Cheryl Ann Carolus and Advocate Noluthando Dorian Bahedile Orleyn;

“Certificated Shareholder”	holders of Reunert Shares that have not been Dematerialised and are represented by share certificates;
“CIPC”	the Companies and Intellectual Property Commission, established in terms of section 185 of the Companies Act;
“Circular”	this circular to Reunert Shareholders, dated Tuesday, 21 December 2021, issued by Reunert, including all annexures hereto and incorporating the Notice of General Meeting, the Form of Proxy (<i>blue</i>) and the General Meeting Electronic Participation Form;
“Codes”	the Codes of Good Practice on BEE published by the Minister of Trade and Industry in terms of the BEE Act under Government Notice 1019 in Government Gazette 36928 of 11 October 2013, as amended or any Legislation on BEE which replaces it;
“Companies Act”	the Companies Act, No. 71 of 2008, as amended from time to time;
“Custody Agreement”	a custody mandate agreement between a Dematerialised Shareholder and a Broker or Participant, regulating their relationship in respect of Dematerialised Shares held on Reunert’s uncertificated securities register administered by a Broker or Participant on behalf of such Dematerialised Shareholder;
“Dematerialise” or “Dematerialisation” or “Dematerialised”	the process by which securities which are evidenced by a certificate are converted to securities that are held in collective custody by a Participant or its nominee in a separate central securities account and are transferable by entry without a certificate or written instrument;
“Dematerialised Shareholders”	holders of Dematerialised Shares;
“Dematerialised Shares”	Reunert Shares that have been Dematerialised;
“ESOP”	a trust to be established by Reunert, to be called The Reunert Employee Share Ownership Trust, for purposes of empowering employees of Reunert and certain Reunert Subsidiaries, as constituted in terms of the ESOP Trust Deed;
“ESOP Contributions”	the establishment and funding of the ESOP by Reunert as contemplated in paragraphs 5.3.1.2 and 6.9.3 of this Circular;
“ESOP Pledge”	the agreement of pledge entered into between the trustees, for the time being, of the ESOP, Reunert and Rebatona pursuant to the terms of the Transaction Implementation Agreement, which pledge agreement will be available for inspection in terms of paragraph 21 of this Circular;
“ESOP Trust Deed”	the trust deed of the ESOP, entered into between Reunert, Rebatona and the first ESOP trustee, being Mohini Moodley, an executive Director, dated 6 December 2021, as amended from time to time;
“Excluded Subsidiary”	any Reunert Subsidiary that is incorporated or registered outside South Africa and any company in which Reunert directly or indirectly holds 50% or more of the issued shares, but is not entitled to appoint (whether due to the provisions of the company’s memorandum of incorporation, any shareholders agreement related to that company, or otherwise) a majority of the directors of that company or directors who are able to exercise a majority of the votes at meetings of the directors of that company;
“Financial Assistance”	the financial assistance, as contemplated in section 44 of the Companies Act, to be provided by Reunert to Bargenel in the form of a subscription by Reunert for 278 176 Bargenel A Preference Shares, for an aggregate subscription price of R278 176 000, as described in paragraph 4.2.6 of this Circular, which subscription will be upon the terms and subject to the conditions of the Transaction Implementation Agreement;
“Financial Markets Act”	the Financial Markets Act, No. 19 of 2012, as amended from time to time;
“Form of Proxy”	the Form of Proxy (<i>blue</i>) incorporated into this Circular for use by Certificated Shareholders and Dematerialised Shareholders with “ <i>own name</i> ” registration only, for purposes of appointing a proxy to represent such Reunert Shareholder at the General Meeting;
“General Meeting”	the general meeting of Reunert Shareholders to be held entirely through the use of an interactive electronic platform at 09:00 on Tuesday, 15 February 2022 , in order to consider and if deemed fit, pass, with or without modification, the Resolutions;
“General Meeting Electronic Participation Form”	the application form, incorporated into this Circular, to be completed by Reunert Shareholders who wish to participate in the General Meeting by way of electronic participation;
“General Meeting LDT”	the last day to trade in Reunert Shares in order to be recorded in the Register on the General Meeting Record Date;
“General Meeting Record Date”	the date on which a Reunert Shareholder must be recorded in the Register in order to be eligible to attend, speak and vote (or abstain from voting) at the General Meeting;

“Independent Auditor” or “Deloitte” or “Independent Reporting Accountant”	Deloitte & Touche South Africa (IRBA practise number: 902276), a professional partnership established in accordance with the Laws of South Africa;
“Independent Expert”	BDO Corporate Finance Proprietary Limited, a private company registered in accordance with the Laws of South Africa under registration number: 1983/002903/07;
“IFRS”	International Financial Reporting Standards;
“Independent Expert Report”	<p>the report prepared by the Independent Expert, in accordance with schedule 5 of the JSE Listings Requirements, providing Reunert Shareholders with the opinions of the Independent Expert in respect of:</p> <ul style="list-style-type: none"> • the Restructure of the Original BEE Transaction in terms of paragraph 10.7(b) of the JSE Listings Requirements; • the ESOP Contributions in terms of paragraph 10.7(b) of the JSE Listings Requirements; and • the Specific Issue of Reunert Shares in terms of paragraph 5.51(f) of the JSE Listings Requirements as read with the JSE Guidance Letter, dated 11 November 2010;
“JSE”	JSE Limited, a public company registered in accordance with the Laws of South Africa under registration number: 2005/022939/06 and licensed to operate an exchange under the Financial Markets Act, or the securities exchange operated by the JSE Limited, as the context may require;
“JSE Listings Requirements”	the listings requirements issued by the JSE under the Financial Markets Act to be observed by issuers listed on the JSE, being the JSE Limited Listings Requirements, as amended from time to time;
“Julopro”	Julopro Proprietary Limited, a private company registered in accordance with the Laws of South Africa under registration number: 2016/276660/07, being a wholly-owned Reunert Subsidiary;
“Last Practicable Date”	Thursday, 18 November 2021, being the last practicable date prior to the finalisation of this Circular;
“Laws of South Africa”	the common law, all Legislation, and all judicial decisions, notifications, or other similar directives made pursuant thereto having the force of law in South Africa, issued by any executive, legislative, judicial, administrative or regulatory entity, as any of them may be amended from time to time;
“Legislation”	all applicable statutes, statutory instruments, by-laws, regulations, orders, rules, executive orders and other secondary, provincial or local legislation, treaties, directives and codes of practice, having the force of law in South Africa;
“Lock-in Period”	<p>the period commencing on the Transaction Effective Date and terminating on the later of:</p> <ul style="list-style-type: none"> • the date on which the last of the Bargenel A Preference Shares is redeemed; and • the 10 (tenth) anniversary of the Transaction Effective Date, <p>notwithstanding any amendment, modification or repeal of any Legislation;</p>
“Long-stop Date”	Wednesday, 31 August 2022 (which date may, in terms of the Transaction Implementation Agreement, be extended on one or more occasions by the Transaction Implementation Agreement Parties);
“Neapaugra Trust”	the Neapaugra Trust, a trust registered in accordance with the Laws of South Africa, with Master’s reference number No IT13731/06, being an <i>inter vivos</i> trust established by Wendy Elizabeth Lucas-Bull pursuant to the Original BEE Transaction for the purposes holding her and her family’s interest in Rebatona, the trustees of which are Wendy Elizabeth Lucas-Bull, Clive Anthony Lucas-Bull and Baraza Legacy Proprietary Limited (represented by Angelique Visser);
“New Bargenel MOI”	the memorandum of incorporation to be adopted by Bargenel in terms of the Transaction Implementation Agreement, which memorandum of incorporation will be substantially in accordance with the memorandum of incorporation available for inspection in terms of paragraph 21 of this Circular;
“New Rebatona MOI”	the new memorandum of incorporation to be adopted by Rebatona in terms of the Transaction Implementation Agreement, which memorandum of incorporation will be substantially in accordance with the memorandum of incorporation available for inspection in terms of paragraph 21 of this Circular;
“Notice of General Meeting”	the notice convening the General Meeting, incorporated into this Circular;

“Original BEE Transaction”	the BEE transaction implemented by Reunert in 2007 to introduce BEE shareholding in Reunert, which resulted in approximately 9.5% of the Reunert Shares being indirectly held by the Peotona Parties and the Rebatona Trust;
“Ownership Points”	the ownership points capable of being earned from time to time in terms of the general ownership scorecard for the measurement of the ownership element of BEE contained in the Codes;
“Participant”	has the meaning given to it in the Financial Markets Act, being a person authorised by a licensed central securities depository to perform custody and administration services or settlement services or both in terms of the central depository rules;
“Peotona Parties”	the Bahedile Trust, the Cache Trust, the Neapaugra Trust and the Selemo Trust, collectively or individually as the context may require;
“Peotona Parties Exit”	the repurchase by Rebatona of the Rebatona Ordinary Shares held by the Peotona Parties, which shares represented 30% of the Rebatona Ordinary Shares in issue immediately prior to the repurchase, as more fully described in paragraph 3.2 of this Circular;
“Pledge Agreements”	the Rebatona Pledge, the Bargenel Pledge, the Rebatona Trust Pledge and the ESOP Pledge, collectively or individually as the context may require;
“Proposed BEE Transaction”	the proposed transaction described in Section C of this Circular, entailing: (i) the Restructure of the Original BEE Transaction; (ii) the Specific Issue of Reunert Shares; (iii) the Financial Assistance; and (iv) the ESOP Contributions;
“Qualifying Employees”	all full time, permanent employees of the Reunert Group (other than Excluded Subsidiaries) as at the Transaction Effective Date, but specifically excluding (i) non-executive directors, (ii) all employees who are participants in any of the long-term incentive schemes in place at the Reunert Group; and (iii) executive directors and employees participating in any of the short-term incentive schemes in place at the Reunert Group;
“Rand or R”	South African Rand and cents, the official lawful currency of South Africa;
“Rebatona”	Rebatona Investment Holdings Proprietary Limited, a private company registered in accordance with the Laws of South Africa under registration number: 2006/031544/07, the ordinary shareholders of which were, as at the Last Practicable Date, the Rebatona Trust and the Peotona Parties, as detailed in paragraph 3.1.5 of this Circular;
“Rebatona Acquisition of Shares Agreement”	the acquisition of shares agreement entered into between Reunert, Rebatona, the Peotona Parties, Peotona Group Holdings Proprietary Limited, the Rebatona Trust, Advocate Noluthando Dorian Bahedile Orleyn and Cheryl Ann Carolus, dated 5 December 2021, for, among other things, the acquisition by Rebatona of the Rebatona Ordinary Shares held by the Peotona Parties;
“Rebatona Ordinary Shares”	ordinary shares in Rebatona, having the rights and conditions set out in Rebatona’s memorandum of incorporation;
“Rebatona Pledge”	the agreement of pledge entered into between Reunert, Rebatona and Bargenel pursuant to the terms of the Transaction Implementation Agreement, which pledge agreement will be available for inspection in terms of paragraph 21 of this Circular;
“Rebatona Special Preference Share”	the special redeemable preference share of R1.00 in Rebatona, having the rights and conditions set out in Rebatona’s memorandum of incorporation;
“Rebatona Special Preference Shareholder”	the holder of the Rebatona Special Preference Share for the time being and from time to time, which shall, as at the Transaction Effective Date, be Reunert;
“Rebatona Trust”	the Rebatona Educational Trust, a trust registered in accordance with the Laws of South Africa, with Master’s reference number IT 13897/06, for the purpose of empowering black female youth to obtain meaningful permanent employment and/or succeed in business. Its trustees are Mohini Moodley, Karen Louw, Bhekuyise Vusumuzi Atwell Mhlongo, Cheryl Ann Carolus and Advocate Noluthando Dorian Bahedile Orleyn;
“Rebatona Trust Pledge”	the agreement of pledge entered into between the Rebatona Trust, Reunert and Rebatona pursuant to the terms of the Transaction Implementation Agreement, which pledge agreement will be available for inspection in terms of paragraph 21 of this Circular;
“Register”	the securities register of Reunert, including the register of Certificated Shareholders maintained by the Share Transfer Secretaries and the sub-registers of Reunert Shareholders who hold Dematerialised Shares maintained by the relevant Participants, in accordance with sections 50(1) and 50(3) of the Companies Act, collectively or individually as the context may require;
“Relationship Agreement”	the relationship agreement signed by the Relationship Agreement Parties (with the exception of the ESOP which can only do so once its Letters of Authority have been issued by the Master of the High Court) pursuant to the terms of the Transaction Implementation Agreement, which will be available for inspection in terms of paragraph 21 of this Circular;

“Relationship Agreement Parties”	Reunert, Bargenel, Rebatona, the ESOP and the Rebatona Trust;
“Relationship Agreement Term” or “Term”	the period commencing on the Transaction Effective Date and terminating on the later of: <ul style="list-style-type: none"> • the end of the Lock-in Period; and • the date on which it is no longer necessary for (a) Rebatona as a Black Person to retain any Bargenel Ordinary Shares; or (b) a Black Person to hold any interest in Rebatona, in each case, in order for Reunert to enjoy or exploit any BEE Benefit;
“Relevant Authority”	the Government of South Africa or any ministry, department, agency, authority or body of the Government of South Africa or any provincial or local agency, authority or body established by Legislation;
“Resolutions”	the resolutions to be proposed to Reunert Shareholders at the General Meeting for the approval of, <i>inter alia</i> , the Specific Issue of Reunert Shares and the Financial Assistance, as set out in the Notice of General Meeting;
“Restructure of the Original BEE Transaction”	the restructure of the Original BEE Transaction, as contemplated in the transaction steps described in paragraphs 4.2.2, 4.2.3 and 4.2.4 of this Circular;
“Reunert” or the “Company”	Reunert Limited, a public company registered in accordance with the Laws of South Africa under registration number: 1913/004355/06;
“Reunert Group” or the “Group”	Reunert and its Subsidiaries from time to time;
“Reunert MOI”	the memorandum of incorporation of Reunert;
“Reunert Shareholders” or “Shareholders”	holders of one or more Reunert Shares;
“Reunert Shares”	ordinary shares in Reunert, having the rights and limitations set out in the Reunert MOI, all of which are listed on the JSE;
“Reunert Subsidiaries” or “Subsidiaries”	a company which is a “subsidiary” as defined in section 1 of the Companies Act, including a corporation which would be a “subsidiary” as defined in section 1 of the Companies Act had it been incorporated under the Companies Act;
“Rights of Ownership”	has the meaning given to it in the Codes;
“Selemo Trust”	the Selemo Family Trust, a trust registered in accordance with the Laws of South Africa, with Master’s reference number No IT1576/06, being an <i>inter vivos</i> trust established by the late Dolly Doreen Mokgatle pursuant to the Original BEE Transaction for the purposes holding her estate’s and her family’s interest in Rebatona, the trustee of which is Advocate Noluthando Dorian Bahedile Orleyn;
“SENS”	the Stock Exchange News Service operated by the JSE;
“Share Transfer Secretaries”	Computershare Investor Services Proprietary Limited, a private company registered in accordance with Laws of South Africa under registration number: 2004/003647/07;
“South Africa”	the Republic of South Africa;
“Specific Issue of Reunert Shares”	the acquisition of 5 549 076 Reunert Shares by Bargenel from Julopro, for a total purchase consideration of R278.2 million (representing an amount of R50.13 per Reunert Share, being the 30-day VWAP up to and including Friday, 5 November 2021, being the date on which the price per Reunert Share was concluded), as described in paragraph 4.2.5 of this Circular, which acquisition will be upon the terms and subject to the conditions of the Transaction Implementation Agreement;
“Strate”	Strate Proprietary Limited, a private company registered in accordance with the Laws of South Africa under registration number: 1998/022242/06 which is a registered as a central securities depository, under the Financial Markets Act, responsible for the electronic clearing and settlement system for transactions that take place on the JSE and off-market trades;
“Taxes”	include all present and future taxes, charges, imposts, duties, levies, deductions, withholdings or fees of any kind whatsoever, or any amount payable on account of or as security for any of the forgoing, by whomsoever and whenever imposed, levied, collected, withheld or assessed, together with any penalties, additions, fines, surcharges or interest relating thereto, and “Taxation” or “Tax” shall be construed accordingly;
“TMS” or “The Meeting Specialist”	The Meeting Specialist Proprietary Limited, a private company registered in accordance with the Laws of South Africa under registration number: 2017/287419/07;
“Transaction Effective Date”	the date on which the last of the transaction steps contemplated in the Transaction Implementation Agreement, as summarised in paragraph 4.2 of this Circular, is implemented;

“Transaction Implementation Agreement”	the transaction implementation agreement entered into between the Transaction Implementation Agreement Parties, dated 6 December 2021 which transaction implementation agreement will be available for inspection in terms of paragraph 21 of this Circular;
“Transaction Implementation Agreement Effective Date”	the first day of the month following the month in which the last of the Transaction Implementation Agreement suspensive conditions (as set out in paragraph 4.3 of this Circular) is fulfilled or, where applicable, waived, or such other date as the Transaction Implementation Agreement Parties may agree in writing;
“Transaction Implementation Agreement Parties”	the parties to the Transaction Implementation Agreement, being Reunert, Bargenel, Rebatona, Julopro, the Rebatona Trust and, following the fulfillment of the suspensive condition set out in paragraph 4.3.1 of this Circular, the ESOP;
“Unit”	a notional unit granted by the ESOP to a Qualifying Employee, which establishes a Beneficiary’s interest/rights in the ESOP in accordance with the terms of the ESOP Trust Deed;
“Unit Reference Price”	R50.13, being the 30-day VWAP up to and including Friday, 5 November 2021, subject to any change to such price following an adjustment by Reunert (as the founder of the ESOP) in terms of the ESOP Trust Deed as a result of any capitalisation issue, an offer or invitation made by way of rights offer, a subdivision, a consolidation or a reduction to the share capital of Reunert; and
“VWAP”	the volume weighted average price of a Reunert Share as quoted on the JSE.

The following shall apply throughout this Circular, unless the context clearly provides otherwise:

1. headings are to be ignored when construing this Circular;
2. words in the singular shall include the plural and *vice versa*, words denoting one gender include the other and expressions denoting natural persons include juristic persons or other entities whether or not having separate legal personality and *vice versa*;
3. any reference to a time of day is a reference to South African Standard Time;
4. a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified, replaced or re-enacted;
5. a reference to any agreement or document referred to in this Circular is a reference to that agreement or document as amended, revised, restated, varied, novated or supplemented from time to time;
6. unless otherwise specified, any reference to a paragraph, page or annexure is a reference to a paragraph, page or annexure of this Circular;
7. unless otherwise specified, where any number of days is prescribed, those days shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a day which is not a Business Day, in which event the last day shall be the succeeding Business Day;
8. the use of the word including, include/s, in particular or any similar such word followed by a specific example/s shall not be construed as limiting the meaning of the general wording preceding it and the *eiusdem generis* rule shall not be applied in the interpretation of such general wording or such specific example/s; and
9. references to laws or statute or any similar such word shall be deemed to include the JSE Listings Requirements.

