



The Trusted Home of Agriculture
Die Betroubare Tuiste van Landbou

BKB Limited
Registration number: 1998/012435/06
("BKB")



for the
LOVE
of the
LAND

VKB Beleggings Proprietary Limited
Registration number: 2011/007000/07
("VKB")

3 JUNE 2021

JOINT ANNOUNCEMENT: COMPETITION TRIBUNAL APPROVAL OF TRANSACTIONS BETWEEN BKB AND VKB

Shareholders of BKB and VKB ("**BKB & VKB Shareholders**") are referred to the announcement of 1 October 2020 in which shareholders were informed of, amongst others, the pursuance of potential transactions to unlock synergies between the respective businesses and/or certain business operations of BKB and VKB (the "**Transactions**").

Through today's announcement, the Boards of Directors of BKB and VKB (the "**Boards**") wish to update BKB & VKB Shareholders as well as other interested stakeholders of BKB and VKB insofar the progress made with regards to the Transactions.

Background

1. As announced on 1 October 2020, BKB and VKB concluded a transaction framework agreement which served as a framework for the pursuance of the Transactions as a collective effort between BKB and VKB.
2. The Transactions entail that a new holding company structure be established with shared ownership between BKB and VKB, which will hold the following businesses:
 - 2.1. **Trade Retail and Fuel** – in essence comprising a new structure for the respective trade retail businesses (including the respective fuel retail businesses) of BKB and VKB Landbou Proprietary Limited ("**VKB Landbou**"), a subsidiary of VKB ("**Retail & Fuel Transaction**"); and
 - 2.2. **AgriFin** – in essence comprising a new structure for BKB and VKB Landbou's respective financial services businesses related to production and seasonal accounts, term loans and other interest-bearing credit lines ("**AgriFin Transaction**").

Competition Tribunal Approval

3. The Boards are pleased to communicate to BKB & VKB Shareholders that the Competition Tribunal has approved both the Retail & Fuel Transaction and the AgriFin Transaction.
4. In terms of the abovementioned approval, certain conditions are to be met, being that (i) certain mechanisms are implemented to ensure that no competitively sensitive information regarding the grain and oilseed storage and trading activities of BKB and VKB are exchanged, and (ii) a transformation initiative is pursued to restructure BKB's fuel business with regards to ownership by historically disadvantaged individuals in line with the requirements of the Petroleum Products Act (120 of 1977) and the Charter for the South African Petroleum and Liquid Fuels Industry.

Impact on the employees, producers and shareholders of BKB and VKB

5. The Transactions will be implemented through a newly established structure for the trade retail, fuel and financial services businesses of BKB and VKB (i.e. conducted at their respective branches), in a manner:
 - 5.1. which retains the trademarks and separate brands of BKB and VKB; and
 - 5.2. where the profits attributable to the former businesses of BKB and VKB are effectively distributed to the former owners of the businesses (i.e. BKB or VKB).
6. As previously communicated, the incentive rebate programme of VKB will remain in place. BKB shall receive its share of the profits as dividends which may in turn also be distributed as dividends to BKB shareholders.
7. Each of BKB's and VKB's retail and fuel businesses will retain their own personnel and management, and these branches will still continue to be producer-focused with the objective that customer experience and service be enhanced.
8. The Boards look forward to exploring the possibilities and potential opportunities for value creation for producers and shareholders that the Transactions may present once fully implemented.

JOINT RELEASE ON BEHALF OF THE BOARDS OF DIRECTORS OF BKB AND VKB.



Corporate Transaction Advisor
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Competition and Legal Advisor

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