



Novus Holdings Limited
Incorporated in the Republic of South Africa
(Registration number 2008/011165/06)
JSE share code: NVS ISIN: ZAE000202149
("Novus" or "the Company")

CASH DIVIDEND AND SCRIP DISTRIBUTION ALTERNATIVE CIRCULAR

1. Introduction

- 1.1. Shareholders are referred to the Company's annual results for the year ended 31 March 2021, wherein it was advised that the board of directors of Novus ("**Board**") has declared a gross Cash Dividend of 50 ZAR cents per ordinary Novus share ("**Share**") ("**Cash Dividend**").
- 1.2. Holders of Novus ordinary shares ("**Shareholders**") will, however, be entitled to elect to receive a scrip distribution of new, fully-paid Shares in proportion to their ordinary shareholding in Novus on the Record Date ("**Scrip Distribution Shares**" or "**Scrip Distribution Alternative**"), being Friday, 10 September 2021 ("**Record Date**") instead of the Cash Dividend.
- 1.3. The Company has today, 16 July 2021, distributed a circular (including a Form of Election for use by certificated Shareholders) to Shareholders, detailing the terms of the Cash Dividend and the Scrip Distribution Alternative ("**Circular**"), forming part of the integrated annual report.
- 1.4. The Circular can also be accessed on www.novus.holdings.

2. Terms of the Cash Dividend

- 2.1. The Cash Dividend will be paid out of the Company's distributable retained profits. A Dividend Withholding Tax ("**DWT**") of 20% will be applicable to all Shareholders not exempt therefrom, resulting in a net Cash Dividend of 40 ZAR cents per Share (refer to paragraph 5).
- 2.2. Shareholders not electing to receive the Scrip Distribution Alternative in respect of all or part of their ordinary shareholding will, without any action on their part, automatically receive the Cash Dividend by default in proportion to their ordinary shareholding as at the close of business on the Record Date (the "**Default Position**").
- 2.3. The Board has considered and is satisfied that the Company would satisfy the solvency and liquidity test as set out in section 4 of the Companies Act, 2008 (No. 71 of 2008), as amended, to support a full Cash Dividend. The Company's total number of Shares in issue is 346 656 348 (of which 59 045 431 Shares are held in treasury). Novus' South African income tax reference number is 9656/360/15/4.

3. Terms of the Scrip Distribution Alternative

- 3.1. The Scrip Distribution Shares will be settled by way of the issue of treasury shares, subject to the Company obtaining the requisite approval from Shareholders, to authorise the Company to implement the Scrip Dividend at the annual general meeting to be held on Tuesday, 27 August 2021. The Scrip Distribution Shares will, rank *pari passu* in all respects with the other Novus Shares in issue.
- 3.2. The number of Scrip Distribution Shares to which each Shareholder will become entitled pursuant to the Scrip Distribution Alternative (to the extent that such Shareholders elect to receive the Scrip Distribution Alternative) will be determined by reference to such Shareholder's ordinary shareholding in Novus (at the close of business on the Record Date), in relation to the ratio that 50 ZAR cents bears to 220 ZAR cents, being the closing price of a Share as at Tuesday, 8 June 2021, the date on which the Board approved the Cash Dividend with Scrip Distribution.
- 3.3. Where a Shareholder's entitlement to new Shares calculated in accordance with the below formula gives rise to a fraction of a new ordinary share, such fraction of a new ordinary share will be rounded down to the nearest whole number, resulting in allocations of whole ordinary shares and a cash payment for the fraction (the "**Rounding Provision**").

3.4. Example of a Scrip Distribution entitlement:

This example assumes that a Shareholder holds 100 Shares at the close of business on the Record Date and elects to receive the Scrip Distribution Shares in respect of all their shareholding.

New ordinary share entitlement = $\frac{100 \times 50 \text{ ZAR cents}}{220 \text{ ZAR cents}}$

220 ZAR cents

= 22.72727 Scrip Distribution Shares per 100 Shares

Then, applying the Rounding Provision = 22 Scrip Distribution Shares in respect of the 100 Shares held plus the applicable cash payment to be determined as described in paragraph 7 below.

4. Limitation of the number of Scrip Distribution Shares

Shareholders are advised that the number of Shares available under the Scrip Distribution Alternative is limited to 31 million Shares, and to the extent that there is an excess election of the Scrip Distribution Alternative, Shareholders will receive only a *pro-rata* Share of the Scrip Distribution Shares in proportion to their shareholding in Novus, with the balance of the dividend still to be partly settled in terms of the Cash Dividend ("**Limitation**").

5. Tax Treatment

5.1. The Cash Dividend

- 5.1.1. The Cash Dividend and the Scrip Distribution Alternative are likely to have tax implications for both resident and non-resident Shareholders.
- 5.1.2. In terms of the Income Tax Act 58 of 1962 ("**the Income Tax Act**"), the Cash Dividend will, unless exempt, be subject to DWT.
- 5.1.3. South African resident Shareholders that are liable for DWT will be subject to DWT at a rate of 20% of the Cash Dividend and this amount will be withheld from the Cash Dividend with the result that they will receive a net amount of 40 ZAR cents per Share.

5.1.4. Non-resident Shareholders may be subject to DWT at a rate of less than 20%, depending on their country of residence and the applicability of any Double Tax Agreement between South Africa and their country of residence.

