Summarised consolidated financial statements for the year ended 31 March 2019

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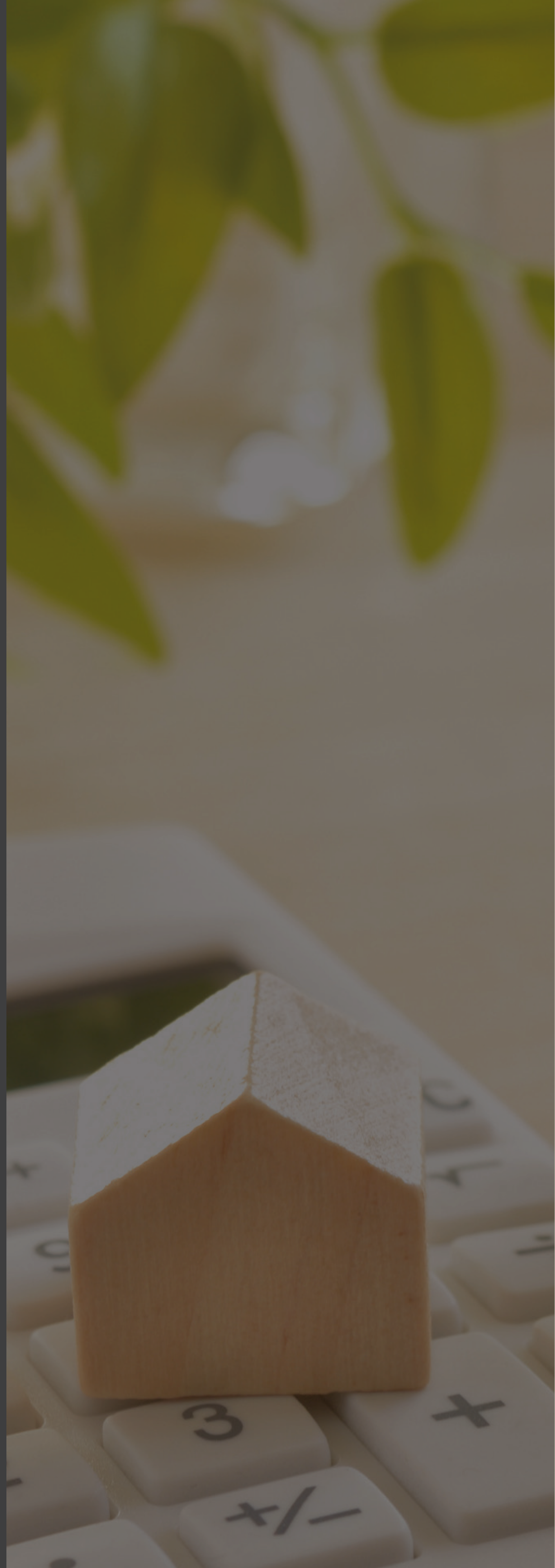
The summarised consolidated financial statements of Nictus Limited is a summary of the audited financial statements for the period 1 April 2018 to 31 March 2019. The summarised consolidated financial statements have not been independently assured. Mr Eckhart H Prozesky (financial director, CA(SA)) was responsible for supervising the preparation of these summarised consolidated financial statements.

The 2019 integrated annual report and financial statements are available on our website www.nictuslimited.co.za from 28 June 2019.



GROUP TOTAL ASSETS

increased by
3,52% to
R662,9 million
(2018: R640,3 million)

GROUP REVENUE

increased by
7,16% to
R50,8 million
(2018: R47,4 million)

INVESTMENT INCOME FROM OPERATIONS

increased by
3,96% to
R44,2 million
(2018: R42,5 million)

PROFIT FOR THE YEAR

increased by
20,9% to
R6,5 million
(2018: R5,4 million)

DIVIDEND DECLARED

increased by
25,0% to
3,75 cents per share
(2018: 3,0 cents per share)

Milestones

1945 Nictus was founded

1955 The selling of new furniture under the Nictus brand name first commenced in Namibia

1969 Primary listed on the JSE in 1969, under general retailers, JSE code: NCS

1983 The first South African furniture outlet was established in Randburg

2002 Corporate Guarantee (South Africa) Limited was founded. The company has built up a client base throughout South Africa

2012 Since the 2012 unbundling of the Namibian operation, the South African group is making steady progress towards sustainable profit and growth with effective management being established in South Africa

2019 Primary listed on the JSE for 50 years

ABOUT Nictus

Vision

Nictus is an independent, diversified investment group that creates above-average value for shareholders and other stakeholders, through sustainable growth.