REUNERT

R E U N E R T L I M I T E D

(Incorporated in the Republic of South Africa)

(Registration number: 1913/004355/06)

ISIN: ZAE000057428

Share code: RLO

("Reunert" or the "Company")

CIRCULAR TO REUNERT SHAREHOLDERS

Directors of Reunert

Non-executive Directors

*AB Darko**

*JP Hulley**

*LP Fourie**

*MJ Husain**

Adv. NDB Orleyn

*S Martin**

*SD Jagoe**

*T Abdool-Samad**

*TS Munday**

*Dr. TM Matshoba-Ramuedzisi**

**Independent*

Executive Directors

AE Dickson (Reunert Group Chief Executive Officer)

M Moodley (Reunert Group Human Resources and Transformation Executive Director)

NA Thomson (Reunert Group Chief Financial Officer)

SECTION A: INTRODUCTION

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

- 1.1 Reunert Shareholders are referred to the announcement published by Reunert on SENS on Tuesday, 23 November 2021 detailing the terms of the Proposed BEE Transaction including, *inter alia*, the Specific Issue of Reunert Shares, the Financial Assistance, the Restructure of the Original BEE Transaction and the ESOP Contributions.
- 1.2 Each of the Specific Issue of Reunert Shares and the Financial Assistance are subject to Reunert Shareholders' approval.
- 1.3 The Restructure of the Original BEE Transaction and the ESOP Contributions, being categorised as small related party transactions, in terms of paragraph 10.7 of the JSE Listings Requirements are not subject to Reunert Shareholders' approval as these transactions are fair in so far as Reunert Shareholders are concerned, as confirmed by the Independent Expert.
- 1.4 The purpose of this Circular is to:
 - 1.4.1 provide Reunert Shareholders with relevant information in respect of:
 - 1.4.1.1 the Proposed BEE Transaction including its terms and conditions in order for Reunert Shareholders to make an informed decision as to how they wish to exercise their votes in respect of the Resolutions;
 - 1.4.1.2 Reunert and the parties involved in the Proposed BEE Transaction;
 - 1.4.1.3 the Independent Expert Report and the opinions contained therein in respect of the Proposed BEE Transaction prepared in terms of paragraph 5.51(f) of the JSE Listings Requirements, as read with the JSE Guidance Letter dated 11 November 2010, and paragraph 10.7 of the JSE Listings Requirements; and
 - 1.4.1.4 the Board's view and opinion in respect of the Proposed BEE Transaction, specifically the Specific Issue of Reunert Shares; and
 - 1.4.2 convene the General Meeting, to consider and, if deemed fit, pass (with or without modification) the Resolutions.

2. INFORMATION REGARDING REUNERT GROUP

2.1 Reunert Group overview

2.1.1 Nature of business

2.1.1.1 The Reunert businesses comprise of the Electrical Engineering (“**EE**”), Information and Communications Technology (“**ICT**”) and Applied Electronics (“**AE**”) segments. Reunert was founded in 1888 and listed on the JSE in 1948 in the JSE Industrial Goods and Services (Electronic and Electrical Equipment) sector and is a constituent of the FTSE/JSE Responsible Investment Index.

2.1.1.2 Reunert’s business units are defined by their core competencies, technology, products, services, markets and customer segmentation. Reunert primarily operates in South Africa and has a permanent presence in Australia, Lesotho, Southern Asia, the USA, Zambia and Zimbabwe. Through distributor partners, it also exports to Europe and other countries in Asia.

2.2 Brief descriptions of the primary business segments are set out below:

2.2.1 The EE segment designs and manufactures a complete range of power cable designs and copper and optical fibre telecommunication cables, and manufactures low-voltage distribution, protection and control equipment. Its markets include municipalities, state-owned entities (“**SOEs**”), utilities and the mining and building industries.

2.2.2 The ICT segment provides the largest independent next generation fixed line voice and wireless network in South Africa; offers total workspace solutions through its Nashua franchise channel; provides rental-based finance solutions to the ICT segment; and provides digital consulting, cloud, data and security services. The market comprises corporate and retail customers, small to medium-sized enterprises, government and SOEs.

2.2.3 The AE segment specialises in the design and manufacture of secure and encrypted communication systems, electronic fuzes, radar systems and provides renewable energy and storage solutions. It also supplies system engineering and logistic support services in the telecommunications, radar, satellite, mining, fare management and transportation fields. Markets include local and international defence forces, municipalities, SOEs, government, mining houses and corporates.

2.3 Prospects

2.3.1 Reunert expects the South African macro-economic conditions to continue to steadily improve during 2022. Accordingly, the Reunert Group’s EE and ICT segments should experience moderately improved market demand on the back of accelerating renewable energy infrastructure investment and the improvement in the South African economy. The strength of the underlying businesses in these two segments position them well to continue to grow in such an economic environment.

2.3.2 Due to the relaxation in international travel restrictions, prior to the advent of the Omicron variant of COVID-19, the Reunert Group’s AE segment has secured new export orders and this should support an improved segment performance.

2.3.3 The Reunert Group’s first half of the financial year ending 30 September 2022 is likely to face some pressure from the:

2.3.3.1 impact of the union strike action in October 2021 on the EE segment; and

2.3.3.2 time taken to acquire all of the production requirements for new export orders in the AE segment before revenue is earned.

These impacts are both temporary and unlikely to affect the expected full year performance of the Reunert Group.

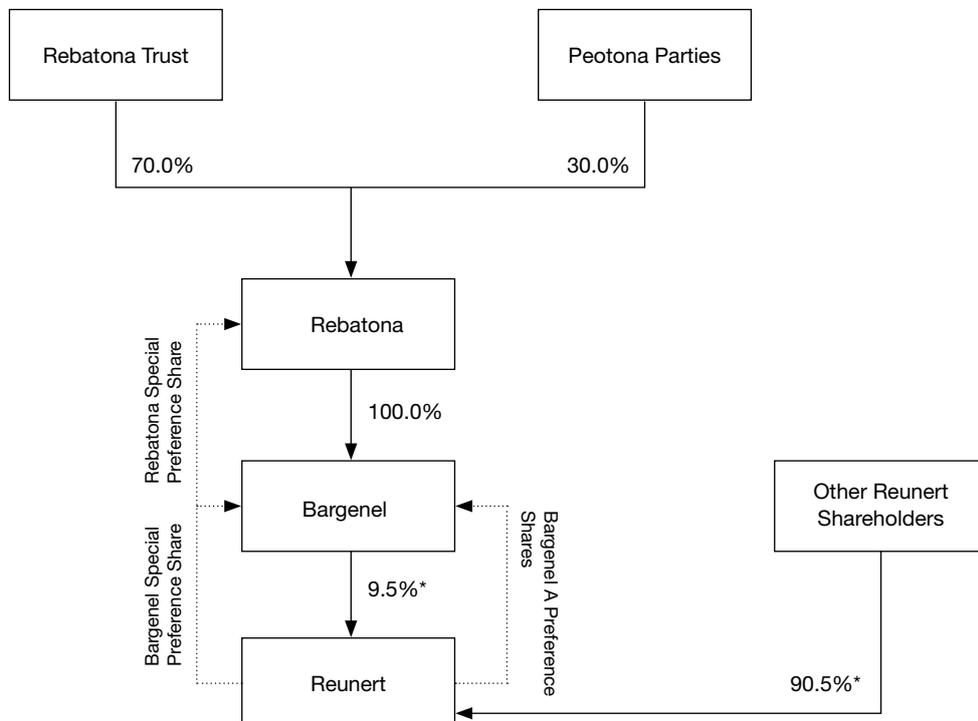
2.3.4 While recognising that challenges and uncertainty due to the COVID-19 pandemic and global supply chain constraints remain, the Reunert Group’s key growth markets of renewable energy, exports and its Solutions and Systems Integration cluster all continue to represent a strong underpin to the Reunert Group’s growth aspirations.

SECTION B: THE ORIGINAL BEE TRANSACTION

3. THE ORIGINAL BEE TRANSACTION

3.1 Background and rationale for the Proposed BEE Transaction

- 3.1.1 Reunert is committed to the South African government's BEE initiatives and has over the years successfully introduced Black Persons as shareholders into many of its operating companies, the details of which were disclosed in the previous integrated reports to Shareholders. As part of its BEE strategy, Reunert embraces inclusive growth through its commitment to the empowerment of black female youth through its longstanding association with, and support of, the Rebatona Trust.
- 3.1.2 In 2007, Reunert implemented the Original BEE Transaction to introduce BEE shareholding at the Reunert level, which resulted in approximately 9.5% of the then Reunert Shares being indirectly held by the Peotona Parties and the Rebatona Trust.
- 3.1.3 The Peotona Parties are *inter vivos* trusts that were established for the benefit of Advocate Noluthando Dorian Bahedile Orleyn, Cheryl Ann Carolus, Wendy Elizabeth Lucas-Bull and the late Dolly Doreen Mokgatle and their families. The Rebatona Trust is a trust founded by Reunert as a broad-based ownership scheme, which provides an opportunity for previously disadvantaged black female youth to obtain (i) further education and training in, among others, the areas of mathematics, science, English and accounting; (ii) tertiary education; and (iii) training and the necessary skills development, thereby empowering them to meaningfully participate in the economy by gaining employment and ultimately succeeding in business.
- 3.1.4 In summary, the Original BEE Transaction involved:
- 3.1.4.1 a restructuring of Bargenel, then a wholly-owned subsidiary of Reunert, which restructuring included, *inter alia*, the issue by Bargenel of 1 112 405 Bargenel A Preference Shares to Reunert for an amount of R1 112.4 million to effectively fund the Original BEE Transaction;
 - 3.1.4.2 the issue by Bargenel of the Bargenel Special Preference Share to Reunert and the issue by Rebatona of the Rebatona Special Preference Share to Reunert, to protect Reunert's interest in the empowerment benefit resulting from the Original BEE Transaction;
 - 3.1.4.3 the sale by Reunert of all of the Bargenel Ordinary Shares (which, in turn, held 18 500 000 Reunert Shares) to Rebatona; and
 - 3.1.4.4 the issue of Rebatona Ordinary Shares to the Peotona Parties and the Rebatona Trust.
- 3.1.5 The structure created pursuant to the Original BEE Transaction is illustrated below:



* The percentage holdings of Reunert Shares reflected in the diagram above are based on the number of Reunert Shares in issue immediately following the implementation of the Original BEE Transaction.

- 3.1.6 Pursuant to the Original BEE Transaction, Rebatona, Bargenel, the Peotona Parties, Advocate Noluthando Dorian Bahedile Orleyn, Cheryl Ann Carolus, Wendy Elizabeth Lucas-Bull and the late Dolly Doreen Mokgatle (among others) entered into a relationship agreement with Reunert, dated 7 February 2007, for the purposes of, among other things, regulating the relationship between Reunert and Rebatona as preference and ordinary shareholders of Bargenel, respectively, and to safeguard and protect Bargenel's and Rebatona's empowerment status following the implementation of the Original BEE Transaction (the "2007 Relationship Agreement").
- 3.1.7 In terms of the 2007 Relationship Agreement, the structure created pursuant to the Original BEE Transaction remains in place for a term ending on the later of the date on which the last of the Bargenel A Preference Shares are redeemed; or the date on which it is no longer necessary for (a) holders of Bargenel Ordinary Shares as Black Persons to retain any Bargenel Ordinary Shares; or (b) a Black Person to hold any interest in holders of Bargenel Ordinary Shares, in order for Reunert to enjoy or exploit any BEE Benefit.
- 3.1.8 In addition, in accordance with the terms of the Bargenel A Preference Shares, Bargenel was required to redeem the Bargenel A Preference Shares on or before the 11th (eleventh) anniversary of the Original BEE Transaction, which period was extended by Reunert for a further 4 (four) years in 2018 in accordance with the terms of the Original BEE Transaction. As a result of this extension, the Bargenel A Preference Shares are required to be redeemed on Monday, 7 March 2022, being the Business Day following the final redemption date.
- 3.1.9 For further details regarding the Original BEE Transaction refer to the circular to Reunert Shareholders dated 13 December 2006 available on Reunert's website (<https://reunert.com/downloads/reports/2006/Circular-Dec-2006.pdf>).
- 3.1.10 For a variety of reasons, including a lower than expected economic growth environment, the significant reduction by the South African government in investment in electrical infrastructure over the past years and the material adverse impact of the COVID-19 pandemic on the Reunert's businesses, the original envisaged value in relation to the Original BEE Transaction has not materialised. Accordingly, the current market value of the Reunert Shares held by Bargenel is not sufficient to cover the aggregate redemption value of the Bargenel A Preference Shares. Additionally, the dividends received by Bargenel from its holding of Reunert Shares were not sufficient to pay all of the Bargenel A Preference Dividends payable to Reunert as the holder of the Bargenel A Preference Shares, giving rise to the Bargenel Arrear Preference Dividends. As a result, Bargenel will not have sufficient funds available to redeem the Bargenel A Preference Shares and pay the Bargenel Arrear Preference Dividends.
- 3.1.11 With this in mind, Reunert wishes to implement the Proposed BEE Transaction for the following reasons:
 - 3.1.11.1 to continue to embrace the broad-based inclusive growth and empowerment by providing Qualifying Employees with the opportunity to participate in the value of Reunert, thereby strengthening the alignment of their economic interests with those of other Reunert stakeholders and the future success of Reunert;
 - 3.1.11.2 to continue, through its long-standing relationship with, and support of, the Rebatona Trust, to empower black female youth to obtain a meaningful education and subsequent employment and the relevant training and skills development to succeed in business; and
 - 3.1.11.3 to strengthen Reunert's competitive position in its respective product and services markets in South Africa.

3.2 Peotona Parties Exit

- 3.2.1 Pursuant to the Original BEE Transaction, the Peotona Parties held an effective indirect interest of approximately 3% of the issued Reunert Shares, through their 30% holding of the issued Rebatona Ordinary Shares and Rebatona's 100% holding of the Bargenel Ordinary Shares.
- 3.2.2 Notwithstanding the long-term beneficial relationship between Reunert and the Peotona Parties since the implementation of the Original BEE Transaction in 2007, the Peotona Parties confirmed that, for personal reasons, they did not wish to participate in the Proposed BEE Transaction.
- 3.2.3 In the circumstances, in accordance with the Rebatona Acquisition of Shares Agreement and as a separate transaction from the Proposed BEE Transaction, Rebatona repurchased all of the Rebatona Ordinary Shares held by the Peotona Parties, which shares represented 30% of the residual Rebatona Ordinary Shares in issue immediately prior to the repurchase, for a total consideration of R9.6 million, funded by Reunert (being 30% of the option value of the Original BEE Transaction calculated as at the end of May 2021, which value was approved, at the time, by the Reunert Investment Committee as the basis for negotiations with the Peotona Parties). The Rebatona Acquisition of Shares Agreement was concluded on 5 December 2021.
- 3.2.4 Upon the implementation of the repurchase referred to above, the Peotona Parties, Advocate Noluthando Dorian Bahedile Orleyn, Cheryl Ann Carolus and Wendy Elizabeth Lucas-Bull ceased to be parties to the 2007 Relationship Agreement.

SECTION C: THE PROPOSED BEE TRANSACTION

4. THE TRANSACTION IMPLEMENTATION AGREEMENT

4.1 Description

The Transaction Implementation Agreement was entered into by the Transaction Implementation Agreement Parties for the purposes of regulating the implementation of the Proposed BEE Transaction.

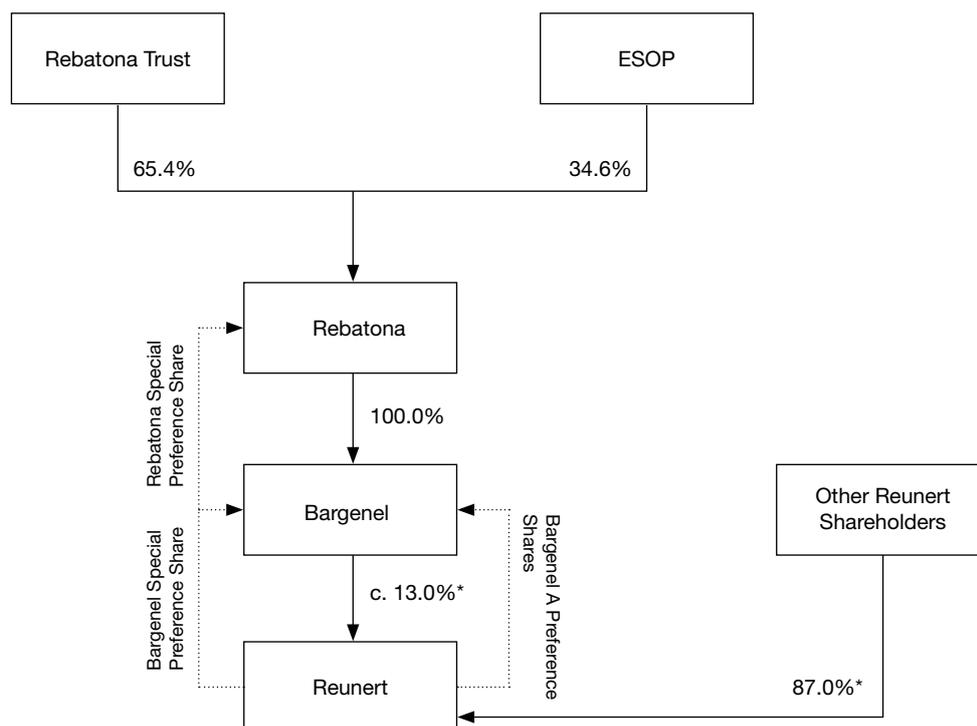
4.2 Overview of Proposed BEE Transaction steps

It is envisaged that the Proposed BEE Transaction will be implemented, with effect from the Transaction Implementation Agreement Effective Date, in accordance with the following steps:

- 4.2.1 Reunert will procure the registration of a trust, to be called the Reunert Employee Share Ownership Trust (ESOP). The objective of the ESOP is to, *inter alia*, facilitate broad-based and meaningful participation in the economy by providing Qualifying Employees with the opportunity to effectively participate in the growth of Reunert which will also serve to strengthen the alignment of their economic interests with those of other Reunert stakeholders and the future success of Reunert.
- 4.2.2 Bargenel will, *inter alia*, adopt the New Bargenel MOI, which will, among other things, extend the term of the Bargenel A Preference Shares by a period of at least 10 (ten) years and provide for the payment of Bargenel A Preference Dividends equal to 90% of the ordinary cash dividends received by Bargenel by virtue of its shareholding in Reunert. This will allow for a trickle dividend equal to 10% of the total Reunert ordinary cash dividends received by Bargenel to flow from Bargenel through Rebatona to the shareholders of Rebatona (being the Rebatona Trust and the ESOP, following the issue of Rebatona Ordinary Shares to the ESOP in terms of the step described in 4.2.7.1 below).
- 4.2.3 Reunert will waive its rights to receive the Bargenel Arrear Preference Dividends. It is estimated that, assuming that the Transaction Implementation Agreement Effective Date occurs on Tuesday, 1 March 2022 and the prime rate remained at 7.25%, the Bargenel Arrear Preference Dividends will be approximately R202 million. Bargenel does not have sufficient reserves to satisfy the requirements of section 46 of the Companies Act and is therefore not legally able to pay the Bargenel Arrear Preference Dividends. As such, Reunert's rights to receive the Bargenel Arrear Preference Dividends are not enforceable and the waiver contemplated in this step is a waiver of a conditional right.
- 4.2.4 Bargenel will repurchase 185 000 Bargenel A Preference Shares from Reunert, for an aggregate amount of R1 850 such that, following the repurchase of these Bargenel A Preference Shares and the waiver contemplated in 4.2.3 above, the face value of the remaining issued Bargenel A Preference Shares will approximate the value of the Reunert Shares held by Bargenel (based on a price per Reunert Share of R50.13, being the 30-day VWAP up to and including the date on which the price was concluded, being Friday, 5 November 2021). The repurchase of these Bargenel A Preference Shares will result in them being cancelled as issued shares and be restored to the status of authorised shares.
- 4.2.5 Julopro, a wholly-owned subsidiary of Reunert, will sell to Bargenel 5 549 076 Reunert Shares (which shares represent approximately 3% of the Reunert Shares in issue as at the Last Practicable Date) for an aggregate consideration of approximately R278.2 million (representing a price of R50.13 per Reunert Share, being the 30-day VWAP up to and including the date on which the price was concluded, being Friday, 5 November 2021). The Reunert Shares held by Julopro are classified as "*treasury shares*" for the purposes of the JSE Listings Requirements, which means that the sale must comply with the JSE Listings Requirements as if it was a fresh issue of Reunert Shares.
- 4.2.6 Reunert will subscribe for 278 176 Bargenel A Preference Shares for an aggregate subscription price of R278.2 million (representing a subscription price of R1 000 per Bargenel A Preference Shares) to fund the acquisition by Bargenel of the additional Reunert Shares contemplated in 4.2.5 above. Following the subscription for the Bargenel A Preference Shares contemplated in this paragraph 4.2.6, Reunert will hold a total of 1 205 581 Bargenel A Preference Shares amounting to R1 206 million.
- 4.2.7 Reunert will:
- 4.2.7.1 as the founder of the ESOP, contribute R371 to the ESOP, which the ESOP will use to subscribe for 371 Rebatona Ordinary Shares, equating to a shareholding of approximately 34.6% in Rebatona following the issue of the Rebatona Ordinary Shares. Through its shareholding in Rebatona, the ESOP will indirectly hold approximately 8.3 million (4.5%) of the Reunert Shares in issue; and
- 4.2.7.2 be entitled to contribute, or procure that employer companies of the ESOP Beneficiaries contribute, to the ESOP all or a portion of the funds required by the ESOP to settle Beneficiaries remaining at the end of the ESOP period.
- 4.2.8 Following the implementation of the steps above, the Rebatona Trust and the ESOP will, in aggregate, indirectly hold approximately 24 million (13%) of the Reunert Shares in issue.

As detailed in paragraph 4.3.1 of this Circular, the Proposed BEE Transaction is subject to the fulfilment or, where applicable, waiver of certain suspensive conditions, including the passing of the Resolutions in respect of the Specific Issue of Reunert Shares and the Financial Assistance, in terms of the Transaction Implementation Agreement.

The structure created pursuant to the Proposed BEE Transaction is illustrated below:



* The percentage holdings of Reunert Shares reflected in the diagram above are based on the number of Reunert Shares in issue as at the Last Practicable Date.

4.3 Suspensive Conditions

4.3.1 The Proposed BEE Transaction is subject to the fulfilment or, where applicable, waiver of the following suspensive conditions, by no later than 17h00 on the Long-stop Date:

4.3.1.1 the ESOP:

4.3.1.1.1 is registered by the Master of the High Court, with a trust deed substantially in accordance with the ESOP Trust Deed, and letters of authority are issued by the Master of the High Court, to the first ESOP trustee, being Mohini Moodley; and

4.3.1.1.2 enters into a deed of adherence in such form and on such terms as Reunert may reasonably require, agreeing to become a party to the Transaction Implementation Agreement and to observe, perform and be bound by all the terms and conditions of the Transaction Implementation Agreement, to the extent applicable;

4.3.1.2 Rebatona, as the sole shareholder of Bargenel, passes a special resolution in terms of:

4.3.1.2.1 section 115 of the Companies Act (read with section 48(8)(b) of the Companies Act) approving the repurchase referred to in paragraph 4.2.4 of this Circular;

4.3.1.2.2 section 41(3) of the Companies Act, to the extent required, approving the issue of the Bargenel A Preference Shares referred to in paragraph 4.2.6 of this Circular; and

4.3.1.2.3 section 16(5)(a) of the Companies Act adopting of the New Bargenel MOI, and such special resolution is filed with the CIPC;

4.3.1.3 the Rebatona Trust, as the sole shareholder of Rebatona, passes a special resolution in terms of:

4.3.1.3.1 section 41(3) of the Companies Act, if required, approving the issue of the Rebatona Ordinary Shares referred to in paragraph 4.2.7.1 of this Circular; and

4.3.1.3.2 section 16(5)(a) of the Companies Act adopting the New Rebatona MOI, and such special resolution is filed with the CIPC;

4.3.1.4 the Relationship Agreement Parties enter into the Relationship Agreement;

4.3.1.5 each Pledge Agreement is entered into by the parties thereto;

4.3.1.6 any and all approvals required from the JSE in connection with the transactions contemplated in the Transaction Implementation Agreement are obtained;

- 4.3.1.7 Reunert Shareholders:
 - 4.3.1.7.1 approve the Specific Issue of Reunert Shares by an ordinary resolution, passed by achieving a 75% majority of the votes cast on the resolution (on which Bargenel and Julopro have not voted or whose votes have not been counted), in accordance with the requirements of paragraph 5.51(g) read with paragraph 5.75 of the JSE Listings Requirements; and
 - 4.3.1.7.2 approve, by a special resolution in terms of section 44(3) of the Companies Act, the Financial Assistance; and
- 4.3.1.8 Reunert obtains an indicative certificate in relation to its BEE ownership done as if the Transaction Implementation Agreement has been fully implemented, recognising BEE points and Rights of Ownership held by Black Persons in respect of the transactions contemplated in the Transaction Implementation Agreement, and such certificate is acceptable to Reunert in its sole and absolute discretion.
- 4.3.2 The suspensive conditions set out in paragraphs 4.3.1.5 and 4.3.1.8 of this Circular are for the benefit of Reunert and may accordingly be waived by Reunert by written notice to the other Transaction Implementation Agreement Parties at any time prior to 17h00 on the Long-stop Date. The other suspensive conditions are not capable of waiver.

5. REUNERT SHAREHOLDER APPROVAL AND JSE REQUIREMENTS

5.1 Details of the Specific Issue of Reunert Shares

5.1.1 Overview of the Specific Issue of Reunert Shares

- 5.1.1.1 As detailed in paragraph 4.2.5 of this Circular, pursuant to the Transaction Implementation Agreement, Bargenel will acquire 5 549 076 Reunert Shares, representing approximately 3% of the Reunert Shares, from Julopro (being the Specific Issue of Reunert Shares).
- 5.1.1.2 The Specific Issue of Reunert Shares will constitute a specific issue of shares for cash by Reunert in terms of paragraph 5.75, as read with paragraph 5.51, of the JSE Listings Requirements.

5.1.2 Related party consideration and fairness opinion

- 5.1.2.1 As at the Last Practicable Date, Bargenel held approximately 10% of the Reunert Shares and is therefore considered to be a material shareholder of Reunert (as contemplated in the JSE Listings Requirements).
- 5.1.2.2 In the circumstances, Bargenel is deemed to be a related party in relation to Reunert in terms of paragraph 10.1(b)(i) of the JSE Listings Requirements. Accordingly, the Specific Issue of Reunert Shares will be classified as a specific issue of shares for cash to a related party.
- 5.1.2.3 The Specific Issue of Reunert Shares will be at the 30-day VWAP up to and including Friday, 5 November 2021, however, it will be funded by Reunert pursuant to the Financial Assistance. Accordingly, a fairness opinion is required in respect of the Specific Issue of Reunert Shares, in terms of the JSE Guidance Letter, dated 11 November 2010.
- 5.1.2.4 Reunert has appointed the Independent Expert to opine on the fairness of the Specific Issue of Reunert Shares. The Independent Expert has considered the terms and conditions of the Specific Issue of Reunert Shares and is of the opinion that the Specific Issue of Reunert Shares is fair in so far as Reunert Shareholders, other than Bargenel, are concerned.
- 5.1.2.5 A copy of the Independent Expert Report is set out in Annexure 3 to this Circular.

5.1.3 Conditions precedent to the Specific Issue of Reunert Shares

- 5.1.3.1 The implementation of the Specific Issue of Reunert Shares is subject to Reunert Shareholders adopting an ordinary resolution, passed by achieving a 75% majority of the votes cast on the resolution (on which Bargenel and Julopro have not voted or whose votes have not been counted), in accordance with the requirements of paragraph 5.51(g) read with paragraph 5.75 of the JSE Listings Requirements.

5.1.4 Board's opinion and recommendation

- 5.1.4.1 The Board, after due consideration of the Independent Expert Report, specifically in respect of the Specific Issue of Reunert Shares, is of the opinion that the Specific Issue of Reunert Shares is fair in so far as Reunert Shareholders are concerned and recommends that Reunert Shareholders vote in favour of the Resolutions.
- 5.1.4.2 All Directors, who hold a beneficial interest, directly or indirectly, in Reunert Shares, have indicated that they will vote in favour of the Resolutions.

5.2 Details of the Financial Assistance

5.2.1 Overview of the Financial Assistance

5.2.1.1 As detailed in paragraph 4.2.6 of this Circular, pursuant to the Transaction Implementation Agreement, financial assistance, as contemplated in section 44 of the Companies Act, will be provided to Bargenel in the form of a subscription by Reunert for additional Bargenel A Preference Shares in order to fund the Specific Issue of Reunert Shares (being the Financial Assistance).

5.2.2 Related party consideration

5.2.2.1 As detailed in paragraph 5.1.2 of this Circular, Bargenel is deemed to be a related party to Reunert. However, the Transaction Implementation Agreement, pursuant to which the Financial Assistance will be given, will not be subject to the “*related party provisions*” contemplated in section 10 of the JSE Listings Requirements, as a result of the exemption granted under paragraph 10.6(c)(v) of the JSE Listings Requirements and, accordingly, the Financial Assistance will only be subject to the approvals required in terms of section 44 of the Companies Act.

5.2.3 Conditions precedent to the Financial Assistance

5.2.3.1 The implementation of the Financial Assistance is subject to the adoption of a special resolution by Reunert Shareholders at the General Meeting in accordance with section 44(3)(a) of the Companies Act. No Reunert Shareholders (other than Reunert Shareholders who are Subsidiaries) will be precluded from voting on such resolution.

5.3 Details of the Small Related Party Transactions

5.3.1 Overview and rationale for the Small Related Party Transactions

5.3.1.1 Pursuant to the Restructure of the Original BEE Transaction:

5.3.1.1.1 Reunert will waive its rights to receive the Bargenel Arrear Preference Dividends as at the Transaction Implementation Agreement Effective Date;

5.3.1.1.2 amendments will be made to the terms of the Bargenel A Preference Shares so as to (i) extend the term of the Bargenel A Preference Shares by a period of at least 10 (ten) years; and (ii) provide for the payment of Bargenel A Preference Dividends equal to 90% of the ordinary cash dividends received by Bargenel by virtue of its shareholding in Reunert; and

5.3.1.1.3 Bargenel will repurchase 185 000 Bargenel A Preference Shares from Reunert, for an aggregate amount of R1 850 such that, following the repurchase of these Bargenel A Preference Shares and the waiver contemplated in 5.3.1.1.1 above, the outstanding value of Bargenel A Preference Shares will approximate the value of the Reunert Shares held by Bargenel at that time.

5.3.1.2 Pursuant to the ESOP Contributions:

5.3.1.2.1 Reunert will procure the registration of the ESOP and, as the founder of the ESOP, will donate R371 to the ESOP; and

5.3.1.2.2 in terms of the Relationship Agreement, Reunert will be entitled to contribute, or procure that employer companies contribute, to the ESOP all or a portion of the funds required by the ESOP to settle Beneficiaries remaining at the end of the ESOP period.

5.3.2 Related party consideration and fairness opinion

5.3.2.1 Rebatona is the holding company of Bargenel and, therefore, an associate of Bargenel, as contemplated in the JSE Listings Requirements. In the circumstances, in addition to Bargenel, Rebatona is also deemed to be a related party to Reunert in terms of paragraph 10.1(b)(vii) as read with 10.1(b)(i) of the JSE Listings Requirements.

5.3.2.2 The categorisation calculations of the Restructure of the Original BEE Transaction and ESOP Contributions are based on estimates of the applicable fair value of the respective embedded options held by the Rebatona Trust and the ESOP as at the Last Practicable Date (being R309.8 million and R99.3 million, respectively):

5.3.2.2.1 in respect of the Restructure of the Original BEE Transaction:

5.3.2.2.1.1 the waiver by Reunert of its right to receive the Bargenel Arrear Preference Dividends, which is not enforceable and, from a legal point of view, being a waiver of a conditional right;

5.3.2.2.1.2 the repurchase by Bargenel of the Bargenel A Preference Shares from Reunert, at a nominal value; and

5.3.2.2.1.3 there not being specific values associated with the amendments to the Bargenel A Preference Share terms; and

5.3.2.2.2 in respect of the ESOP Contributions, the subscription by the ESOP for Rebatona Ordinary Shares being at a nominal value and it not being possible to quantify, at this point, the funds that may be required to settle the remaining Beneficiaries at the end of the ESOP period.

- 5.3.2.3 The aggregated percentage ratio of the Restructure of the Original BEE Transaction is approximately 3.2% and the aggregated percentage ratio of the ESOP Contributions is approximately 1%. Accordingly, the Restructure of the Original BEE Transaction is classified as a “*small related party transaction*” in terms of paragraph 10.7 of the JSE Listings Requirements. The JSE Listings Requirements requires that the ESOP Contributions be aggregated with the Peotona Parties Exit with the result being that the ESOP Contributions are also classified as a “*small related party transaction*” in terms of paragraph 10.7 as read with paragraph 10.8 of the JSE Listings Requirements.
- 5.3.2.4 Accordingly, in terms of paragraph 10.7 of the JSE Listings Requirements, the Restructure of the Original BEE Transaction and the ESOP Contributions are not subject to Reunert Shareholder approval, provided that an independent professional expert confirms that the terms of these transactions are fair to Reunert Shareholders.
- 5.3.2.5 Reunert has appointed the Independent Expert to opine on the fairness of the Restructure of the Original BEE Transaction and the ESOP Contributions, respectively. The Independent Expert has considered the terms and conditions of the Restructure of the Original BEE Transaction and the ESOP Contributions and is of the opinion that both these transactions are fair in so far as Reunert Shareholders, other than Bargenel, are concerned.
- 5.3.2.6 A copy of the Independent Expert Report is set out in Annexure 3 to this Circular.

6. SALIENT DETAILS OF THE ESOP

6.1 Establishment of the ESOP

- 6.1.1 Reunert wishes to establish the ESOP in order to facilitate broad-based and meaningful participation in the economy by providing Reunert employees with the opportunity to effectively participate in the value of Reunert, which should also serve to strengthen the alignment of their economic interests with those of other stakeholders and the future success of Reunert.
- 6.1.2 Pursuant to the Transaction Implementation Agreement, the ESOP will be the holder of 371 Rebatona Ordinary Shares, making it the holder of approximately 34.6% of the issued Rebatona Ordinary Shares.
- 6.1.3 Rebatona in turn holds 100% of the Bargenel Ordinary Shares. Bargenel will, pursuant to the implementation of the Transaction Implementation Agreement, hold 24 049 076 Reunert Shares making it the holder of approximately 13% of the issued Reunert Shares immediately following Transaction Implementation Agreement Effective Date.
- 6.1.4 Therefore, by virtue of the ESOP’s holding of Rebatona Ordinary Shares, the Beneficiaries will share in the economic interest attributable to approximately 34.6% of the Reunert Shares held by Bargenel (being 8 324 076 Reunert Shares) or 4.5% of the issued Reunert Shares.
- 6.1.5 The provisions of the ESOP Trust Deed have been drafted in accordance with the requirements for an employee share ownership programme in terms of the Codes.

6.2 Trustees of the ESOP

The board of trustees will consist of four trustees, who will be appointed in accordance with the provisions of the ESOP Trust Deed. Two of trustees shall be appointed by Reunert and remaining two will be elected by the Beneficiaries from among themselves in accordance with the terms of the ESOP Trust Deed.

6.3 Allocation of Units to Beneficiaries

- 6.3.1 The ESOP will create 8 324 076 Units which will be equally allocated with effect from the Transaction Effective Date to Qualifying Employees in a once-off allocation in accordance with the provisions of the ESOP Trust Deed.
- 6.3.2 A Qualifying Employee will not be required to pay any consideration for the allocation of Units to such person.
- 6.3.3 Any Units that are forfeited by the Qualifying Employees in terms of the ESOP Trust Deed will be cancelled and may not be allocated to any other existing Beneficiaries and/or Qualifying Employees.

6.4 Voting rights

- 6.4.1 At any general meeting of Rebatona, the trustees of the ESOP will be entitled to exercise voting rights in respect of the number of the Rebatona Ordinary Shares held by the ESOP in their sole discretion in accordance with their fiduciary duties (taking into account the best interests of the Beneficiaries).
- 6.4.2 At any general meeting of Reunert, the trustees of the ESOP will be entitled to exercise voting rights in respect of the underlying portion of Reunert Shares held by Bargenel applicable to the ESOP (in relation to its holding of Rebatona Ordinary Shares) in accordance with the voting provisions set out in the Relationship Agreement (see paragraph 7.6 of this Circular) (the “**Relevant Votes**”) and the voting preferences expressed by the Beneficiaries. The trustees of the ESOP must ascertain the views of the Beneficiaries on the resolutions to be tabled at the meeting concerned in accordance with the provisions of the ESOP Trust Deed.
- 6.4.3 Each Beneficiary will be entitled to give directions to the trustees of the ESOP to exercise a number of Relevant Votes equal to the number of Units allocated to such Beneficiary. At the general meeting of Reunert concerned, the trustees of the ESOP must: (a) exercise the number of the Relevant Votes in accordance with the directions given to them by each Beneficiary; and (b) exercise the Relevant Votes for which they might not have received any directions from the Beneficiaries (for whatever reason), in their sole discretion in accordance with their fiduciary duties (taking into account the best interests of the Beneficiaries).