5.2. The Scrip Distribution Alternative

5.2.1. Shareholders are advised that the Scrip Distribution Alternative is not subject to DWT in terms of the Income Tax Act, but the subsequent disposal of Shares obtained as a result of the Scrip Distribution Alternative is likely to have Income Tax or Capital Gains Tax (“CGT”) implications.

5.2.2. Where any future disposals of Shares obtained as a result of the Scrip Distribution falls within the CGT regime, the base cost of such shares will be deemed to be zero in terms of the Income Tax Act (or the value at which such Shares will be included in the determination of the weighted average base cost method will be zero).

5.3. South African Reserve Bank approval for the Circular was obtained prior to publication of this announcement.

5.4. Shareholders are encouraged to consult their professional advisors, if they are in any doubt as to what action to take in respect of the Cash Dividend or Scrip Distribution Alternative.

6. Fractions

6.1. Where a Shareholder’s entitlement to the Scrip Distribution Shares calculated in accordance with the formula in paragraph 3, the Rounding Provision applies.

6.2. The cash payment applicable to fractional entitlements will be determined with reference to the VWAP of a Share traded on the JSE on Wednesday, 8 September 2021 (being the day on which a Share begins trading ‘ex’ the entitlement to receive the Cash Dividend or the Scrip Distribution Alternative), discounted by 10%. For illustrative purposes, it is assumed that the VWAP of a Share traded on the JSE on Wednesday, 8 September 2021 is 260 ZAR cents. The applicable cash payment would therefore be 234 ZAR cents (260 ZAR cents discounted by 10%).

6.3. The basis for the cash payment applicable to fractional entitlements will be announced on SENS on Thursday, 9 September 2021.

6.4. Example of a fractional entitlement:

This example assumes that a Shareholder holds 100 Shares at the close of business on the Record Date and elects to receive the Scrip Distribution Alternative in respect of all or part of their shareholding (subject to the Limitation).

Scrip Distribution Share entitlement as per the example detailed in paragraph 3 = 22.72727

The Rounding Provision is then applied and the Shareholder will receive 22 Scrip Distribution Shares in respect of the 100 Shares held and a cash payment for the fractional entitlement based on the 234 ZAR cents noted above of $234 \times 0.72727 = 170$ ZAR cents.

7. Foreign Shareholders

- 7.1. The distribution of the Circular and the rights to receive the Scrip Distribution Shares in jurisdictions other than the Republic of South Africa, may be restricted by law and any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. Accordingly, Shareholders will not be entitled to receive the Scrip Distribution Shares, directly or indirectly, in those jurisdictions and shall be deemed to have elected **not** to receive the Scrip Distribution Shares and the Default Position of the Cash Dividend will apply in such case.
- 7.2. Such non-resident Shareholders should inform themselves and observe any applicable legal requirements in such jurisdictions. It is the responsibility of non-resident Shareholders to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant jurisdictions in respect of the Scrip Distribution Alternative, including the obtaining of any governmental, exchange control or other consents or the making of any filing which may be required, compliance with other necessary formalities and payment of any issue, transfer or other taxes or other requisite payments due in such jurisdictions.
- 7.3. Shareholders who have any doubts as to their position, including, without limitation, their tax status, should consult an appropriate adviser in the relevant jurisdictions without delay.

8. Salient Dates

The salient dates and events of the Cash Dividend and Scrip Distribution Alternative are set out below.

IMPORTANT DATES AND TIMES

Event	2021
Declaration of Cash Dividend with Scrip Distribution Alternative; including the ratio applicable to the Scrip Distribution Alternative (“ Declaration Announcement ”), Circular and Form of Election distributed	Friday, 16 July Friday, 16 July
Declaration Announcement published in the press	Monday, 19 July
Results of annual general meeting (Finalisation Announcement) announced on SENS	Friday, 27 August
Last day to trade in order to be eligible for the Cash Dividend and the Scrip Distribution Alternative	Tuesday, 7 September
Shares trade “ex” the Cash Dividend and the Scrip Distribution Alternative	Wednesday, 8 September
Listing and trading of maximum possible number of Shares on the JSE in terms of the Scrip Distribution Alternative from the commencement of business	Wednesday, 8 September
Announcement released on SENS in respect of the cash payment applicable to fractional entitlements, VWAP of Share traded on the JSE on Wednesday, 8 September 2021, discounted by 10%	Thursday, 9 September
Last day to elect to receive the Scrip Distribution Alternative instead of the Cash Dividend, Forms of Election to reach the Transfer Secretaries by 12:00	Friday, 10 September
Record Date in respect of the Cash Dividend and the Scrip Distribution Alternative	Friday, 10 September
Cash Dividend payments made and Scrip Distribution Share certificates posted, central securities depository participant /broker accounts credited/updated, as applicable	Monday, 13 September
Results of the Cash Dividend and the Scrip Distribution Alternative announced on SENS	Monday, 13 September
Announcement relating to the results of the Cash Dividend and the Scrip Distribution Alternative published in the press	Tuesday, 14 September
JSE listing of new Shares in respect of the Scrip Distribution Alternative adjusted to reflect the actual number of Shares issued in terms of the Scrip Distribution Alternative at the commencement of business on or about	Tuesday, 14 September

Notes:

1. The above dates and times are subject to amendment. Any such amendment will be released on SENS.
2. All references to dates and times given are local dates and times in South Africa.
3. Share certificates may not be dematerialised or rematerialised between Wednesday, 8 September 2021 and Friday, 10 September 2021, both days inclusive.

Cape Town
16 July 2021

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