Philosophy

Nictus has been successful in change initiatives. The challenge remains to reach a top level of EXCELLENCE throughout the organisation. The philosophy and core focus will be to drive EXCELLENCE in every aspect of the organisation and, through this, establish Nictus as a leading entity wherever we are present.

Core values

- Individual and collective ownership
- Teamwork
- Respect
- Adaptability
- Integrity
- Transparency
- Fanatical discipline

Mission

With a culture of EXCELLENCE and through a visionary and dynamic leadership, we will achieve our vision through:

- Protecting our independence
- Expanding our business base in Southern Africa
- Growing a satisfied customer base
- Optimising all resources
- Being innovative and technology driven
- Being the preferred employer

"We are what we repeatedly do. Excellence then, is not an act but a habit."

Aristotle (384 BC – 322 BC)

NICTUS GROUP IS A RETAILER OF HOUSEHOLD FURNITURE, ELECTRICAL APPLIANCES AND HOME ELECTRONICS SOLD THROUGH THE NICTUS FURNISHERS BRAND AS WELL AS A SHORT-TERM INSURER THROUGH THE CORPORATE GUARANTEE BRAND.

nictus

100% Insurance SEGMENT

Corporate Guarantee (South Africa) Limited
www.corporateguarantee.co.za

The insurance segment of the Nictus group is run through Corporate Guarantee, which brings a unique approach to short-term insurance through the alternative risk transfer model. The head office is currently situated in Randburg and utilises group administration staff.

The high levels of recurring sales in both the furniture and insurance divisions are evidence of service satisfaction, trust and customer loyalty. As part of the commitment to service excellence, the group ensures that clients are served by staff from their own communities.

100% Furniture retail SEGMENT

Nictus Meubels Proprietary Limited
Kruben Holdings Proprietary Limited
www.nictusfurnishers.co.za

The group has three furniture retail stores in South Africa. Nictus places the customer first by continually striving towards EXCELLENCE. Helpful personnel provide service with dedication and motivation, while maintaining integrity, focus and sound values. Products are of the HIGHEST QUALITY and provide excellent value for money. Stores are situated in Louis Trichardt, Polokwane and Randburg.

The furniture retail segment is primarily focused on the expanding middle to higher income market in the living standards measurement (LSM) 7 category and above. The group has a recurring customer base in the areas that we operate in.

Total number of employees

50

Please refer to the website for more information at www.nictuslimited.co.za

Board of directors,
EXECUTIVE MANAGEMENT AND COMPANY SECRETARY

1 **Professor Johan Willemse**
Independent non-executive chairman

2 **Gerard Tromp**
Executive group managing director and executive management

3 **Eckhart Prozesky**
Executive group financial director and executive management

4 **Nico Tromp**
Non-executive director

5 **Philippus Tromp**
Non-executive director

6 **Gerard Swart**
Independent non-executive director

7 **Ronnie de Vrye**
Independent non-executive director

8 **Willem Boshoff**
Company secretary

9 **Ion Gerber**
Executive management: Insurance segment (prescribed officer)

Board of directors, executive management and company secretary continued

1

Professor Johan Willemse (64)

Independent non-executive chairman
Committees: Remuneration and nomination, audit and risk, investment *(chairman)*

Barend J Willemse (Johan) obtained his MCom (Economics) from the University of the Free State (UFS) and his PhD (Agricultural Economics) from the University of Pretoria, for which he received the Protein Research Trust award for the best PhD. A Cochrane bursary to study at the Illinois University (USA) was awarded in 2003.

He has received various awards for his work, which included two awards as the agricultural writer of the year, the Absa/Sake economist of the year, the Animal Feed Manufacturers Association person of the year, the agriculturalist of the year by the central region of Agricultural Writers Association and was nominated as Bloemfonteiner of the year in 2009.

His experience includes: member of the National Agricultural Marketing Council, trustee of the Oilseeds and Protein Research Trust, chief economist of Agri SA and member of the SA Maize Board's management team, entrepreneur with his wife Marlene and two daughters in various businesses, including agri-business consulting, feed manufacturing and tourism. He was a full professor at the Department of Agricultural Economics and chairman for five years at the UFS. He served on Absa Group and Absa Bank boards for more than five years as an independent non-executive director and for three years as board member of Absa Financial Services Proprietary Limited (serving on various committees). He is currently involved with UFS Business School and teaching a course on scenario planning.

