

21 October 2022

The Secretary General
[Various staff unions representing KAP employees]

NOTICE OF FINANCIAL ASSISTANCE IN TERMS OF SECTION 45(5) OF THE COMPANIES ACT NUMBER 71 OF 2008 AS AMENDED ('THE ACT')

1. At the Annual General Meeting of KAP Industrial Holdings Limited ('KAP') on 18 November 2021, a special resolution was passed by shareholders in terms of which the shareholders mandated the KAP board of directors ('the Board') to grant financial assistance to related or inter-related KAP group entities ('Entities'), subject to compliance with the provisions of Section 45 of the Act.
2. In order to give effect to the treasury requirements of the KAP Group from time to time, certain cross-guarantees, suretyships, subordinations and/or loans (all deemed 'financial assistance' in terms of the Act) are given on an ongoing basis by, between and among the KAP Group Entities.
3. KAP wishes to emphasise that the granting of such financial assistance is a standard business practice that has been applied consistently over many years by the KAP Group and by most other major groups of companies in order to optimise shareholder benefits.
4. On an annual basis, the Board passes a resolution in terms of which:
 - 4.1. The Board sets a threshold for the aggregate borrowings by the entire KAP group of companies ('the KAP Group'). For the 2023 financial year commencing on 1 July 2022, the threshold equates to an amount that shall not exceed the shareholders equity of the KAP Group ('the Threshold').
 - 4.2. The aggregate financial assistance that may be granted from time to time by, between or among the KAP Group Entities shall not exceed the Threshold.
5. While the aforementioned Threshold remains unchanged from the Threshold previously notified to shareholders, the Threshold is nevertheless in excess of $\frac{1}{10}$ of 1% of the KAP Group's net worth, and as a consequence, has triggered this notice in terms of section 45(5) of the Act.
6. By giving this notice, the Board is of the view that KAP and the KAP Group Entities have complied with the notice requirements of Section 45(5) of the Act.
7. **Please note that no action is required on your part as a result of this notification, which is purely for your information and to ensure compliance with the Act. However, should you require any further clarification, kindly contact the undersigned.**

Yours sincerely



Saret van Loggerenberg
for **KAP Secretarial Services Proprietary Limited**
COMPANY SECRETARY

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KAP Industrial Holdings Limited. Reg. No. 1978/000181/06

Independent non-executive directors: PK Quarmby (Chairman), KJ Grové (Lead independent non-executive director), JDV du Toit, TC Esau-Isaacs, Z Fuphe, KT Hopkins, V McMenamin, SH Müller

Executive directors: GN Chaplin (CEO), FH Olivier (CFO); SP Lunga

Company Secretary: KAP Secretarial Services (Pty) Ltd

Registered Address: 3rd Floor, Building 2, The Views, Founders Hill Office Park, 18 Centenary Street, Modderfontein, 1645