6.5 **Employment service requirements**

Each Beneficiary is required to meet certain employment service requirements set out in the ESOP Trust Deed, which are consistent with employment service requirements contained in existing incentive schemes within the Reunert Group. If a Beneficiary fails to meet the employment service requirements, then that Beneficiary's Units will lapse and be cancelled and consequently forfeited for no consideration.

6.6 **Distribution of dividend income**

Any dividends received by the ESOP from time to time are vested in the Beneficiaries in relation to their holding of Units and will be distributed and paid (less any amounts required to be withheld for Tax purposes) to the existing Beneficiaries *pro rata* to their holding of Units, at the time, in accordance with the provisions of the ESOP Trust Deed.

6.7 **Settlement of Beneficiaries**

6.7.1 The ESOP is a cash settled scheme, and Beneficiaries will not be entitled to receive Reunert Shares or Rebatona Ordinary Shares.

6.7.2 The cash payment due to Beneficiaries remaining at the end of the period of the ESOP will be determined in accordance with a formula set out in the ESOP Trust Deed. This formula provides for Beneficiaries remaining at the end of the period of the ESOP to participate in the growth of the price of a Reunert Share over the Unit Reference Price.

6.7.3 Upon a Beneficiary receiving the cash payment referred to in paragraph 6.7.2 of this Circular (after the deduction of applicable Tax), the Unit(s) held by that Beneficiary will immediately be cancelled.

6.8 **Period of the ESOP**

6.8.1 The period of the ESOP is determined in accordance with the provisions of the ESOP Trust Deed, and the ESOP will remain in place for at least 5 (five) years from the Transaction Effective Date.

6.8.2 Prior to the 5th (fifth) anniversary of the Transaction Effective Date (on a date determined in accordance with the ESOP Trust Deed), the value of a Unit will be calculated by comparing the 30-day VWAP (as at the calculation date) to the Unit Reference Price. If the value of a Unit is positive (i.e. the 30-day VWAP is greater than the Unit Reference Price), then the period of the ESOP will expire on the 5th (fifth) anniversary of the Transaction Effective Date and the remaining Beneficiaries will be settled in accordance with the terms of the ESOP Trust Deed.

6.8.3 If the value of a Unit is zero or negative (i.e. the 30-day VWAP is less than the Unit Reference Price), then the ESOP period will be extended for another year and the calculation referred to in paragraph 6.8.2 of this Circular will be repeated. If the calculation results in the value of a Unit being positive, then the period of the ESOP will expire, and the remaining Beneficiaries will be settled in accordance with the terms of the ESOP Trust Deed. If the calculation results in the value of a Unit being zero or negative, then the ESOP period will be extended for another year.

6.8.4 This process will be repeated for a maximum of 3 (three) times from the 5th (fifth) anniversary of the Transaction Effective Date. If, prior to the 8th (eighth) anniversary of the Transaction Effective Date, the value of a Unit is still not positive, then the period of the ESOP will expire and the remaining Beneficiaries will not be entitled to any payment.

6.9 **Funding required to settle Beneficiaries**

6.9.1 In order to provide the ESOP with the funds required to settle the Beneficiaries remaining at the end of the period of the ESOP, Rebatona will repurchase the Rebatona Ordinary Shares held by the ESOP for a consideration equal to the aggregate settlement amounts payable to the remaining Beneficiaries of the ESOP. This repurchase will be implemented in accordance with the terms of the ESOP Trust Deed and the Relationship Agreement (see paragraph 7.8 of this Circular).

6.9.2 In order to provide Rebatona with the funds required to pay the consideration for the Rebatona Ordinary Shares held by the ESOP, Bargenel will dispose of Reunert Shares and distribute the proceeds to Rebatona in accordance with the terms of the Relationship Agreement (see paragraph 7.8.3 of this Circular).

6.9.3 Notwithstanding what is stated above, in terms of the Relationship Agreement, Reunert will be entitled to contribute, and/or procure that employer companies contribute, to the ESOP, all or a portion of the funds that the ESOP requires to settle the Beneficiaries remaining at the end of the period of the ESOP, in which case the consideration payable by Rebatona to the ESOP for the repurchase of the Rebatona Ordinary Shares held by the ESOP will be reduced by the amount of any such contribution.

7. **RELATIONSHIP AGREEMENT, THE NEW BARGENEL MOI AND THE NEW REBATONA MOI**

7.1 **Description**

7.1.1 Pursuant to the Transaction Implementation Agreement, Bargenel will adopt the New Bargenel MOI, Rebatona will adopt the New Rebatona MOI and the Relationship Agreement Parties will enter into the Relationship Agreement to, among others, regulate the relationship of Reunert and Rebatona as preference and ordinary shareholders of Bargenel, and to preserve and safeguard the BEE status of Rebatona, Bargenel, the Rebatona Trust and the ESOP.

7.1.2 The Relationship Agreement will take effect and become binding on the Relationship Agreement Parties on the Transaction Effective Date and the 2007 Relationship Agreement (referred to in paragraph 3.1.6 of this Circular) will terminate.

- 7.1.3 Salient terms of the Relationship Agreement, the New Bargenel MOI and/or the New Rebatona MOI are set out below.

7.2 **Directors**

- 7.2.1 For so long as the ESOP holds Rebatona Ordinary Shares, and Rebatona holds Bargenel Ordinary Shares, the ESOP may appoint 1 (one) director (who need not be the same person) to the boards of Bargenel and Rebatona, and may also remove, replace or substitute any director appointed by it.
- 7.2.2 Until the Bargenel Special Preference Share has been redeemed, the Bargenel Special Preference Shareholder may appoint 1 (one) director to the board of Bargenel, and may also remove, replace or substitute any director appointed by it.
- 7.2.3 Until the Rebatona Special Preference Share has been redeemed, the Rebatona Special Preference Shareholder may appoint 1 (one) director to the board of Rebatona, and may also remove, replace or substitute any director appointed by it.

7.3 **BEE undertakings**

The Relationship Agreement contains certain warranties and undertakings in favour of Reunert, including the following undertakings relating to BEE that are given to Reunert for the duration of the Term:

- 7.3.1 the Rebatona Trust undertakes that, for so long as it holds Rebatona Ordinary Shares, to the extent that it does not comply with the requirements of the Codes in order for the participation of the beneficiaries of the Rebatona Trust to be recognised for the purposes of the ownership element of BEE in respect of a broad-based ownership scheme, it will co-operate with Reunert and take such steps as Reunert may consider necessary in the circumstances to ensure that it returns to full compliance with the Codes and therefore ensuring that the maximum number of Ownership Points will continue to be earned by Reunert in regard to the Rebatona Ordinary Shares held by the Rebatona Trust;
- 7.3.2 the ESOP undertakes that for so long as it holds Rebatona Ordinary Shares, to the extent that it does not comply with the requirements of the Codes in order for the participation of the beneficiaries of the ESOP to be recognised for the purposes of the ownership element of BEE in respect of an employee share ownership scheme, it will co-operate with Reunert and take such steps as Reunert may consider necessary in the circumstances to ensure that the maximum number of Ownership Points are earned by Reunert in regard to the Rebatona Ordinary Shares held by the ESOP; and
- 7.3.3 Rebatona and Bargenel undertake, that for as long as Rebatona holds any Bargenel Ordinary Shares or Bargenel holds any Reunert Shares, they will refrain from doing anything that will bring about or contribute to the bringing about any BEE Event.

7.4 **Restrictions on disposal and transfer of shares**

- 7.4.1 The Relationship Agreement contains certain restrictions on the disposal of shares, except as permitted in the Relationship Agreement:
- 7.4.1.1 each of the Rebatona Trust and the ESOP may not sell, cede, transfer, lend, distribute or otherwise alienate or dispose (“**Dispose**”) of any of its Rebatona Ordinary Shares;
- 7.4.1.2 Rebatona may not Dispose of any of its Bargenel Ordinary Shares; and
- 7.4.1.3 Bargenel may not Dispose of any of its Reunert Shares.
- 7.4.2 In particular:
- 7.4.2.1 the Rebatona Trust may not transfer any Rebatona Ordinary Shares for the duration of the Lock-in Period and may only transfer Rebatona Ordinary Shares after the Lock-in Period if it has first offered those shares to Reunert under the pre-emptive rights contained in the Relationship Agreement;
- 7.4.2.2 Rebatona may not transfer any Bargenel Ordinary Shares for the duration of the Term and may only transfer Bargenel Ordinary Shares after the Term if it has first offered those shares to Reunert under the pre-emptive rights contained in the Relationship Agreement; and
- 7.4.2.3 Bargenel may not transfer any Reunert Shares for the duration of the Term and may only transfer Reunert Shares after the Term if it has first offered those shares to Reunert under the pre-emptive rights contained in the Relationship Agreement.

7.5 **Call option**

- 7.5.1 Each of Rebatona, the Rebatona Trust and the ESOP grant to Reunert a call option in terms of which Reunert may require any one or more of them to sell all or some of the Bargenel Ordinary Shares (in the case of Reunert exercising the call option in relation to Rebatona) or the Rebatona Ordinary Shares (in the case of Reunert exercising the call option in relation to the Rebatona Trust or the ESOP), as Reunert may elect.
- 7.5.2 The call option may be exercised upon the occurrence of certain events of default set out in the Relationship Agreement. In addition, Reunert may exercise the call option in its discretion at any time during the Term.

- 7.5.3 If the call option is exercised by Reunert as a result of an event of default that is “fault-based”, then the purchase price for the shares that are the subject of the sale will be equal to R1.00 per share. If the call option is exercised by Reunert as a result of an event of default that is not “fault-based”, or if Reunert exercises the discretionary call option, then the purchase price for the shares that are the subject of the sale will be equal to the fair value of those shares (which fair value will be agreed by the parties to the sale or, failing such agreement, determined by a firm of independent auditors in accordance with the provisions of the Relationship Agreement).
- 7.5.4 The call option will fall away upon the expiry of the Term.
- 7.5.5 If Reunert exercises the call option, the sale of shares resulting from such exercise will be subject to the obtaining of any necessary legal or regulatory approvals (including any approvals required in terms of the provisions of the JSE Listings Requirements (if any) at such time).

7.6 Right to vote Reunert Shares

The ESOP will have the power and authority to:

- 7.6.1 exercise, in Bargenel’s name, all of the voting rights of its effective shareholding in Reunert, being its shareholding in Rebatona multiplied by the number of Reunert Shares held by Bargenel, at any general meeting of Reunert at which they are exercisable; and
- 7.6.2 to appoint any trustee of the ESOP as Bargenel’s proxy in relation to its effective shareholding of the Reunert Shares held by Bargenel.

7.7 Redemption of the Bargenel Special Preference Share and Rebatona Special Preference Share

- 7.7.1 Bargenel will only be entitled to redeem the Bargenel Special Preference Share in accordance with the provisions of the New Bargenel MOI and with the prior written consent of the Bargenel Special Preference Shareholder; provided that, upon the expiry of the Term, the Bargenel Special Preference Share will be redeemed for R1.00.
- 7.7.2 Rebatona will only be entitled to redeem the Rebatona Special Preference Share in accordance with the provisions of the New Rebatona MOI and with the prior written consent of the Rebatona Special Preference Shareholder; provided that, upon the expiry of the Term, the Rebatona Special Preference Share will be redeemed for R1.00.

7.8 Repurchase of the Rebatona Ordinary Shares held by the ESOP

- 7.8.1 As mentioned in paragraph 6.9 of this Circular, in order to provide the ESOP with the funds required to settle Beneficiaries remaining at the end of the period of the ESOP, Rebatona will repurchase the Rebatona Ordinary Shares held by the ESOP.
- 7.8.2 The consideration payable by Rebatona for the Rebatona Ordinary Shares held by the ESOP will be equal to the aggregate settlement amounts payable to the remaining Beneficiaries of the ESOP, less any amount contributed by Reunert and/or employer companies to the ESOP for the purposes of funding the settlement of remaining Beneficiaries of the ESOP (see paragraph 7.9 of this Circular) and any contribution to the ESOP contemplated in paragraph 7.10 of this Circular.
- 7.8.3 In order to provide Rebatona with the funds required to pay the consideration for the Rebatona Ordinary Shares held by the ESOP, Bargenel will sell Reunert Shares and distribute the proceeds to Rebatona. Any such sale of Reunert Shares by Bargenel will be in accordance with the terms of the Relationship Agreement, which includes a formula for determining the number of Reunert Shares to be sold and provides for the sale to be implemented in accordance with such directions, instructions and procedures as Reunert (as the founder of the ESOP) may determine.

7.9 Contribution by Reunert and/or Employer Companies to the ESOP

Reunert will be entitled, in its discretion, to contribute and/or procure that employer companies contribute to the ESOP all or a portion of the funds that the ESOP requires to settle Beneficiaries remaining at the end of the period of the ESOP.

7.10 Contribution in respect of Capital Gains Tax on Sale of Reunert Shares

If Bargenel sells any Reunert Shares for the purposes of funding the settlement of Beneficiaries remaining at the end of the period of the ESOP, then Reunert will pay to Rebatona, or, if Reunert elects (in its sole discretion), to the ESOP, an amount equal to the aggregate amount of the capital gains tax for which Bargenel may become liable as a consequence of such sale; provided that if Bargenel sells a Reunert Share for a price that is more than the Unit Reference Price, Reunert will only be required to pay an amount equal to the capital gains tax for which Bargenel may become liable on that portion of the price that is equal to or less than the Unit Reference Price.

8. PLEDGE AGREEMENTS

As security for the due performance by Bargenel, Rebatona, the Rebatona Trust and the ESOP of their obligations in terms of the Relationship Agreement, each of Bargenel, Rebatona, the Rebatona Trust and the ESOP will, pursuant to the terms of the Transaction Implementation Agreement, enter into agreements of pledge with Reunert in terms of which:

- 8.1 Bargenel will pledge its Reunert Shares to Reunert;
- 8.2 Rebatona will pledge its Bargenel Ordinary Shares to Reunert; and
- 8.3 the Rebatona Trust and the ESOP will pledge their Rebatona Ordinary Shares to Reunert.

SECTION D: GENERAL

9. FINANCIAL IMPACT OF THE PROPOSED BEE TRANSACTION

9.1 *Pro Forma* financial effects of the Proposed BEE Transaction

The *Pro Forma* Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income and the *Pro Forma* Condensed Consolidated Statement of Financial Position are set out in Annexure 1, together with the assumptions upon which the financial effects are based and described in the notes thereto.

The *pro forma* financial effects have been presented for illustrative purposes only, to provide information on how the Proposed BEE Transaction may have affected the results and financial position of Reunert. Due to its nature, the *pro forma* financial information may not fairly represent Reunert's financial position, changes in equity, results of operations or cash flows post the implementation of the Proposed BEE Transaction.

The *Pro Forma* Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income is presented as if the Proposed BEE Transaction was implemented with effect from 1 October 2020 and the *Pro Forma* Condensed Consolidated Statement of Financial Position is presented as if the Proposed BEE Transaction was effected as at 30 September 2021.

The *pro forma* financial information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the Board. The *pro forma* financial information has been prepared in accordance with the JSE Listings Requirements, the Guide on *Pro Forma* Financial Information issued by SAICA and Reunert's accounting policies, which are in compliance with IFRS.

The report of the Independent Reporting Accountant in respect of the *pro forma* financial information referred to in the paragraph above, appears in Annexure 2 to this Circular.

The table below is an extract of the *pro forma* financial information set out in Annexure 1 to this Circular.

	Before	Restructure of the Original BEE Transaction (A)	Specific Issue of Reunert Shares and Financial Assistance (B)	ESOP Contributions (C)	Transaction costs (D)	Proposed BEE Transaction (A + B + C + D)	After
Basic earnings per share ("EPS") (cents)	483	(2)	–	(11)	(6)	(19)	464
Diluted EPS (cents)	481	(2)	–	(11)	(6)	(19)	462
Headline EPS ("HEPS") (cents)	478	(2)	–	(11)	(6)	(19)	459
Diluted HEPS (cents)	476	(2)	–	(11)	(6)	(19)	457
Net asset value ("NAV") per share (cents)	4 199	–	–	–	(6)	(6)	4 193
Tangible NAV per share (cents)	3 335	–	–	–	(6)	(6)	3 329
Weighted average number of shares (million)	160.7	–	–	–	–	–	160.7
Weighted average diluted number of shares (million)	161.4	–	–	–	–	–	161.4
Net number of ordinary shares in issue (million)	159.4	–	–	–	–	–	159.4

10. MAJOR SHAREHOLDERS

As at the Last Practicable Date, insofar as it is known to Reunert, the Reunert Shareholders (other than Directors) that, directly or indirectly, are beneficial Shareholders holding 5% or more of issued Reunert Shares, together with each of such Reunert Shareholder's interest, are as follows:

Shareholder	Number of Reunert Shares	Percentage shareholding (%) [*]
Government Employees Pension Fund	22 616 053	12.2
Bargenel [^]	18 500 000	10.0
Total	41 116 053	22.2

^{*} Percentage shareholding is calculated as a percentage of the total issued share capital of Reunert as at the Last Practicable Date.

[^] Relates to the Original BEE Transaction.

11. SHARE CAPITAL OF REUNERT

11.1 The authorised and issued share capital of Reunert, as at the Last Practicable Date, is set out below:

	R million
Authorised share capital	
235 000 000 ordinary shares of no par value in Reunert	
Issued share capital	
184 969 196 ordinary shares of no par value in Reunert	389.4

11.2 As at the Last Practicable Date, there were 7 032 824 treasury shares, which Reunert Shares are held by Julopro.

11.3 On the assumption that 5 549 076 Reunert Shares will be acquired by to Bargenel from Julopro pursuant to the Specific Issue of Reunert Shares, the authorised and issued share capital of Reunert, post implementation of the Specific Issue of Reunert Shares, is set out below:

	R million
Authorised share capital	
235 000 000 ordinary shares of no par value in Reunert	
Issued share capital	
184 969 196 ordinary shares of no par value in Reunert	389.4

11.4 After implementation of the Specific Issue of Reunert Shares there will be 1 483 748 treasury shares held by Julopro.