2

Gerard Tromp (38)

Executive group managing director and executive management
Committees: Social and ethics, investment

Gerard R de V Tromp has a BCom marketing degree, is a chartered accountant (South Africa and Namibia) and completed his articles in 2008. After completion of his articles, he joined the group in 2009 as the group company secretary, which role he fulfilled until 2012. During 2012, he was appointed as the managing director of the furniture segment. During 2014, he was appointed as deputy managing director of the group. On 18 April 2016, he was appointed as managing director of the group.

3

Eckhart Prozesky (33)

Executive group financial director and executive management
Committee: Investment

Eckhart H Prozesky is a chartered accountant (South Africa) and completed his articles in 2011. After completion of his articles, he joined the group in 2012 as the financial manager of the furniture segment. During 2015, he was appointed as the financial director of the group.

4

Nico Tromp (70)

Non-executive director

Nicolaas C Tromp (Nico) has a BCom degree. After completing his accounting articles in 1973, he joined the Nictus group and became the managing director of the group in 1979. He served as chairman of the Nictus group from 1998 until 2003. He is also a director/chairman of various other companies and has acted as a trustee of numerous trusts for the past 30 years. He stepped down as managing director of the group on 18 April 2016.

5

Philippus Tromp (43)

Non-executive director
Committee: Social and ethics *(chairman)*

Philippus J de W Tromp has a BEcon, EDP and SMP and was appointed as a non-executive director of Nictus Limited in 2012. He is currently the group managing director of Nictus Holdings Limited and has served the Nictus group for the past 15 years.

6

Gerard Swart (64)

Independent non-executive director
Committees: Remuneration and nomination *(chairman)*, audit and risk

Gerard Swart is a qualified chartered accountant (South Africa and Namibia) and boasts 34 years' experience in the accounting profession, of which 24 years were as audit partner, during which he fulfilled the role of managing partner for 15 years.

7

Ronnie de Vrye (65)

Independent non-executive director
Committees: Remuneration and nomination, audit and risk *(chairman)*

Cornelius J de Vrye (Ronnie) is a qualified chartered accountant (South Africa) and has 40 years' experience in corporate banking, 16 of which were at executive level and nine at non-executive board level. He has also gained experience in the insurance and investment industry at non-executive independent board level during the past nine years.

8

Willem Boshoff (33)

Company secretary

Willem H Boshoff is a qualified chartered accountant (Namibia) and completed his articles in 2012. He fulfils the role of nominee group secretary of Veritas Board of Executors Proprietary Limited.

9

Ion Gerber (32)

Executive management: Insurance segment (prescribed officer)
Committee: Social and ethics

Stephanus J Gerber (Ion) is a qualified chartered accountant (South Africa) and a member of executive management. He completed his articles in 2013, whereafter he joined the Nictus group and was appointed manager of the insurance segment in 2016.

Chairman's REPORT

SOUTH AFRICA'S ECONOMIC GROWTH SLOWED FURTHER DURING 2018 AND IS PART OF A DECLINING TREND SINCE 2009/10. THE ECONOMIC GROWTH RATE FOR 2018 WAS PUBLISHED AT 0,8% BY THE SOUTH AFRICAN RESERVE BANK (SARB), WITH HOUSEHOLD CONSUMPTION SPENDING GROWING BY ONLY 1,8% DURING 2018 AND OFFICIAL UNEMPLOYMENT INCREASING TOWARDS THE 28% LEVEL.

Professor Johan Willemse | *Chairman*

Corruption and corporate scandals continue with a lot of pressure to improve corporate governance throughout the South African business sector and government entities. Hopefully, we will see several prosecutions during 2019 and a slight improvement in South Africa's economic and business confidence.

The challenges with electricity supply and fuel price increases continue with further tax increases expected and a reduction in household disposable income. The SARB expects that we will only see an improvement in growth in household spending by late 2019 and into 2020. Consumer and business confidence declined further and, in early 2019, reached comparable levels to the world recessionary period in 2008/09.

THE BOARD CONTINUES TO FOCUS ON ITS LONG-TERM STRATEGY TO MAINTAIN PROFITABILITY AMID A WEAK ECONOMIC ENVIRONMENT AND DETERIORATING CONSUMER AND BUSINESS CONFIDENCE.

Management continues to adapt to a difficult trading environment in both the furniture retail and insurance sectors. The board is of the opinion that we will remain profitable during the current economic slowdown through continued improvements and innovation as well as the maintenance of profit levels. Costs have been well managed within the budget and profit levels were maintained.

We are making progress in maintaining a more stable profit level and the board has also adopted an approach to deliver a steady dividend payment to shareholders in the current economic downcycle. We are of the opinion, that as we build this record, it will translate into better support for the share price. The board has also embarked on a strategy to employ capital more profitably and has adopted a strategy that we believe will support the share price and increase profits/dividends into the future. The share buy-back from Nictus Holdings Limited (a Namibian company), has not only consolidated shareholding but has also reduced the number of shares in issue. The strategy remains to employ capital optimally and improve profitability (and dividends) to a more desirable level. We envisage new actions during the financial year that will further improve the efficiency of capital employed and improve profitability within the current capital structure.

Continued focus on our customers and target market will remain a priority to improve our client offering and client base and will continue to build the business in a sustainable manner. Given the fact that the new Solvency Assessment and Management (SAM) regulations have been legislated within the insurance industry, regulatory uncertainty has been reduced, but the burden continues to add costs to doing business.

While the country slipped into a mode of corporate scandal and corruption on a broad basis, the board and management remain very focused in maintaining our values and integrity and fulfilling our fiduciary duties to the shareholders. In this regard, I want to thank John Mandy, who fulfilled his role as an independent non-executive director and the chairman of the audit and risk committee, for his dedication and due diligence.

A word of thanks to the board of directors for their dedication and focus in fulfilling their roles as directors and for safeguarding our shareholders' interests.

I also want to welcome Ronnie de Vrye as an independent non-executive director and chairman of the audit and risk committee and thank him for the contribution he is making to our corporate governance and strategy.

My thanks also to the managing director, financial director and staff for their enthusiasm and dedication with which they implement the company's strategy and values to improve profitability on an ethical basis.

GROUP
managing director's
REPORT

IT IS ONCE AGAIN A PRIVILEGE TO PRESENT AND REPORT ON THE FINANCIAL RESULTS OF THE GROUP. ALTHOUGH CHALLENGING, IT WAS AN EXCITING YEAR WHERE WE WERE FORCED TO BE CREATIVE AND COMPETITIVE TO BUILD ON OUR LONG-TERM STRATEGY TO SUSTAINABLY GROW OUR EARNINGS AND ASSET BASE TO CREATE WEALTH FOR ALL OUR STAKEHOLDERS.

Gerard Tromp | *Executive group managing director*

A great milestone that was achieved this year was the share buy-back transaction from Nictus Holdings Limited which resulted in an increase in the net asset value per share, which, in turn, created intrinsic value for our shareholders. We are proud to maintain a constant ordinary dividend payment and have aligned our strategies to enhance and maintain a sustainable dividend payment to reward our shareholders, especially in these challenging, yet interesting, times in the South African political and economic environments.

We are privileged to welcome Ronnie de Vrye to our board and look forward to appreciating the wealth of experience and skills he will contribute to the group. We wish John Mandy well for his retirement and we are thankful for his contribution during his term as director.

Segmental performance

Insurance segment

We experienced a steady growth in insurance premiums this year and are delighted with the success and value that our product is contributing to our clients within their different operations. We remain focused on tailormade client-specific solutions. One of our success factors remains the service and turnaround time to our clients and potential clients. We have aligned our investment strategy to challenge the grim investment environment and we are satisfied with the results achieved where no significant fluctuations were experienced that impacted earnings. We are excited to approach the coming years and look forward to opportunities where we can, together with our clients, create opportunities to identify risks and convert them into sustainable wealth.

Furniture segment

Furniture retail will always be one of the most challenging, yet rewarding, operations in the retail industry. Quality and value for money cannot be separated from the success of furniture retail and we are thankful that we can report on the profitability of this segment. Although profit margins are increasingly under pressure, we applaud the support from our suppliers for their combined efforts in satisfying customer needs and preferences. We have had success in identifying and delivering unique product lines to our devoted customers and look forward to building and improving on this in the coming years. It is rewarding that we have had few non-performing debtors and that bad debts and the provision therefore were far below industry norms, as well as our expectations.