12. BENEFICIAL INTERESTS AND DIRECTORS' INFORMATION

12.1 As at the Last Practicable Date, the beneficial interests of the Directors and their associates (current and those who have resigned during the preceding 18 months), directly and indirectly, in the issued share capital of Reunert, are set out below:

Director	Direct	Indirect	Total	Total Percentage [*]
	beneficial	beneficial/held by associates		
Number of Reunert Shares				
AE Dickson	44 978	–	44 978	0.02
M Moodley	52 921	–	52 921	0.03
Adv. NDB Orleyn [^]	–	4 717 500	4 717 500	2.55
NA Thomson	89 402	–	89 402	0.05
Total	187 301		4 904 801	2.65

^{*} Percentage shareholding is calculated as a percentage of the total issued share capital of Reunert as at the Last Practicable Date.

[^] These shares are held indirectly through Bargenel's investment in Reunert, which relates to the Original BEE Transaction.

12.2 None of the Directors' beneficial interest in the issued share capital of Reunert changed between the financial year ended 30 September 2021 and the Last Practicable Date.

12.3 No Director has any material beneficial interest, whether direct or indirect, in the Proposed BEE Transaction or any other transaction by Reunert, that was effected during the current or an earlier financial year and remains in any respect outstanding or unperformed, other than Advocate Noluthando Dorian Bahedile Orleyn who is a trustee and beneficiary of the Bahedile Trust and a trustee of the Cache Trust and the Selemo Trust, who, as one of the Peotona Parties, was part of the Peotona Parties Exit, being the repurchase of the Rebatona Ordinary Shares held by the Peotona Parties by Rebatona.

12.4 The Directors' remuneration will not be varied as a consequence of the Proposed BEE Transaction or the Specific Issue of Reunert Shares.

12.5 There has been no direct change in respect of the Directors and management of Reunert as a consequence of the Proposed BEE Transaction.

13. TRANSACTION COSTS

- 13.1 The following expenses and provisions are expected or have been provided for in connection with the Proposed BEE Transaction. All the fees payable to the parties below are in cash and exclusive of value-added tax. These expenses are once off in nature.

Expense	Service Provider	Amount
Financial Advisor	Investec Bank Limited	4 900 000
JSE Sponsor	One Capital Sponsor Services Proprietary Limited	350 000
Legal and Tax Advisor	Bowman Gilfillan Inc.	3 020 000
Independent Reporting Accountants	Deloitte & Touche	550 000
Independent Expert	BDO Corporate Finance Proprietary Limited	265 000
Technical Accounting Expert	James Luke Consultancy	187 000
JSE documentation and inspection fee	JSE	60 517
Other	Various	367 483
Total		9 700 000

- 13.2 Other than set out above, Reunert has not incurred any preliminary expenses in relation to the Proposed BEE Transaction during the 3 (three) years preceding the Last Practicable Date.

14. REUNERT SHARE INFORMATION

The price and trading history of the Reunert Shares on the JSE is set out in Annexure 4.

15. GENERAL MEETING

As provided for in terms of sections 61(10) and 63(2) of the Companies Act, the General Meeting will be held entirely through the use of an interactive electronic platform **at 09:00 on Tuesday, 15 February 2022**, in order to consider, and, if deemed fit, pass, with or without modification, the Resolutions. The electronic platform will allow Reunert Shareholders or their proxies, registered in accordance with the instructions set out in the Notice of General Meeting, to participate in and exercise their voting rights at the General Meeting. Reunert Shareholders are referred to the section titled "*Action Required by Reunert Shareholders*" which commences on page 3 of this Circular for information regarding voting, attendance and representation at the General Meeting.

16. LITIGATION STATEMENT

Reunert is not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or had, in the previous 12 (twelve) months, a material effect on the Reunert Group's financial position.

17. MATERIAL CHANGES

The Board is not aware of any material changes in the financial or trading position of the Reunert Group subsequent to the latest audited results for the year ended 30 September 2021.

18. MATERIAL CONTRACTS

Save for the agreements relating to the Proposed BEE Transaction as described in this Circular, neither Reunert nor any of its Subsidiaries have entered into any material contract, other than in the ordinary course of business, within the 2 (two) years prior to the Last Practicable Date or at any time and containing an obligation or settlement that is material to Reunert as at the Last Practicable Date.

19. CONSENTS

Each of the Share Transfer Secretaries, JSE sponsor, legal and tax advisor, Independent Expert, independent reporting accountants, technical Accounting Expert and auditor, and financial advisor have consented and have not, prior to the Last Practicable Date, withdrawn their written consent to the inclusion of their names and, where applicable, reports in the form and context in which they appear in this Circular.

20. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names appear on page 12 of this Circular, collectively and individually, accept full responsibility for the accuracy of the information given in this Circular and certify that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular false or misleading, and all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by the JSE Listings Requirements.

21. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours from 09:00 – 16:00 on Business Days until the date of the General Meeting, being Tuesday, 15 February 2022 at the registered office of Reunert and the Financial Advisor. Reunert Shareholders should contact Reunert's company secretary representative (by email: KarenL@reunert.co.za) should they wish to inspect the documents. The relevant documents are as follows:

- 21.1 the Reunert MOI;
- 21.2 a signed copy of the Rebatona Acquisition of Shares Agreement;
- 21.3 a signed copy of the Transaction Implementation Agreement;
- 21.4 New Bargenel MOI;
- 21.5 New Rebatona MOI;
- 21.6 a signed copy of the ESOP Trust Deed;
- 21.7 the Relationship Agreement;
- 21.8 signed copies of the Pledge Agreements;
- 21.9 the audited annual financial statements of Reunert for the 3 (three) years ended 30 September 2019, 30 September 2020 and 30 September 2021;
- 21.10 the Independent Expert Report, the text of which is included as Annexure 3;
- 21.11 the Independent Reporting Accountant's assurance report on the compilation of the *pro forma* financial information, the text of which is included as Annexure 2;
- 21.12 the written consents of each of the professional advisors to Reunert set out in this Circular; and
- 21.13 a signed copy of this Circular.

Signed on behalf of the Board, who is duly authorised hereto in terms of a resolution passed by the Board.

TS Munday
Chairman of the Board
Friday, 10 December 2021

AE Dickson
Reunert Group Chief Executive Officer
Friday, 10 December 2021

ANNEXURE 1 – PRO FORMA FINANCIAL INFORMATION

The definitions and interpretations commencing on page 6 of this Circular to which this Annexure is attached, apply to this Annexure, unless otherwise stated or the context so requires.

The *pro forma* financial effects have been presented for illustrative purposes only, to provide information on how the Proposed BEE Transaction may have affected the results and financial position of Reunert. Due to its nature, the *pro forma* financial information may not fairly represent Reunert's financial position, changes in equity, results of operations or cash flows post the implementation of the Proposed BEE Transaction.

The *Pro Forma* Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income is presented as if the Proposed BEE Transaction is effective 1 October 2020 and the *Pro Forma* Condensed Consolidated Statement of Financial Position is presented as if the Proposed BEE Transaction is effected as at 30 September 2021.

The *pro forma* financial information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the Board. The *pro forma* financial information has been prepared in accordance with the JSE Listings Requirements, the Guide on *Pro Forma* Financial Information issued by SAICA and Reunert's accounting policies, which are in compliance with IFRS.

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2021

R million	Before (1)	Restructure of the Original BEE Transaction	Specific Issue of Reunert Shares and Financial Assistance	ESOP Contributions (C) (2, 3, 4.2)	Transaction costs (D) (4.3)	Proposed BEE Transaction	After (1 to 6)
		(A) (2, 3, 4.1)	(B) (2, 3, 6)			(A + B + C + D) (2, 3)	
Revenue	9 575	-	-	-	-	-	9 575
Operating expenses (4)	(8 524)	(4)	-	(18)	(10)	(32)	(8 556)
Operating profit before impairment of financial assets	1 051	(4)	-	(18)	(10)	(32)	1 019
Impairment of financial assets	(1)	-	-	-	-	-	(1)
Operating profit	1 050	(4)	-	(18)	(10)	(32)	1 018
Interest and dividend income (5)	28	-	-	-	-	-	28
Interest expense	(70)	-	-	-	-	-	(70)
Profit before tax	1 008	(4)	-	(18)	(10)	(32)	976
Tax (4,5)	(265)	-	-	-	-	-	(265)
Profit/(loss) after tax	743	(4)	-	(18)	(10)	(32)	711
Share of joint ventures' and associates' profit	24	-	-	-	-	-	24
Profit for the period	767	(4)	-	(18)	(10)	(32)	735
Other comprehensive income, net of tax:							
Items that may be reclassified subsequently to profit or loss	2	-	-	-	-	-	2
Translation differences of foreign businesses	1	-	-	-	-	-	1
Translation loss on net investment in subsidiary	-	-	-	-	-	-	-
Fair value remeasurement of financial assets	1	-	-	-	-	-	1
Total comprehensive income	769	(4)	-	(18)	(10)	(32)	737
Total comprehensive income attributable to:							
Non-controlling interests	(6)	-	-	-	-	-	(6)
Share of (loss)/profit for the period	(10)	-	-	-	-	-	(10)
Share of other comprehensive income	4	-	-	-	-	-	4
Equity holders of Reunert	775	(4)	-	(18)	(10)	(32)	743
Share of (loss)/profit for the period	777	(4)	-	(18)	(10)	(32)	745
Share of other comprehensive income	(2)	-	-	-	-	-	(2)

R million	Restructure of the Original BEE Transaction Before (1)	Specific Issue of Reunert Shares and Financial Assistance (A) (2, 3, 4.1)	Specific Issue of Reunert Shares and Financial Assistance (B) (2, 3, 6)	ESOP Contributions (C) (2, 3, 4.2)	Transaction costs (D) (4.3)	Proposed BEE Transaction (A + B + C + D) (2, 3)	After (1 to 6)
Reconciliation between basic earnings and headline earnings							
Profit attributable to equity holders of Reunert	777	(4)	-	(18)	(10)	(32)	745
Headline earnings are determined by eliminating the effect of the following items from attributable earnings:							
Goodwill impairment	-	-	-	-	-	-	-
Impairment of non-financial assets in a joint venture (after a tax credit of Rnil)	1	-	-	-	-	-	1
Net loss on disposal of subsidiary and associate (after a tax charge of R1 million)	1	-	-	-	-	-	1
Impairment of property, plant and equipment	-	-	-	-	-	-	-
Profit on disposal of property, plant and equipment and tangible assets (after a tax charge of R3 million and NCI portion of Rnil)	(11)	-	-	-	-	-	(11)
Headline earnings	768	(4)	-	(18)	(10)	(32)	736
Number of ordinary shares in issue at 30 September 2021 (million)							
	184.9	-	-	-	-	-	184.9
Reunert shares held by Bargenel (empowerment shares) (million) (6)	(18.5)	-	(5.5)	-	-	(5.5)	(24.0)
Reunert shares held by a subsidiary (treasury shares) (million) (6)	(7.0)	-	5.5	-	-	5.5	(1.5)
Net number of ordinary shares in issue (million)	159.4	-	-	-	-	-	159.4
Weighted average number of shares in issue, net of empowerment and treasury shares, for EPS and HEPS (million)							
	160.7	-	-	-	-	-	160.7
Weighted average number of shares in issue, net of empowerment and treasury shares, for diluted EPS and diluted HEPS (million)							
	161.4	-	-	-	-	-	161.4
EPS (cents)	483	(2)	-	(11)	(6)	(19)	464
Diluted EPS (cents)	481	(2)	-	(11)	(6)	(19)	462
HEPS (cents)	478	(2)	-	(11)	(6)	(19)	459
Diluted HEPS (cents)	476	(2)	-	(11)	(6)	(19)	457

Notes:

1. The “Before” column is based on the published preliminary reviewed condensed consolidated financial statements of Reunert for the year ended 30 September 2021, as released on SENS on Tuesday, 23 November 2021. There are no other material transactions subsequent to the financial year ended 30 September 2021, which require adjustment to the *pro forma* financial information.
2. The Proposed BEE Transaction (as contemplated in the transaction steps described in paragraphs 4.2.1 to 4.2.7 of this Circular) entails, (i) the Restructure of the Original BEE Transaction; (ii) the Specific Issue of Reunert Shares; (iii) the Financial Assistance; and (iv) the ESOP Contributions. For purposes of determining the *pro forma* financial effects of the Proposed BEE Transaction, the Specific Issue of Reunert Shares and the Financial Assistance have been combined.
3. It was concluded that Bargenel, Rebatona, the Rebatona Trust and the ESOP will be consolidated by Reunert based on the outcome of the assessment of control relating to the ESOP and reassessment of control in relation to Bargenel, Rebatona and Rebatona Trust performed in accordance with IFRS 10, Consolidated Financial Statements.
4. Operating costs:
 - 4.1 Restructure of Original BEE Transaction - due to the Rebatona Trust being consolidated, any bursaries awarded by the Rebatona Trust are regarded as the cost of the Restructure of the Original BEE Transaction and are expensed and debited to the Statement of Profit or Loss and Other Comprehensive Income. It was assumed that the total trickle dividend of R4.1 million received by the Rebatona Trust will be awarded as bursaries and therefore expensed in the Statement of Profit or Loss and Other Comprehensive Income. The bursaries to be awarded by the Rebatona Trust (expenses) are conditional upon Reunert ordinary dividends being declared. These expenses have been assumed to be non-deductible for tax purposes.
 - 4.2 ESOP Contributions - the ESOP is classified as a cash-settled share-based payment in terms of IFRS 2: Share-based Payment. The share-based payment expense has been determined using the Monte Carlo technique. There will be an expense debited to the Statement of Profit or Loss and Other Comprehensive Income over the most probable period that services will be rendered by the beneficiaries of the ESOP (being employees of certain Reunert Subsidiaries) with a corresponding credit to the share-based payment liability in the Statement of Financial Position. The total IFRS 2 charge in relation to the ESOP has been calculated at R90 million taking into consideration an attrition rate of 8.41% per annum. The annual charge to the Reunert Statement of Profit or Loss and Other Comprehensive Income is estimated at R18 million.
 - 4.3 The transaction costs (as set out in paragraph 13.1 of this Circular) are estimated to be approximately R9.7 million and have, or will be, expensed. These costs are once-off and have been assumed to be non-deductible for tax purposes.
5. The reduction in interest income, which is mainly due to the reduction in cash balances as result of the transaction costs incurred and the trickle dividend flowing to the beneficiaries of the Rebatona Trust and the ESOP is not material (less than R1 million). The reduction in interest was calculated using a rate of 4.3%, being the annual average money market rate. This reduction will have a continuing impact and is assumed to reduce taxable income.
6. Due to Bargenel being consolidated by Reunert as described in note 3 above, the Specific Issue of Reunert Shares and Financial Assistance have no impact on the consolidated results of Reunert. The Reunert Shares held by Bargenel, including the Specific Issue of Reunert Shares, will continue to be classified as treasury shares for accounting purposes and will also be excluded from the weighted average number of shares in issue.

**PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

R million	Before (1)	Restructure of the Original BEE Transaction (A) (2, 3, 4)	Specific Issue of Reunert Shares and Financial Assistance (B) (2, 3, 5)	ESOP Contributions (C) (2, 3, 6)	Transaction costs (D) (7)	Proposed BEE Transaction (A+B+C+D) (2, 3)	After (1 to 8)
Non-current assets							
Property, plant and equipment	858	-	-	-	-	-	858
Investment property	23	-	-	-	-	-	23
Right-of-use assets	146	-	-	-	-	-	146
Intangible assets	444	-	-	-	-	-	444
Goodwill	934	-	-	-	-	-	934
Other investments and loans	65	-	-	-	-	-	65
Investments in joint ventures and associates	99	-	-	-	-	-	99
Investments at fair value through profit or loss	76	-	-	-	-	-	76
Derivative financial assets	41	-	-	-	-	-	41
Lease receivables	410	-	-	-	-	-	410
Loan receivables	1 393	-	-	-	-	-	1 393
Deferred tax assets	145	-	-	-	-	-	145
	4 634	-	-	-	-	-	4 634
Current assets							
Inventory	1 743	-	-	-	-	-	1 743
Lease receivables	273	-	-	-	-	-	273
Loan receivables	400	-	-	-	-	-	400
Trade and other receivables	2 097	-	-	-	-	-	2 097
Tax receivable	115	-	-	-	-	-	115
Derivative financial assets	7	-	-	-	-	-	7
Cash and cash equivalents (7)	1 068	-	-	-	(10)	(10)	1 058
	5 703	-	-	-	(10)	(10)	5 693
Total assets	10 337	-	-	-	(10)	(10)	10 327
Capital and reserves							
Share capital	389	-	-	-	-	-	389
Share-based payment reserves	219	-	-	-	-	-	219
Empowerment shares (5)	(276)	-	(278)	-	-	(278)	(554)
Treasury shares (5)	(447)	-	278	-	-	278	(169)
Equity transactions/put option with non-controlling shareholders	(72)	-	-	-	-	-	(72)
Other reserves	(163)	-	-	-	-	-	(163)
Retained earnings (7)	7 045	-	-	-	(10)	(10)	7 035
Equity attributable to equity holders of Reunert	6 695	-	-	-	(10)	(10)	6 685
Non-controlling interests	87	-	-	-	-	-	87
Total equity	6 782	-	-	-	(10)	(10)	6 772

R million	Before (1)	Restructure of the Original BEE Transaction (A) (2, 3, 4)	Specific Issue of Reunert Shares and Financial Assistance (B) (2, 3, 5)	ESOP Contributions (C) (2, 3, 6)	Transaction costs (D) (7)	Proposed BEE Transaction (A+B+C+D) (2, 3)	After (1 to 8)
Non-current liabilities							
Deferred tax liabilities	158	-	-	-	-	-	158
Equity forward contract	48	-	-	-	-	-	48
Long-term loans	44	-	-	-	-	-	44
Lease liabilities	100	-	-	-	-	-	100
Share-based payment liability	-	-	-	-	-	-	-
Derivative financial liabilities	92	-	-	-	-	-	92
Contract liabilities	-	-	-	-	-	-	-
Contingent consideration	10	-	-	-	-	-	10
	452	-	-	-	-	-	452
Current liabilities							
Put option liability	25	-	-	-	-	-	25
Equity forward contract	18	-	-	-	-	-	18
Current portion of long-term loans	39	-	-	-	-	-	39
Lease liabilities	85	-	-	-	-	-	85
Share-based payment liability	-	-	-	-	-	-	-
Derivative financial liabilities	17	-	-	-	-	-	17
Provisions	81	-	-	-	-	-	81
Tax liabilities	21	-	-	-	-	-	21
Contract liabilities	264	-	-	-	-	-	264
Trade and other payables	1 776	-	-	-	-	-	1 776
Bank overdrafts and short-term facilities	777	-	-	-	-	-	777
	3 103	-	-	-	-	-	3 103
Total equity and liabilities	10 337	-	-	-	(10)	(10)	10 327
Number of ordinary shares in issue (million)	184.9	-	-	-	-	-	184.9
Reunert shares held by Bargenel (empowerment shares) (million) (5)	(18.5)	-	(5.5)	-	-	(5.5)	(24.0)
Reunert shares held by a subsidiary (treasury shares) (million) (5)	(7.0)	-	5.5	-	-	5.5	(1.5)
Net number of ordinary shares in issue (million)	159.4	-	-	-	-	-	159.4
Weighted average number of shares in issue, net of empowerment and treasury shares, for EPS and HEPS (million)	160.7	-	-	-	-	-	160.7
Weighted average number of shares in issue, net of empowerment and treasury shares, for diluted EPS and diluted HEPS (million)	161.4	-	-	-	-	-	161.4
NAV per share (cents) (8)	4 199	-	-	-	(6)	(6)	4 193
Tangible NAV per share (cents) (8)	3 335	-	-	-	(6)	(6)	3 329