Corporate governance

Nictus is proud to promote the highest standards of corporate governance and transparency. We value the integrity of our extremely committed employees in the effort to endorse a sound internal control environment. We remain committed to conforming to all rules and regulations we are exposed to across the group to assist in improving and building on a better South Africa and fighting corrupt practices.

Outlook

Nictus is committed to creating wealth for its stakeholders and will continue to build on this strategy. Our customers remain our core focus and we will persevere in providing them with innovative and exclusive products and solutions with unsurpassed levels of customer service.

Improvements of systems and ongoing focus on all aspects of the group will be a priority in order to be efficient in our operations and effective in maximising returns and optimising all capital structures.

We have hope in the new leadership of the country and take pride in being a South African corporate citizen contributing to the process of restoring South Africa to economic prosperity.

Appreciation

I would like to bring tribute and all glory to our loving God as without his love and grace this group would have no success.

I would like to express a warm thank you to our chairman and all board members for their exceptional value add to the group as well as their commitment and support to achieve the desired outcomes. Thank you to each and every employee and their families for their commitment and assistance on the journey to achieve our ideal future. Thank you to all of our clients and customers for their unqualified support and belief in the group and lastly, I would like to thank my family for their unreserved and unconditional support and for being the cornerstone on which we can build this group.

Summarised consolidated statement of financial position

as at 31 March 2019

Figures in R'000	2019	2018
Assets		
Non-current assets		
Property, plant and equipment	**18 026**	18 051
Intangible assets	**1 201**	118
Investments	**28 640**	11 340
Deferred tax assets	**3 253**	3 020
Loans and receivables	**4 485**	5 387
	55 605	37 916
Current assets		
Inventories	**10 119**	10 993
Loans and receivables	**38 085**	44 226
Trade and other receivables	**401 190**	358 645
Investments	**93 156**	98 809
Cash and cash equivalents	**64 640**	89 717
Current tax receivable	**70**	–
	607 260	602 390
Total assets	**662 865**	640 306
Equity and liabilities		
Equity		
Stated capital	**25 969**	48 668
Revaluation reserve	**7 983**	7 983
Retained earnings	**65 147**	46 076
	99 099	102 727
Liabilities		
Non-current liabilities		
Deferred tax liabilities	**2 633**	2 400
	2 633	2 400
Current liabilities		
Trade and other payables	**11 478**	10 974
Insurance contract liability	**549 655**	524 193
Current tax payable	**–**	12
	561 133	535 179
Total liabilities	**563 766**	537 579
Total equity and liabilities	**662 865**	640 306

Summarised consolidated statement of profit or loss and other comprehensive income

for the year ended 31 March 2019

Figures in R'000	Note	2019	2018
Revenue	7	**50 752**	47 361
Cost of sales		**(25 468)**	(26 470)
Gross profit		**25 284**	20 891
Other income		**734**	2 259
Investment income from operations		**44 190**	42 505
Operating expenses		**(50 594)**	(48 258)
Administrative expenses		**(17 263)**	(17 128)
Results from operating activities		**2 351**	269
Investment income		**4 192**	4 601
Profit before taxation		**6 543**	4 870
Taxation credit		**–**	542
Profit for the year		**6 543**	5 412
Other comprehensive income		**–**	–
Total comprehensive income for the year		**6 543**	5 412
Profit attributable to:			
Owners		**6 543**	5 412
		6 543	5 412
Total comprehensive income attributable to:			
Owners		**6 543**	5 412
		6 543	5 412
Basic earnings per share (cents)		**10,60**	8,17
Diluted basic earnings per share (cents)		**10,60**	8,17

Summarised consolidated statement of changes in equity

for the year ended 31 March 2019

Figures in R'000	Stated capital	Revaluation reserve	Retained earnings	Total equity
Balance as at 1 April 2017	48 668	7 983	42 652	99 303
Total comprehensive income for the year				
Profit for the year	–	–	5 412	5 412
Total comprehensive income for the year	–	–	5 412	5 412
Transactions with the owners of the company				
Distributions to the owners of the company				
Dividends paid	–	–	(1 988)	(1 988)
Total transactions with the owners of the company	–	–	(1 988)	(1 988)
Balance as at 31 March 2018	48 668	7 983	46 076	102 727
Total comprehensive income for the year				
Profit for the year	**–**	**–**	**6 543**	**6 543**
Total comprehensive income for the year	**–**	**–**	**6 543**	**6 543**
Transactions with the owners of the company				
Distributions to the owners of the company				
Dividends paid	**–**	**–**	**(1 988)**	**(1 988)**
Prescribed dividends	**–**	**–**	**41**	**41**
Shares repurchased from the owners of the company				
Specific repurchase – ordinary shares#	**(22 699)**	**–**	**14 475***	**(8 224)**
Total transactions with the owners of the company	**(22 699)**	**–**	**12 528**	**(10 171)**
Balance as at 31 March 2019	**25 969**	**7 983**	**65 147**	**99 099**

 # During the year, the company successfully completed a specific repurchase transaction, in terms of sections 4, 48(8)(b) and 114 of the Companies Act of South Africa, read together with sections 115 and 164, the JSE Listings Requirements and Nictus' Memorandum of Incorporation, by the company of 12 826 440 ordinary shares (constituting 19,35% of the company's total ordinary shares in issue) from Nictus Holdings Limited, a related party, for a consideration of R7,471 million, being a price of 58,25 cents per share.

** This amount represents the gain on the specific repurchase of ordinary shares.*

Summarised consolidated statement of cash flows

for the year ended 31 March 2019

Figures in R'000	2019	2018
Cash flows from operating activities		
Cash utilised by operations	**(57 908)**	(23 070)
Investment income received from operations	**42 958**	40 709
Dividends received	**1 232**	1 796
Dividends paid	**(1 988)**	(1 988)
Tax paid	**(82)**	(1 109)
Net cash (utilised by)/generated from operating activities	**(15 788)**	16 338
Cash flows from investing activities		
Acquisition of property, plant and equipment	**(629)**	(875)
Proceeds on sale of property, plant and equipment	**169**	–
Acquisition of intangible assets	**(1 353)**	(145)
Acquisition of investments	**(51 666)**	(35 126)
Investment income received	**4 192**	4 601
Short-term funds disinvested	**42 081**	46 781
Loans repaid by related party	**6 141**	540
Net cash (utilised by)/generated from investing activities	**(1 065)**	15 776
Cash flows from financing activities		
Repurchase of company shares: Specific buy-back from shareholder	**(8 224)**	–
Net cash utilised by financing activities	**(8 224)**	–
Total cash movement for the year	**(25 077)**	32 114
Cash and cash equivalents at the beginning of the year	**89 717**	57 603
Total cash and cash equivalents at the end of the year	**64 640**	89 717

Reconciliation between earnings and headline earnings

for the year ended 31 March 2019

Figures in R'000	Profit on ordinary activities	Taxation	Non-controlling interest	Net profit
Reconciliation between earnings and headline earnings:				
2019				
Profit for the year	**6 543**	**–**	**–**	**6 543**
Adjustments for:				
Profit on disposal of property, plant and equipment	**(70)**	**20**	**–**	**(50)**
Headline earnings	**6 473**	**20**	**–**	**6 493**
2018				
Profit for the year	4 870	542	–	5 412
Adjustments for:				
Loss on disposal of property, plant and equipment	6	(2)	–	4
Headline earnings	4 876	540	–	5 416

	2019	2018
Headline earnings per share (cents)	**10,52**	8,17
Diluted headline earnings per share (cents)	**10,52**	8,17

Summarised segmental report

for the year ended 31 March 2019

Figures in R'000	2019	2018
Segment assets		
Furniture retail	**51 756**	70 391
Insurance	**617 081**	609 636
	668 837	680 027
Head office and eliminations	**(5 972)**	(39 721)
	662 865	640 306
Segment revenue		
Furniture retail	**42 716**	43 543
Insurance	**9 235**	5 150
	51 951	48 693
Head office and eliminations	**(1 199)**	(1 332)
	50 752	47 361
Net profit for the year		
Furniture retail	**842**	1 168
Insurance	**3 293**	1 896
	4 135	3 064
Head office and eliminations	**2 408**	2 348
	6 543	5 412

Notes to the financial information

for the year ended 31 March 2019

1. Statement of compliance

The summarised consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports and the requirements of the Companies Act of South Africa applicable to summarised financial statements. The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*.

The accounting policies applied in the preparation of the consolidated financial statements, from which the summarised consolidated financial statements were derived, are in terms of International Financial Reporting Standards and are consistent with the accounting policies applied in the preparation of the previous consolidated annual financial statements, except as indicated otherwise on pages 65 and 66 of the 2019 integrated annual report, in the case of new accounting standards implemented effective 1 April 2018. The adoption of the new accounting standards had no material impact of the results of the group.