Notes:

1. The “*Before*” column is based on the published preliminary reviewed condensed consolidated financial statements of Reunert for the year ended 30 September 2021, as released on SENS on Tuesday, 23 November 2021. There are no other material transactions subsequent to the financial year ended 30 September 2021, which require adjustment to the *pro forma* financial information.
2. The Proposed BEE Transaction (as contemplated in the transaction steps described in paragraphs 4.2.1 to 4.2.7 of this Circular) entails, (i) the Restructure of the Original BEE Transaction; (ii) the Specific Issue of Reunert Shares; (iii) the Financial Assistance; and (iv) the ESOP Contributions. For purposes of determining the *pro forma* financial effects of the Proposed BEE Transaction, the Specific Issue of Reunert Shares and the Financial Assistance have been combined.
3. It was concluded that Bargenel, Rebatona, the Rebatona Trust and the ESOP will be consolidated by Reunert based on the outcome of the assessment of control relating to the ESOP and reassessment of control in relation to Bargenel, Rebatona and Rebatona Trust performed in accordance with IFRS 10, Consolidated Financial Statements.
4. The Restructure of the Original BEE Transaction will have no impact on the consolidated Reunert financial position on the Transaction Effective Date (assumed for this purpose to be 30 September 2021). However, going forward any trickle dividends flowing to the beneficiaries of the Rebatona Trust and the ESOP will reduce Reunert’s available cash resources. The trickle dividend flowing to the beneficiaries of the Rebatona Trust (as bursaries) will be expensed as indicated in note 4.1 to the *Pro Forma* Statement of Profit or Loss and Other Comprehensive Income, whilst the trickle dividend flowing to the ESOP Beneficiaries will reduce the share-based payment liability (to be recognised annually over the most probable period that services will be rendered by the beneficiaries of the ESOP to certain Reunert Subsidiaries as described in note 4.2 to the *Pro Forma* Statement of Profit or Loss and Other Comprehensive Income).
5. Due to Bargenel being consolidated by Reunert as described in note 3 above, the Specific Issue of Reunert Shares and Financial Assistance consequently will have no effect on Reunert’s consolidated financial position. The only effect due to the Specific Issue of Reunert Shares will be a reclassification for disclosure purposes of such shares from treasury shares to empowerment shares. The Reunert Shares held by Bargenel, including the Specific Issue of Reunert Shares, will continue to be classified as treasury shares for accounting purposes and will also be excluded from the weighted average number of shares in issue.
6. The ESOP Contributions will have no impact on the consolidated Reunert financial position on the Transaction Effective Date (assumed for this purpose to be 30 September 2021). However, going forward the share-based payment liability on the Statement of Financial Position will be credited annually with the share-based payment expense that will be debited to the Statement of Profit or Loss and Other Comprehensive Income as described in note 4.2 to the *Pro Forma* Statement of Profit or Loss and Other Comprehensive Income. Also refer to note 4 above for the treatment and impact of any trickle dividend flowing through to Beneficiaries of the ESOP going forward.
7. It was assumed for purposes of the *Pro Forma* Statement of Financial Position that the transaction costs of R9.7 million will be expensed on the Transaction Effective Date (assumed for this purpose to be 30 September 2021) and such payment will therefore reduce the available cash resources of Reunert and retained earnings of Reunert.
8. NAV is calculated as equity attributable to the equity holders of Reunert. Tangible NAV is calculated as equity attributable to the equity holders of Reunert less the value of goodwill and other intangible assets. NAV and Tangible NAV per share are calculated as NAV or Tangible NAV divided by the net number of Reunert Shares.

ANNEXURE 2 – INDEPENDENT REPORTING ACCOUNTANT’S ASSURANCE REPORT ON THE COMPILATION OF THE *PRO FORMA* FINANCIAL INFORMATION INCLUDED IN THE CIRCULAR

The definitions and interpretations commencing on page 6 of this Circular to which this Annexure is attached, **do not** apply to this Annexure.

“To the Directors of Reunert Limited
Reunert Limited
P.O Box 784391
Sandton
2146

Dear Sirs

Report on the Assurance Engagement on the Compilation of *Pro Forma* Financial Information Included in a Circular

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Reunert Limited by the directors. The *pro forma* financial information, as set out in paragraph 9.1 and Annexure 1 of the circular (the circular), to be dated on or about 20 December 2021, consists of the *pro forma* condensed consolidated statement of financial position as at 30 September 2021 and the *pro forma* condensed consolidated statement of profit or loss and other comprehensive income. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements and described in paragraph 9.1 and Annexure 1 of the circular.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in paragraph 4.2 of the circular, on the company’s financial position as at 30 September 2021, and the company’s financial performance for the period then ended, as if the corporate action or event had taken place at 1 October 2020. As part of this process, information about the company’s financial position and financial performance has been extracted by the directors from the company’s preliminary condensed financial statements for the year ended 30 September 2021, on which a review conclusion was issued on 23 November 2021.

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in paragraph 9.1 and Annexure 1 of the circular.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards).

The firm applies the International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant’s Responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* which is applicable to an engagement of this nature. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

The purpose of *pro forma* financial information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2021 would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of Reunert Limited, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in paragraph 9.1 and Annexure 1 of the circular.

Deloitte & Touche

Registered Auditor

Per: Nita Ranchod

Partner

10 December 2021

Deloitte & Touche

5 Magwa Crescent

Waterfall City

Midrand

2090"

ANNEXURE 3 – INDEPENDENT EXPERT REPORT

The definitions and interpretations commencing on page 6 of this Circular to which this Annexure is attached, **do not** apply to this Annexure.

“The Directors
Reunert Limited
Nashua Building
Woodmead North Office Park
54 Maxwell Drive
Woodmead, 2191

10 December 2021

Dear Sirs/Mesdames

FAIRNESS OPINION TO REUNERT REGARDING THE PROPOSED BEE TRANSACTION, SPECIFICALLY THE SPECIFIC ISSUE OF REUNERT SHARES AND THE SMALL RELATED PARTY TRANSACTIONS

Introduction

Reunert Limited (“**Reunert**” or the “**Company**”) entered into a transaction implementation agreement with Bargenel Investments Proprietary Limited (“**Bargenel**”), Rebatona Investment Holdings Proprietary Limited (“**Rebatona**”), Julopro Proprietary Limited and The Trustees for the time being of The Rebatona Education Trust (“**Rebatona Trust**”) (“**Transaction Implementation Agreement**”) to restructure the Company’s current 2007 broad-based black economic empowerment (“**BEE**”) transaction which resulted in approximately 9.5% of the then issued Reunert ordinary shares (“**Reunert Shares**”) being indirectly held by individuals (“**Peotona Parties**”) and the Rebatona Trust through Rebatona (“**Original BEE Transaction**”).

Rebatona holds 100% of the ordinary shares in the issued share capital of Bargenel (“**Bargenel Shares**”) which in turn holds 18 500 000 Reunert Shares representing approximately 10% of all of the issued Reunert Shares. In order to fund the Original BEE Transaction, Bargenel issued 1 112 405 ‘A’ redeemable, cumulative preference shares in Bargenel (“**Bargenel A Preference Shares**”) and 1 special redeemable preference share of R1.00 (“**Bargenel Special Preference Share**”) to Reunert. Rebatona Trust holds 700 Bargenel Shares, comprising 70% of Bargenel Shares and the Peotona Parties hold 300 Bargenel Shares, comprising 30% of Bargenel Shares.

Reunert entered into a separate agreement with Rebatona and the Peotona Parties (“**Rebatona Acquisition of Shares Agreement**”) in terms of which Rebatona acquired the 300 Rebatona Shares held by the Peotona Parties from each of the individual Peotona Parties for an aggregate purchase price of R9.6 million (“**Peotona Parties Exit**”).

In terms of the Transaction Implementation Agreement, the following transaction steps will be implemented:

- Reunert shall waive its rights to receive arrear preference dividends in respect of the Bargenel A Preference Shares (the “**Bargenel Arrear Preference Dividends**”). It is estimated that, assuming that the Transaction Implementation Agreement is implemented on Tuesday, 1 March 2022, the Bargenel Arrear Preference Dividends as at that date will be approximately R202 million (“**Bargenel Arrear Preference Dividends Waiver**”);
- Bargenel will repurchase 185 000 Bargenel A Preference Shares from Reunert, for an amount equal to a consideration of R1 850 (the “**Bargenel A Preference Shares Repurchase Consideration**”) such that, following the repurchase of these Bargenel A Preference Shares and the Bargenel Arrear Preference Dividends Waiver, the net asset value of Bargenel (being the value of the 18 500 000 Reunert Shares held by Bargenel less the outstanding Bargenel A Preference Shares) will be close to zero. These Bargenel A Preference Shares shall then be cancelled as issued shares and be restored to the status of authorised shares (“**Bargenel A Preference Shares Repurchase**”);
- The terms of the Bargenel A Preference Shares will be amended so as to extend the term of the Bargenel A Preference Shares by a period of at least 10 (ten) years (“**Bargenel A Preference Share Terms Extension**”);
- Further amendments will be made to the terms of the Bargenel A Preference Shares to provide for the payment of Bargenel A Preference Dividends equal to 90% of the ordinary cash dividends received by Bargenel by virtue of its shareholding in Reunert. This would allow for a trickle dividend equal to 10% of the ordinary dividends received by Bargenel by virtue of its shareholding in Reunert to flow from Bargenel through Rebatona to the shareholders of Rebatona (“**Bargenel A Preference Share Terms Amendment**”);
- Julopro shall sell to Bargenel (which constitutes a specific issue of shares in terms of paragraph 5.51 of the JSE Listings requirements), 3% of the Reunert Shares for an amount of R278.2 million (“**Sale Consideration**”) (“**Specific Issue of Reunert Shares**”);
- Reunert will subscribe for 278 176 Bargenel A Preference Shares for an aggregate subscription price of R278.2 million (representing an amount of R1 000 per Bargenel A Preference Shares) to fund the Specific Issue of Reunert Shares (“**Financial Assistance**”); and
- Reunert will establish an employee share ownership program to be called the Reunert Employee Share Ownership Trust (“**ESOP**”), which will subscribe for 371 new ordinary no par value shares in the issued share capital of Rebatona (“**Rebatona Ordinary Shares**”), equating to a shareholding of approximately 34.62% in Rebatona. The subscription by the ESOP for the Rebatona ordinary shares will be at a nominal subscription price and will be funded through a donation by Reunert to the ESOP. In addition, in terms of the relationship agreement to be entered into between Reunert, Bargenel, Rebatona, the ESOP and the Rebatona Trust (“**Relationship Agreement**”), Reunert will be entitled to contribute, or procure that employer companies contribute, to the ESOP all or a portion of the funds required by the ESOP to settle beneficiaries of the ESOP remaining at the end of the ESOP period (the initial donation of R371 together with any future contributions to settle beneficiaries of the ESOP, collectively referred to as the “**ESOP Contributions**”)

(the “**Proposed BEE Transaction**”).

Full details and the terms of the Peotona Parties Exit and Proposed BEE Transaction are set out in the circular to holders of Reunert Shares (“**Reunert Shareholders**”) dated on or about Monday, 20 December 2021 (“**Circular**”), which will include a copy of this letter.

Fairness opinions required in terms of the JSE Listings Requirements and JSE Guidance Letter

The Bargenel Arrear Preference Dividends Waiver, Bargenel A Preference Shares Repurchase, Bargenel A Preference Share Terms Extension and Bargenel A Preference Share Terms Amendment ("**Restructure of the Original BEE Transaction**") in aggregate, amount to a small related party transaction as contemplated in paragraph 10.7 of the JSE Listings Requirements between Reunert and Bargenel, a material shareholder of Reunert and therefore a related party to Reunert in terms of paragraph 10.1.(b)(i) of the JSE Listings Requirements.

In terms of paragraph 10.7 of the JSE Listing Requirements Reunert is required to, prior to completing the Restructure of the Original BEE Transaction, provide the JSE with written confirmation from an independent professional expert, acceptable to the JSE, that the terms of the Restructure of the Original BEE Transaction are fair insofar as Reunert Shareholders are concerned (the "**Restructure of the Original BEE Transaction Fairness Opinion**").

The ESOP Contributions amount to a small related party transaction as contemplated in paragraph 10.7 of the JSE Listings Requirements between Reunert and Rebatona, an associate of a material shareholder of Reunert (i.e. Bargenel) and therefore a related party to Reunert in terms of paragraph 10.1(b)(vii), as read with paragraph 10.1(b)(i), of the JSE Listings Requirements.

As a result of the aggregation of the percentage ratios applicable to the Peotona Parties Exit and the ESOP Contributions, as required in terms of paragraph 10.8 of the JSE Listings Requirements, the ESOP Contributions amount to a small related party transaction as contemplated in paragraph 10.7 of the JSE Listing Requirements. Accordingly, Reunert is required to, prior to completing the ESOP Contributions, provide the JSE with written confirmation from an independent professional expert, acceptable to the JSE, that the terms of the ESOP Contributions are fair insofar as Reunert Shareholders are concerned (the "**ESOP Contributions Fairness Opinion**").

The Specific Issue of Reunert Shares is classified as a specific issue of shares for cash to a related party. The Specific Issue of Reunert Shares will be at the 30-day volume weighted average price ("**VWAP**") of a Reunert Share as quoted on the JSE up to and including Friday, 5 November 2021.

A fairness opinion is required in respect of the Specific Issue of Reunert Shares, in terms of the JSE Guidance Letter, dated 11 November 2010, confirming that the terms of the Specific Issue of Reunert Shares is fair insofar as the Reunert Shareholders are concerned ("**Specific Issue of Reunert Shares Fairness Opinion**").

BDO Corporate Finance Proprietary Limited ("**BDO Corporate Finance**") has been appointed by board of directors of Reunert ("**Board**" or "**Directors**") to provide the Restructure of the Original BEE Transaction Fairness Opinion, the ESOP Contributions Fairness Opinion and Specific Issue of Reunert Shares Fairness Opinion, as detailed above and in accordance with the JSE ruling letter to Reunert dated 26 October 2021.

Responsibility

Compliance with the JSE Listings Requirements is the responsibility of the Directors. Our responsibility is to report on the fairness of the terms of the Restructure of the Original BEE Transaction, ESOP Contributions and Specific Issue of Reunert Shares.

Explanation as to how the term "fair" applies in the context of the Proposed BEE Transaction and each of the Restructure of the Original BEE Transaction, the ESOP Contributions and the Specific Issue of Reunert Shares

The "fairness" of a transaction is based on quantitative issues.

The Restructure of the Original BEE Transaction, ESOP Contributions and Specific Issue of Reunert Shares would be considered fair to the shareholders of Reunert if the value received by Reunert in terms of each of the Restructure of the Original BEE Transaction, ESOP Contributions and Specific Issue of Reunert Shares is equal to or greater than the cost of each of the Restructure of the Original BEE Transaction, ESOP Contributions and Specific Issue of Reunert Shares. Conversely, the Restructure of the Original BEE Transaction, ESOP Contributions and Specific Issue of Reunert Shares would be considered unfair to the shareholders of Reunert if the value received by Reunert in terms of each of the Restructure of the Original BEE Transaction, ESOP Contributions and Specific Issue of Reunert Shares is less than the cost of each of the Restructure of the Original BEE Transaction, ESOP Contributions and Specific Issue of Reunert Shares.

In determining the value received by Reunert in terms of the Restructure of the Original BEE Transaction, ESOP Contributions and Specific Issue of Reunert Shares we have considered the financial benefit expected to be derived from the Restructure of the Original BEE Transaction, ESOP Contributions and Specific Issue of Reunert Shares, represented by the present value of the estimated impact on Reunert's future cash flows if the Restructure of the Original BEE Transaction, ESOP Contributions and Specific Issue of Reunert Shares is not concluded (the "**Financial Benefit**"). Against this, we have considered the cost of the Restructure of the Original BEE Transaction, ESOP Contributions and Specific Issue of Reunert Shares, represented by the fair value of the embedded options held by Rebatona Trust and the ESOP and other relevant transaction costs (the "**Economic Cost**").

The Restructure of the Original BEE Transaction, ESOP Contributions and Specific Issue of Reunert Shares would be considered fair to Reunert Shareholders, if the Financial Benefit exceeds the Economic Cost. Whilst it is possible to reliably measure the economic cost of these transactions, being the IFRS 2 cost and transaction costs, each of these transactions is implemented as part of the Proposed BEE Transaction in order to achieve a desired final outcome in terms of the Company's BEE shareholding and BEE scorecard. We have therefore considered the Proposed BEE Transaction in its entirety when assessing the Financial Benefit of the Restructure of the Original BEE Transaction, ESOP Contributions and Specific Issue of Reunert Shares and have compared this to the Economic Cost of the Restructure of the Original BEE Transaction, ESOP Contributions and Specific Issue of Reunert Shares in aggregate.

Details and sources of information

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

- the terms and conditions of the Original BEE Transaction as set out in the circular to shareholders dated 06 February 2007;
- the Proposed BEE Transaction agreements comprising:
 - Transaction Implementation Agreement;
 - Rebatona Acquisition of Shares Agreement;
 - Relationship Agreement;

- agreement of pledge entered into between Reunert and Bargenel pursuant to the terms of the Transaction Implementation Agreement;
- agreement of pledge entered into between the ESOP, Reunert and Rebatona pursuant to the terms of the Transaction Implementation Agreement;
- agreement of pledge entered into between Reunert, Rebatona and Bargenel pursuant to the terms of the Transaction Implementation Agreement;
- agreement of pledge entered into between the trustees, for the time being, of the Rebatona Trust, Reunert and Rebatona pursuant to the terms of the Transaction Implementation Agreement;
- the trust deed of the ESOP, entered into between Reunert, Rebatona and the first ESOP trustee, being Mohini Moodley, an executive Director, dated 6 December 2021, as amended from time to time;
- memorandum of incorporation to be adopted by Bargenel in terms of the Transaction Implementation Agreement; and
- the new memorandum of incorporation to be adopted by Rebatona in terms of the Transaction Implementation Agreement.
- the terms and conditions of the Proposed BEE Transaction as set out in the Circular;
- the integrated annual report and annual financial statements of Reunert for the year ended 30 September 2020;
- the Reunert interim results for the six months ended 31 March 2021;
- forecast financial information for Reunert and per business unit for the financial year ending 30 September 2022;
- information provided by management regarding the Economic Costs and Financial Benefit of the Restructure of the Original BEE Transaction, ESOP Contributions and Specific Issue of Reunert Shares;
- precedent transactions of a similar nature;
- discussions with Directors and management regarding the rationale for the Restructure of the Original BEE Transaction, ESOP Contributions and Specific Issue of Reunert Shares;
- discussions with Directors and management on prevailing market, economic, legal and other conditions which may affect underlying value;
- share price information of Reunert over the last 12 months to assess the liquidity and volatility of Reunert Shares; and
- publicly available information relating to Reunert, comparable publicly traded companies and the markets in which the Company and its peers operate.

The information above was secured from:

- directors and management of Reunert 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 Reunert.

Procedures and considerations

In arriving at our opinion we have undertaken the following procedures and taken into account the following factors in evaluating the fairness of the Proposed BEE Transaction:

- reviewed the terms and conditions of the Proposed BEE Transaction;
- reviewed the transaction agreements in relation to the Proposed BEE Transaction;
- reviewed the audited financial information of Reunert, as detailed above;
- reviewed and obtained an understanding as to the forecast financial information of Reunert per business unit and assessed the achievability thereof by considering historic information as well as macro-economic and sector-specific data;
- held discussions with Directors and management of Reunert and considered such other matters as we consider necessary, including assessing the prevailing economic and market conditions and trends;
- assessed the long-term potential of Reunert;
- evaluated the relative risks associated with Reunert and the industries in which its business units operates;
- reviewed the Department of Trade and Industry's Code of Good Practice for BEE and Reunert's BEE scorecard before and after implementing the Proposed BEE Transaction;
- prepared an estimate of the Financial Benefit to Reunert of concluding the Proposed BEE Transaction. In determining this benefit, the following procedures were performed:
 - through discussions with management, assessed the risks to Reunert, by business unit, of not concluding the Proposed BEE Transaction;
 - reviewed existing contracts and performed a quantification of the potential business at risk of being lost were the Proposed BEE Transaction not concluded;
 - quantified the cost of unwinding the Original BEE Transaction being the capital gains tax effect;
 - identified the mitigating factors that management could take to minimise the identified risks; and
 - based on the above, performed a quantification of the potential cash flow effects to Reunert and quantified the net present value of the potential lost cash flows should the Proposed BEE Transaction not be concluded;
- prepared an estimate of the Economic Cost to Reunert of concluding the Proposed BEE Transaction. In determining this cost, the following procedures were performed:
 - reviewed the historic prices and volumes and calculated the historic volatility of a Reunert Share; and
 - prepared an estimate of the economic cost to Reunert of concluding the Proposed BEE Transaction being the fair value of the embedded options held by Rebatona Trust and the ESOP and other transaction costs;
- reviewed certain publicly available information relating to the sectors in which Reunert and its business units operate that we deemed to be relevant, including company announcements, analyst reports and media articles;
- where relevant, representations made by management and/or Directors of Reunert were corroborated to source documents or independent analytical procedures were performed by us, to examine and understand the industries in which Reunert and its business units operate, and to analyse external factors that could influence the business of Reunert; and
- held discussions with the Directors and management of Reunert as to their strategy and the rationale for the Proposed BEE Transaction and considered such other matters as we considered necessary, including assessing the prevailing economic and market conditions and trends in the sectors in which Reunert and its business units operate.

Assumptions

We arrived at our opinion based on the following assumptions:

- that all agreements that are to be entered into in terms of the Proposed BEE Transaction will be legally enforceable;
- that the Proposed BEE Transaction will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives and advisors of Reunert; and
- that reliance can be placed on the financial information of Reunert.

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 opinions by:

- reliance on audit reports in the financial statements of Reunert;
- conducting analytical reviews on the financial results and forecasts, such as key ratio and trend analyses; and
- determining the extent to which representations from management were confirmed by documentary evidence as well as our understanding of Reunert and the economic environment in which the group operates.

Limiting conditions

This opinion is provided in connection with and for the purposes of the Proposed BEE Transaction. The opinion does not purport to cater for each individual Reunert Shareholder's perspective, but rather that of the general body of Reunert Shareholders.

An individual Reunert Shareholder's decision regarding the Proposed BEE Transaction may be influenced by such Reunert Shareholder's particular circumstances and accordingly individual Reunert Shareholders should consult an independent advisor if in any doubt as to the merits or otherwise of the Proposed BEE Transaction.

We have relied upon and assumed the accuracy of the information provided to 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 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.

Where relevant, forward-looking information of Reunert relates to future events and is based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such 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 the actual future results of Reunert will correspond to those projected. We have however compared the forecast financial information to past trends as well as discussing the assumptions inherent therein with management.

We have also assumed that the Proposed BEE Transaction will have the legal consequences described in discussions with, and materials furnished to us by representatives and advisors of Reunert and we express no opinion on such consequences.

Our opinion is based on current economic, regulatory and market as well as other conditions. Subsequent developments may affect this opinion, and we are under no obligation to update, review or re-affirm our opinion based on such developments.

Independence

We confirm that we have no direct or indirect interest in Reunert Shares or the Proposed BEE Transaction. We also confirm that we have the necessary qualifications and competence to provide the fairness opinion on the Proposed BEE Transaction.

We confirm that neither we, nor any person related to us (as contemplated in the JSE Listings Requirements), have any relationship with Reunert or any party involved in the Proposed BEE Transaction.

Furthermore, we confirm that our professional fees payable in cash, are not contingent upon the success of the Proposed BEE Transaction.

Valuation Considerations

The Economic Cost of the Proposed BEE Transaction

The Economic Costs of the Proposed BEE Transaction comprises a number of components, i.e.

- fair value of the embedded options held by Rebatona Trust and the ESOP; and
- transaction costs.

We employed a Monte Carlo option pricing model to determine the fair value of the embedded options held by Rebatona Trust and the ESOP. The deemed options being valued in respect of the Proposed BEE Transaction have a strike price that is influenced by dividends and distributions from Reunert.

Value drivers of the Monte Carlo option pricing model valuation include:

- an average risk-free rate of 7.568% based on the zero-coupon swap rate for a period equating to the Proposed BEE Transaction;
- the spot price of a Reunert Share of R54.94 on 5 November 2021;
- a dividend yield of 5.233%, being the key internal value driver;
- term of the options, being 1 March 2032;
- strike price of R50.13; and
- the expected volatility of a Reunert Share of 33.551%, being the key external value driver.

The Economic Cost was determined by taking cognisance of risk and other market and industry factors affecting Reunert.

Additionally, sensitivity analyses were performed considering key value drivers which comprise the expected volatility of a Reunert Share and dividend yield as follows:

- increasing and decreasing the volatility by a maximum of 500 basis points; and
- increasing and decreasing the dividend yield by a maximum of 100 basis points.

The sensitivity analysis did not indicate a sufficient effect to alter our opinion in respect of the Proposed BEE Transaction.

The Financial Benefit of the Proposed BEE Transaction

In assessing the quantifiable benefits of the Proposed BEE Transaction, we held discussions with management of Reunert to identify and understand the impact on Reunert's business units if the Proposed BEE Transaction is not concluded, which would result in the unwinding of the Original BEE Transaction.

We note that three of Reunert's business units, namely African Cables, Telecom Cables and +OneX have customer requirements that these businesses be 51% Black Owned and 30% Black Women Owned in order to qualify for contracts and tenders. In the event that the Proposed Transaction were not implemented and the Original BEE Transaction were to be unwound, African Cables would fall below the Black Owned minimum threshold and +OneX would fall below the Black Owned and Black Women Owned minimum thresholds. Telecom Cables would not however be impacted.

The Financial Benefit of the Proposed BEE Transaction comprises two components, namely:

- The net present value ("**NPV**") of the potential cash flows effects of not implementing the Proposed BEE Transaction using a discounted cash flows approach ("**DCF Valuation**"): The valuation was performed by reviewing the split of revenue by customer and contract for African Cables and +OneX and applying a probability weighting to reflect the risk of lost business and resultant impact on operating profit and cash flows; and
- The cost of unwinding of the Original BEE Transaction: In the event of the unwinding of the Original BEE Transaction, Bargenel would incur a Capital Gains Tax liability on the sale of the Reunert Shares to Reunert at the repurchase price of the Reunert Shares in excess of the base cost.

We found that the key internal value drivers of the DCF Valuation are estimates of projected earnings at risk, the probability of loss and the discount rate.

External value drivers of the DCF Valuation comprise key macro-economic parameters being; forecast interest rates (the prime lending rate at 8% for the forecast period), forecast annual inflation rates (4.4% in 2021 and 4.5% in 2022 to 2024 and 5% thereafter), and forecast gross domestic product ("**GDP**") growth rates (forecast to grow at 5.0% in 2021 and 2.4% in 2022).

We performed a sensitivity analysis on key assumptions included in the DCF Valuation. The sensitivity analysis was performed by:

- increasing and decreasing the probability of loss by a maximum of 10.0%; and
- decreasing and increasing the discount rate by a maximum of 1.0%.

The sensitivity analysis did not indicate a sufficient effect to alter our opinion in respect of the Proposed BEE Transaction.

We also note that Reunert's reputation is expected to be negatively impacted in the event that its BEE ownership status of its business units deteriorates. The impact of this is not however specifically quantifiable.

Opinion

BDO Corporate Finance has considered the terms and conditions of the Proposed BEE Transaction and, based on and subject to the conditions set out herein, is of the opinion that the terms and conditions of each of the Restructure of the Original BEE Transaction, ESOP Contributions and Specific Issue of Reunert Shares are fair to Reunert Shareholders insofar as the Proposed BEE Transaction is concerned.

Our opinion is necessarily based upon the information available to us up to 3 December 2021, including in respect of the financial information as well as other conditions and circumstances existing and disclosed to us. We have assumed that all conditions precedent, including any material regulatory and other approvals or consents required in connection with the Proposed BEE Transaction have been fulfilled or obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

Yours faithfully

N Lazanakis
Director

BDO Corporate Finance Proprietary Limited
52 Corlett Drive
Illovo
2196"

ANNEXURE 4 – TRADING HISTORY OF REUNERT SHARES ON THE JSE

The definitions and interpretations commencing on page 6 of this Circular to which this Annexure is attached, apply to this Annexure, unless otherwise stated or the context so requires.

DAILY

The table below sets out the aggregate volumes and values and the highest, lowest and closing prices of Reunert Shares on the JSE for each day over the 30 trading days preceding, and including, the Last Practicable Date.

Daily (30 (thirty) Business days)

Date	Closing (cents)	High (cents)	Low (cents)	Volume (shares)	Value (Rand)
10/7/2021	4 813	4 903	4 778	150 641	7 309 209
10/8/2021	4 748	4 895	4 705	67 879	3 254 820
10/11/2021	4 850	4 900	4 720	39 049	1 879 962
10/12/2021	4 810	5 056	4 773	841 179	41 152 440
10/13/2021	5 000	5 146	4 810	276 071	13 866 660
10/14/2021	5 025	5 254	4 959	144 095	7 316 135
10/15/2021	5 040	5 215	4 996	224 719	11 511 220
10/18/2021	5 460	5 510	4 999	232 686	12 529 940
10/19/2021	5 300	5 448	5 258	143 844	7 708 854
10/20/2021	5 245	5 330	5 197	82 049	4 304 306
10/21/2021	4 940	5 328	4 940	451 422	22 516 370
10/22/2021	4 876	5 066	4 859	248 282	12 291 360
10/25/2021	4 911	4 977	4 803	59 125	2 907 217
10/26/2021	5 002	5 022	4 877	96 869	4 815 280
10/27/2021	5 065	5 112	5 003	161 620	8 172 816
10/28/2021	5 050	5 179	5 047	193 085	9 806 361
10/29/2021	5 071	5 182	5 020	66 750	3 388 891
11/2/2021	5 050	5 359	5 002	222 437	11 242 640
11/3/2021	5 241	5 293	5 046	185 384	9 595 452
11/4/2021	5 476	5 501	5 300	141 471	7 685 366
11/5/2021	5 494	5 558	5 408	152 345	8 356 596
11/8/2021	5 422	5 534	5 416	56 247	3 078 593
11/9/2021	5 471	5 514	5 443	155 814	8 556 264
11/10/2021	5 492	5 563	5 304	78 333	4 273 826
11/11/2021	5 268	5 435	5 242	125 579	6 653 012
11/12/2021	5 202	5 300	5 172	108 196	5 672 765
11/15/2021	5 191	5 582	5 043	101 849	5 304 742
11/16/2021	5 200	5 269	5 148	64 808	3 365 480
11/17/2021	5 479	5 551	5 270	183 579	9 872 276
11/18/2021	5 359	5 487	5 340	118 857	6 415 068

Source: Bloomberg

MONTHLY

The table below sets out the aggregate volumes and values and the highest, lowest and closing prices of Reunert Shares on the JSE for each month over the 12 months preceding, and including, the Last Practicable Date.

Date	Closing (cents)	High (cents)	Low (cents)	Volume (shares)	Value (Rand)
11/30/2020	3 708	4 429	3 317	5 948 975	228 346 875
12/31/2020	3 620	4 280	3 494	5 041 622	192 975 296
1/29/2021	3 820	4 131	3 546	4 521 157	170 266 777
2/26/2021	4 589	5 151	4 977	12 108 280	542 705 967
3/31/2021	5 050	5 402	5 038	13 731 641	662 858 827
4/30/2021	4 861	5 310	5 016	4 308 909	213 717 300
5/31/2021	5 292	5 590	5 280	7 939 054	406 028 271
6/30/2021	5 072	5 779	5 600	4 478 352	238 443 457
7/30/2021	4 750	5 350	5 000	2 891 057	141 664 064
8/30/2021	5 020	5 219	5 029	2 149 009	106 947 686
9/30/2021	4 751	5 310	5 135	3 594 915	176 554 936
10/29/2021	5 071	5 510	5 258	3 964 709	198 408 174

Source: Bloomberg

REUNERT

R E U N E R T L I M I T E D

(Incorporated in the Republic of South Africa)

(Registration number: 1913/004355/06)

ISIN: ZAE000057428

Share code: RLO

("Reunert" or the "Company")

NOTICE OF GENERAL MEETING

The definitions and interpretations commencing on page 6 of the Circular to which this notice is attached, apply to this notice, unless otherwise stated or the context so requires.

As provided for in terms of sections 61(10) and 63(2) of the Companies Act, the General Meeting will be held entirely through the use of an interactive electronic platform at **09:00 on Tuesday, 15 February 2022**, subject to any cancellation, postponement or adjournment. The electronic platform will allow Reunert Shareholders or their proxies, registered in accordance with the instructions set out in this Notice of General Meeting, to participate in and exercise their voting rights at the General Meeting.

Reunert Shareholders are referred to the section titled "Action Required by Reunert Shareholders" titled "Voting, attendance and representation at the General Meeting" which commences on page 3 of the Circular for information regarding voting, attendance and representation at the General Meeting.

HOSTING OF THE GENERAL MEETING AND SCRUTINEERS

The Company has retained the services of TMS to host the General Meeting on an interactive electronic platform in order to facilitate remote participation and voting by Reunert Shareholders. TMS will also act as scrutineers for the General Meeting.

The Company will not levy any fee or recover its costs from Reunert Shareholders for their electronic participation in the General Meeting. However, data, voice or air-time costs incurred by attendees to connect to the General Meeting will be for attendees' own account in accordance with their normal arrangements with their service providers.

SUBMISSION OF FORMS OF PROXY AND PARTICIPATION IN THE GENERAL MEETING

If you are a Dematerialised Shareholder with "own name" registration or a Certificated Shareholder, you may:

- attend the General Meeting by completing the General Meeting Electronic Participation Form, attached to this Notice of General Meeting and utilising the link that will be provided to you by TMS; or
- appoint a proxy or proxies to represent you at the General Meeting and to participate and vote in your stead by completing the enclosed Form of Proxy (*blue*) in accordance with the instructions set out therein.

If you are a Dematerialised Shareholder without "own name" registration you must not complete the Form of Proxy (*blue*) and:

- If you wish to attend and vote at the General Meeting, or to appoint a proxy to attend and vote in your stead, you must obtain the requisite letter of representation from your Broker, Participant or nominee, as the case may be and complete the General Meeting Electronic Participation Form attached to this Notice of General Meeting; or
- If you do not wish to attend or vote at the General Meeting, but would like your vote to be recorded, you should contact your Broker, Participant or nominee and furnish them with your voting instructions (you must verify the cut-off date for the submission of voting instructions directly with your Broker, Participant or nominee).

Each Reunert Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy or proxies to participate and vote in his/her stead. In this regard, Reunert Shareholders are referred to the attached Form of Proxy (*blue*). A proxy need not be a shareholder of the Company.

The Form of Proxy (*blue*) is attached to this Notice of General Meeting. Reunert Shareholders are requested to forward completed Forms of Proxy (*blue*) to TMS to be received by no later than **09:00 on Friday, 11 February 2022** in order to allow sufficient time for the verification and collation of the information.

Forms of Proxy (*blue*) that reach TMS after 09:00 on Friday, 11 February 2022, before the scheduled date and time of the General Meeting, being 09:00 on Tuesday, 15 February 2022 will, however, be taken into account at the General Meeting.

Forms of Proxy (*blue*) can be submitted in any of the ways below:

Emails (preferred):	Hand deliveries to:	Postal deliveries to:
proxy@TMSmeetings.co.za	The Meeting Specialist (Proprietary) Limited JSE Building One Exchange Square Gwen Lane Sandown 2196	The Meeting Specialist (Proprietary) Limited PO Box 62043 Marshalltown 2107

In compliance with the provisions of section 58(8)(b)(i) of the Companies Act, a summary of the rights of an Reunert Shareholder to be represented by proxy, as set out in section 58 of the Companies Act, is set out in the Form of Proxy (*blue*) attached.

Reunert Shareholders are reminded that:

In terms of section 59(1) of the Companies Act and the JSE Listings Requirements, the record date for the purpose of determining which Reunert Shareholders are entitled to:

- receive this Notice of General Meeting is Friday, 10 December 2021; and
- attend, participate in and vote at the General Meeting is Friday, 4 February 2022. Accordingly, the last date to trade in Reunert Shares in order to be eligible to attend, speak and vote at the General Meeting is Tuesday, 1 February 2022.

PURPOSE OF THE GENERAL MEETING

The purpose of the General Meeting is to consider, and if deemed fit, pass the following resolutions, with or without modification.

RESOLUTIONS

SPECIAL RESOLUTION NUMBER 1 – APPROVAL OF THE FINANCIAL ASSISTANCE

“**RESOLVED THAT**, the Financial Assistance be and is hereby approved as a special resolution in terms of section 44(3) of the Companies Act.”

Voting in respect of Special Resolution Number 1

For Special Resolution Number 1 to be approved by Reunert Shareholders, it must be supported by at least 75% of the votes exercised on the resolution by Reunert Shareholders who are entitled to vote thereon. In accordance with section 48(2)(b)(ii) of the Companies Act, Reunert Shareholders who are Subsidiaries may not exercise voting rights on this resolution.

Reason and effect of Special Resolution Number 1

The reason for and effect of Special Resolution Number 1 is to obtain approval of Reunert Shareholders (entitled to vote thereon), as required in terms of section 44(3) of the Companies Act, for the Financial Assistance. Reunert Shareholders are referred to the content of the Circular for more information relating to the reason for and effect of Special Resolution Number 1.

ORDINARY RESOLUTION NUMBER 1: APPROVAL OF THE SPECIFIC ISSUE OF REUNERT SHARES

“**RESOLVED THAT**, the Specific Issue of Reunert Shares be and is hereby approved as an ordinary resolution in terms of paragraph 5.51(g) read with paragraph 5.75 of the JSE Listings Requirements.”

Voting in respect of Ordinary Resolution Number 1

For Ordinary Resolution Number 1 to be approved by Reunert Shareholders, it must be supported by a 75% majority of the votes exercised on the resolution by Reunert Shareholders who are entitled to vote thereon, excluding Bargenel (and its associates) and Reunert Shareholders who are Subsidiaries. For the avoidance of doubt, Bargenel (and its associates) and the Subsidiaries are excluded both for purposes of determining whether the applicable quorum requirements are satisfied and voting on this resolution.

Reason and effect of Ordinary Resolution Number 1

For Ordinary Resolution Number 1 to be approved by Reunert Shareholders, it must be supported by a 75% majority of the votes exercised on the resolution by Reunert Shareholders who are entitled to vote thereon, excluding Bargenel (and its associates) and Reunert Shareholders who are Subsidiaries. For the avoidance of doubt, Bargenel (and its associates) and the Subsidiaries are excluded both for purposes of determining whether the applicable quorum requirements are satisfied and voting on this resolution.

ORDINARY RESOLUTION NUMBER 2 – AUTHORISING RESOLUTION

“**RESOLVED THAT**, subject to the passing of Special Resolution Number 1 and Ordinary Resolution Number 1 set out in this Notice of General Meeting, Alan Dickson be and is hereby authorised, instructed and empowered to do all such things, sign all such documents and take all such actions as may be necessary for or incidental to the implementation of Special Resolution Number 1 and Ordinary Resolution Number 1.”

Information and explanatory material with respect to the Ordinary Resolution

Ordinary Resolution Number 2 is necessary to give effect to Special Resolution Number 1 and Ordinary Resolution Number 1, subject to the approval by Reunert Shareholders.

For Ordinary Resolution Number 2 to be approved by Reunert Shareholders, it must be supported by more than 50% of the votes exercised on the resolution by Reunert Shareholders who are entitled to vote thereon. In accordance with section 48(2)(b)(ii) of the Companies Act, Reunert Shareholders who are Subsidiaries may not exercise voting rights on this resolution.

QUORUM REQUIREMENTS

Pursuant to the Reunert MOI, a Reunert Shareholders' meeting may not begin until there are at least three Reunert Shareholders entitled to attend, vote and to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised at the relevant meeting, present (as contemplated in the definition of "*Present at a Meeting*" in the Companies Act) in person or by proxy.

PROOF OF IDENTIFICATION REQUIRED

In terms of section 63(1) of the Companies Act, any Reunert Shareholder or proxy who intends to attend or participate at the General Meeting must be able to present reasonably satisfactory identification at the General Meeting for such Reunert Shareholder or proxy to attend and participate in the General Meeting. A green bar-coded or smart card identification document, issued by the South African Department of Home Affairs, a driver's license or a valid passport will be accepted as sufficient identification.

By order of the Board

Karen Louw
Reunert Group Company Secretary
on behalf of Reunert Management Services
Proprietary Limited

Sandton
10 December 2021

REUNERT

REUNERT LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1913/004355/06)

ISIN: ZAE000057428

Share code: RLO

("Reunert" or the "Company")

FORM OF PROXY (FOR USE BY CERTIFICATED REUNERT SHAREHOLDERS AND DEMATERIALISED SHAREHOLDERS WITH "OWN NAME" REGISTRATION)

The definitions and interpretations commencing on page 6 of the Circular to which this Form of Proxy is attached, apply to this Form of Proxy, unless otherwise stated or the context so requires.

As provided for in terms of sections 61(10) and 63(2) of the Companies Act, the General Meeting will be held entirely through the use of an interactive electronic platform at **09:00 on Tuesday, 15 February 2022** in order to consider and, if deemed fit, pass, with or without modification, the Resolutions. The electronic platform will allow Reunert Shareholders or their proxies, registered in accordance with the instructions set out in the Notice of General Meeting, to participate in and exercise their voting rights at the General Meeting.

Although voting will be permitted by way of electronic communication, Reunert Shareholders are encouraged to make use of proxies for purposes of voting at the General Meeting.

This Form of Proxy is **ONLY** for use by Certificated Shareholders and Dematerialised Shareholders with "own name" registration.

Reunert Shareholders who have Dematerialised their Reunert Shares with a Participant or Broker, other than with "own name" registration, must arrange with the Participant or Broker concerned to provide them with the necessary letter of representation to attend the General Meeting by electronic means if they wish to do so or if they do not wish to attend the General Meeting the Reunert Shareholders concerned must instruct their Broker or Participant as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the Reunert Shareholder and the Broker or Participant concerned. These Reunert Shareholders must not use this Form of Proxy.

I/We (Please PRINT names in full) _____

of (address): _____

Telephone number: (_____) _____ Cellphone number _____

Email Address _____

being the holder of _____ Reunert Shares do hereby appoint (see notes 1 and 2 on reverse of this Form of Proxy)

1. _____ or failing him/her

2. _____ or failing him/her

the chairperson of the General Meeting, as my/our proxy to attend, speak and vote on my/our behalf at the General Meeting (or any adjournment thereof).

Please note the following regarding the table below:

- If a signed Form of Proxy is submitted on behalf of a Reunert Shareholder/s without an indication in the table on how the proxy should vote (whether in respect of any one resolution or a number of resolutions), it will be deemed that the proxy may vote on that resolution or those resolutions as he or she deems fit.
- Please insert, in the appropriate column, the number of shares to be voted on each resolution. If no number of shares is indicated next to any resolution, it will be assumed that the Reunert Shareholder intends all of his or her shares to be voted as indicated.

I/We desire to vote as follows (see note 2 on reverse of this Form of Proxy):

	Number of votes on a poll (one vote per Reunert Share)		
	For	Against	Abstain
Special Resolution Number 1 – Approval of the Financial Assistance			
Ordinary Resolution Number 1 – Approval of the Specific Issue of Reunert Shares			
Ordinary Resolution Number 2 – Authorising Resolution			

Signed at _____ on _____, 2022

Signature _____

Capacity of signatory (where applicable) _____

Note: Authority of signatory to be attached (see note 7 and 8 on reverse of this Form of Proxy)

Assisted by me (where applicable) _____

Full name: _____

Capacity: _____

Signature: _____

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In terms of section 58 of the Companies Act:

- *a shareholder may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a Shareholder of Reunert) as a proxy to participate in, and speak and vote at, the General Meeting on behalf of such Shareholder;*
- *any appointed proxy of a shareholder may delegate authority to act on behalf of that shareholder to another person, subject to any restriction set out in the instrument appointing such proxy (see note 15 below);*
- *irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person at the general meeting in the exercise of any of such shareholder's rights as a shareholder (see note 5 below);*
- *any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;*
- *if an appointment of a proxy is revocable, 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 the company; and*
- *a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the company's memorandum of incorporation ("MOI"), or the instrument appointing the proxy, provides otherwise (see note 3 below).*
- *if the instrument appointing a proxy has been delivered by a shareholder to a company, then, for so long as that appointment remains in effect, any notice that is required in terms of the Companies Act or such company's MOI to be delivered to a shareholder must be delivered by such company to:*
 - *the relevant shareholder; or*
 - *the proxy or proxies, if the relevant shareholder has: (i) directed such company to do so, in writing and (ii) paid any reasonable fee charged by such company for doing so; and*
- *if a company issues an invitation to its shareholders to appoint one (1) or more persons named by the company as a proxy, or supplies a Form of Proxy instrument:*
 - *the invitation must be sent to every shareholder entitled to notice of the meeting at which the proxy is intended to be exercised;*
 - *the invitation or Form of Proxy instrument supplied by the company must:*
 - *bear a reasonably prominent summary of the rights established in section 58 of the Companies Act;*
 - *contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name and, if desired, an alternative name of a proxy chosen by the shareholder; and*
 - *provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the meeting, or is to abstain from voting;*
 - *the company must not require that the proxy appointment be made irrevocable; and*
 - *the proxy appointment remains valid only until the end of the meeting at which it was intended to be used.*

Notes to this Form of Proxy

1. Each Reunert Shareholder is entitled to appoint one or more proxies (none of whom need be an Reunert Shareholder) to attend, speak and vote in place of that Reunert Shareholder at the General Meeting.
2. A Reunert Shareholder may insert the name of a proxy or the names of two alternative proxies of the Reunert Shareholder's choice in the space/s provided, with or without deleting "the chairperson of the General Meeting" but the Reunert Shareholder must initial any such deletion. The person whose name stands first and has not been deleted on this Form of Proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. A Reunert Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Reunert Shareholder in the relevant boxes provided. Failure to comply with the above will be deemed to authorise and direct the chairperson of the General Meeting, if the chairperson is the authorised proxy, to vote in favour of the resolutions, or any other proxy to vote or abstain from voting at the General Meeting as such proxy deems fit, in respect of all of the Reunert Shareholder's votes exercisable at the General Meeting.
4. The completion and lodging of this Form of Proxy will not preclude the relevant Reunert 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.
5. The chairperson of the General Meeting may accept or reject any Form of Proxy not completed and/or received in accordance with these notes or with the Reunert MOI.
6. Any alteration or correction made to this Form of Proxy must be initialed by the signatory/ies.
7. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this Form of Proxy, unless previously recorded by Reunert or the Share Transfer Secretaries.
8. Where this Form of Proxy is signed under power of attorney, such power of attorney must accompany this Form of Proxy, unless it has been previously recorded by Reunert or the Share Transfer Secretaries or waived by the chairperson of the General Meeting.
9. Where Reunert Shares are held jointly, all joint holders are required to sign this Form of Proxy.
10. A minor Reunert Shareholder must be assisted by his/her parent/guardian, unless the relevant documents establishing his/her legal capacity are produced or have been previously recorded by Reunert or the Share Transfer Secretaries.
11. Dematerialised Shareholders without "own name" registration and who wish to attend the General Meeting, or to vote by way of proxy, must contact their Participant or Broker who will furnish them with the necessary letter of representation to attend the General Meeting or to be represented thereat by proxy. This must be done in terms of the Custody Agreement between the Reunert Shareholder and such Reunert Shareholder's Participant or Broker.
12. This Form of Proxy shall be valid at any resumption of an adjourned General Meeting to which it relates, although this Form of Proxy shall not be used at the resumption of an adjourned General Meeting if it could not have been legally used at the General Meeting from which it was adjourned. This Form of Proxy shall, in addition to the authority conferred by the Companies Act except insofar as it provides otherwise, be deemed to confer the power generally to act at the General Meeting in question, subject to any specific direction contained in this Form of Proxy as to the manner of voting.
13. 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 Share 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 timeously by TMS.
14. Any proxy appointed pursuant to this Form of Proxy may not delegate his/her authority to act on behalf of the relevant Shareholder.
15. In terms of section 58 of the Companies Act, unless revoked, an appointment of a proxy pursuant to this Form of Proxy remains valid only until the end of the General Meeting or any adjournment of the General Meeting.

Submission of this Form of Proxy

Reunert Shareholders are requested to forward completed Forms of Proxy (*blue*) to TMS to be received by no later than **09:00 on Friday, 11 February 2022** in order to allow sufficient time for the verification and collation of the information.

Forms of Proxy (*blue*) that reach TMS after 09:00 on Friday, 11 February 2022, but before the scheduled date and time of the General Meeting, being 09:00 on Tuesday, 15 February 2022 will, however, be taken into account at the General Meeting.

Forms of Proxy (*blue*) can be submitted in any of the ways below:

Emails (preferred):	Hand deliveries to:	Postal deliveries to:
proxy@TMSmeetings.co.za	The Meeting Specialist (Proprietary) Limited JSE Building One Exchange Square Gwen Lane Sandown 2196	The Meeting Specialist (Proprietary) Limited PO Box 62043 Marshalltown 2107

REUNERT

R E U N E R T L I M I T E D

(Incorporated in the Republic of South Africa)

(Registration number: 1913/004355/06)

ISIN: ZAE000057428

Share code: RLO

("Reunert" or the "Company")

GENERAL MEETING ELECTRONIC PARTICIPATION FORM

The definitions and interpretations commencing on page 6 of the Circular to which this General Meeting Electronic Participation Form is attached, apply to this General Meeting Electronic Participation Form, unless otherwise stated or the context so requires.

As provided for in terms of sections 61(10) and 63(2) of the Companies Act, the General Meeting will be held entirely through the use of an interactive electronic platform **at 09:00 on Tuesday, 15 February 2022** in order to consider and, if deemed fit, pass, with or without modification, the Resolutions. The electronic platform will allow Reunert Shareholders or their proxies, registered in accordance with the instructions set out in the Notice of General Meeting, to participate in and exercise their voting rights at the General Meeting.

SUBMISSION OF THIS FORM

Reunert Shareholders, their proxies or other persons who wish to participate in the General Meeting *via* electronic communication ("**Attendees**"), must apply to do so by forwarding the section of this General Meeting Application Form titled "*Application Form for Completion*" to the Company's meeting scrutineers, The Meeting Specialist, by no later than **09:00 on Friday, 11 February 2022**, as follows:

Emails (preferred):	Hand deliveries to:	Postal deliveries to:
proxy@TMSmeetings.co.za	The Meeting Specialist (Proprietary) Limited JSE Building One Exchange Square Gwen Lane Sandown 2196	The Meeting Specialist (Proprietary) Limited PO Box 62043 Marshalltown 2107

DEMATERIALIZED SHAREHOLDERS

- Dematerialised Shareholders without "*own name*" registration should contact their Broker, Participant or nominee in the manner and time stipulated in their agreement with their Participant or Broker:
 - to furnish them with their voting instructions; or
 - in the event that they wish to participate in the General Meetings, to obtain the necessary authority (referred to as a "**Letter of Representation**") to do so.

VOTING

- Attendees will be able to vote during the General Meeting through an electronic participation platform. Should Attendees wish and be entitled to vote, they must provide TMS with the information requested below.
- Each person who has duly submitted this General Meeting Electronic Participation Form will receive unique access credentials by way of the email/cell number provided below. It is anticipated that TMS will commence distribution of the access credentials from **Friday, 11 February 2022**.

QUESTIONS

Attendees are encouraged to submit questions they may have in advance of the General Meeting, by including such questions in the space provided in the application form. All questions will be dealt with as the chairperson of the General Meeting in his discretion decides, and pre-submitted questions will be prioritised.

APPLICATION FORM FOR COMPLETION

Name & surname of Reunert Shareholder _____

ID number of Reunert Shareholder or representative _____

If not attending as a Reunert Shareholder or Reunert Shareholder representative, name and surname of proposed Attendee and capacity in which attendance is sought (i.e. representative of professional advisor, press, etc)

Name and surname _____

Capacity in which Attendance is sought _____

Email Address _____

Cell number _____

Date _____

Questions: (Please complete only if you wish to submit a written question to the General Meeting, and attach a separate schedule if more space is required.)

By signing this form, I understand that my personal information above will be processed for the purpose of the General Meeting.

FURTHER TERMS AND CONDITIONS FOR PARTICIPATION AT THE GENERAL MEETING TO BE HELD AT 09:00 ON TUESDAY, 15 FEBRUARY 2022 VIA ELECTRONIC COMMUNICATION

- The cost of the Attendee’s voice, air-time or data usage will be at his/her own expense and will be billed by his/her own service provider. Reunert will not levy any additional charges for electronic participation in the General Meeting.
- The cut-off time for receipt of the General Meeting Electronic Participation Form for participation in the General Meeting will be **09:00 on Friday, 11 February 2022**, for administrative purposes. However, as required by law, requests for registrations will be dealt with up to the start of the General Meeting.
- Attendees will be able to vote during the General Meeting through the electronic participation platform. Such Attendees, should they wish to have their vote(s) counted at the General Meeting, must act in accordance with the requirements set out herein.
- The Attendee acknowledges that the telecommunication lines/webcast/web-streaming are provided by a third party and indemnifies Reunert and TMS and/or their third party service providers against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines/webcast/web-streaming, whether or not the problem is caused by any act or omission on the part of the Attendee or anyone else. In particular, but not exclusively, the Attendee acknowledges that he/she will have no claim against Reunert, the JSE Limited and TMS and/or its third party service providers, whether for consequential damages or otherwise, arising from the use of the telecommunication lines/webcast/web-streaming or any defect in it or from total or partial failure of the telecommunication lines/webcast/web-streaming and connections linking the telecommunication lines/webcast/web-streaming to the General Meeting.
- An application will only be deemed successful if this General Meeting Electronic Application Form has been fully and timeously completed and signed by the Attendee and delivered or e-mailed to TMS in accordance with the contact details provided herein.
- Please note that the submission of Proxy Forms (*blue*) for Reunert Shareholders who do not wish to participate in the General Meeting does not require the registration process set out in this form.

Reunert Shareholder/Attendee name: _____

Signature: _____

Date: _____

Important:

You are required to attach a copy of your identity document, driver’s licence or passport when submitting the application.

If acting on behalf of a juristic person, please also attach a copy of the relevant authority to act on behalf of such juristic person.