These summarised consolidated financial statements are extracted from the audited financial statements for the year ended 31 March 2019 but are not audited. KPMG Inc. audited the financial statements for the year ended 31 March 2019 and their unmodified audit report is available for inspection at the registered office of Nictus.

2. Directors' responsibility

The directors take full responsibility of the preparation of the summarised consolidated financial statements, and that the financial information has been correctly extracted from the underlying audited financial statements for the year ended 31 March 2019.

3. Basis of measurements

The summarised consolidated financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position:

- Land and buildings are measured at revalued amounts; and
- Financial instruments classified at fair value through profit or loss are measured at fair value.

The summarised consolidated financial statements are presented in thousands of South African Rands (R'000).

4. Related parties

During the period, certain companies within the group entered into transactions with each other. These intra-group transactions have been eliminated on consolidation. Related party information is unchanged from that reported at 31 March 2019. Refer to the 2019 audited financial statements for further information.

5. Events after reporting date

There were no material events after the reporting date and up to the date of approval of these financial statements that required adjustment or disclosure in the consolidated and separate financial statements for the year ended 31 March 2019, other than that a dividend of 3,75 cents per share was declared by the directors subsequent to year end, payable to shareholders registered on 19 July 2019.

6. Determination of fair values

A number of the group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Property, plant and equipment

The fair value of land and buildings is estimated by using a combination of the income capitalisation method and the depreciated replacement value method. This method requires the net annual income generated by the property, based on market trends, to be capitalised at an appropriate rate of return to reflect risk, specific investment demands and the overall condition of the structures.

Investments in equity, debt securities and unit trusts

The fair value of financial assets at fair value through profit or loss is determined by reference to their quoted closing market price at the reporting date.

The fair values of the financial assets were determined as follows:

- The fair values of listed or quoted investments are based on the quoted closing market prices;
- The fair values of debt securities are based on the quoted closing market prices as reflected on the Bond Exchange of South Africa. The securities are regularly traded on the active market; and
- The fair values of the unit trust investments are based on the quoted put (exit) price provided by the fund manager.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The carrying amount of short-term trade and other receivables at amortised cost is believed to approximate their fair values.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Trade and other payables

All trade and other payables are of a short-term nature and the carrying value of trade and other payables at amortised cost is believed to approximate their fair value.

Cash and cash equivalents

The cash and cash equivalents held by the group are of a short-term nature and the fair value of positive bank balances and bank overdrafts is deemed to approximate the carrying amount.

6.1 Fair value of land and buildings

Land and buildings, which consist of a business premises situated on erf 2134, Ferndale, Johannesburg, are independently valued on an *ad hoc* basis. The previous independent valuation was completed on 31 March 2017. The property was valued by the company's directors as at 31 March 2019. The company's directors value the group's property on an annual basis. An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the locations and category of property being valued, also provides supporting information used in the annual directors' valuation process.

Notes to the financial statements continued

for the year ended 31 March 2019

6. Determination of fair values continued

6.1 Fair value of land and buildings continued

The fair values are based on valuations and other market information that take into consideration the estimated rental value and depreciated replacement value of the property. A market yield is applied to the estimated rental value to arrive at the gross property valuation. The valuation was based on a combination of the income capitalisation method and the depreciated replacement value for existing use. The directors have assessed the residual value of the properties as at 31 March 2019 and calculated that the residual value approximates the current carrying value. No depreciation has therefore been recognised in the current or prior period in respect of the property.

Figures in R'000	Level 1	Level 2	Level 3	Total
Land and buildings – 2019	**–**	**–**	**16 146**	**16 146**
Land and buildings – 2018	–	–	16 146	16 146

The valuation techniques to fair value assets and liabilities in Level 3:

Assets	Method	Major assumptions
Land and buildings	Income capitalisation method	Capitalisation rate
		Rental per square metre per Rhode report
		Vacancy factor

Figures in R'000	Land and buildings
Reconciliation of land and buildings at fair value in Level 3	
Balance as at 1 April 2018	**16 146**
Fair value measurements	**–**
Balance as at 31 March 2019	**16 146**

Sensitivity analysis

Land and buildings

Presented in the tables below is an analysis of the impact on the fair value of the property, per valuation method, for changes in the key valuation assumptions:

Figures in R'000	Capitalisation rate		
Income capitalisation method (%)	8,41	9,41	10,41
Rental (10% decrease)	15 400	13 800	12 500
Rental (Rate per Rhode report)	18 400	16 500	14 900
Rental (10% increase)	21 500	19 200	17 300

6. Determination of fair values continued

6.1 Fair value of land and buildings continued

Sensitivity analysis continued

Land and buildings continued

Figures in R'000	Depreciation factor		
Depreciated replacement cost method (%)	70,00	75,00	80,00
Building costs (3% decrease)	16 800	15 100	13 400
Building costs (Rate per AECOM's African Property and Construction Handbook of 2017)	17 200	15 400	13 600
Building costs (3% increase)	17 500	15 700	13 800

The valuation for the financial year ended 31 March 2019 was based on a combination of the income capitalisation method and the depreciated replacement value for existing use. A 50% contribution rate per method was deemed appropriate by the directors.

The difference between the directors valuation, R15,950 million, and the value attributed to the property in these financial statements, R16,146 million, was considered but not deemed to be material to warrant an adjustment in fair value.

6.2 Fair value hierarchy of financial assets at fair value through profit or loss

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements. Unit trusts consist of investments in collective investment schemes and the valuation technique is based on a quoted put (exit) price provided by the relevant fund managers. The only observable inputs with regards to unit trusts are the closing units and closing price. There were no transfers between the levels for the reporting period.

Level 1: Quoted market price in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation techniques include inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

Notes to the financial statements continued

for the year ended 31 March 2019

6. Determination of fair values continued

6.2 Fair value hierarchy of financial assets at fair value through profit or loss continued

Figures in R'000	2019	2018
Level 1		
Listed shares	**10 687**	11 340
Listed debt securities	**10 198**	1 998
Unit trusts	**7 755**	–
	28 640	13 338

Figures in R'000	2019	2018
Level 2		
Unit trusts	**81 252**	42 826
	81 252	42 826

6.3 Financial assets by category

The accounting policies for financial assets have been applied to the line items below:

Figures in R'000	Loans and receivables at amortised cost	Fair value through profit or loss – designated	Total
2019			
Loans and receivables	**42 570**	**–**	**42 570**
Investments	**–**	**109 892**	**109 892**
Trade receivables	**400 734**	**–**	**400 734**
Investments – Short-term deposits	**11 904**	**–**	**11 904**
Cash and cash equivalents	**64 640**	**–**	**64 640**
	519 848	**109 892**	**629 740**

6. Determination of fair values continued

6.3 Financial assets by category continued

Figures in R'000	Loans and receivables at amortised cost	Fair value through profit or loss – designated	Total
2018			
Loans and receivables	49 613	–	49 613
Investments	–	56 164	56 164
Trade receivables	357 497	–	357 497
Investments – Short-term deposits	53 985	–	53 985
Cash and cash equivalents	89 717	–	89 717
	550 812	56 164	606 976

The carrying amounts of the financial assets at amortised cost approximate their fair values.

6.4. Financial liabilities by category

The accounting policies for financial liabilities have been applied to the line items below:

Figures in R'000	Financial liabilities at amortised cost	Total
2019		
Trade and other payables	**10 003**	**10 003**
2018		
Trade and other payables	10 368	10 368

The carrying amounts of the financial liabilities at amortised cost approximate their fair values.

7. Revenue

Figures in R'000	2019	2018
Sale of goods	**37 266**	39 220
Rental income	**32**	47
Finance income	**2 412**	2 866
Rendering of services	**1 540**	–
Earned insurance premium	**9 502**	5 228
	50 752	47 361

Notice of annual general meeting

NICTUS LIMITED
(Incorporated in the Republic of South Africa)
Registration number RSA: 1981/011858/06
Registration number NAM: 781/11858
JSE share code: NCS
ISIN number: NA0009123481
(Nictus or the company)

Notice is hereby given that the annual general meeting of the shareholders of Nictus (shareholders) will be held in the boardroom, Nictus Building, corner of Pretoria and Dover Streets, Randburg, on Wednesday, 21 August 2019 at 12:00 (SA time), to deal with the business as set out below and to consider and, if deemed appropriate, pass with or without modification the ordinary and special resolutions set out in this notice.

1. Record date

The board of directors of the company (the board) has determined that the record date, as contemplated in section 59(1) of the Companies Act of South Africa No. 71 of 2008 (the Companies Act of South Africa), for the purpose of determining which shareholders of the company are entitled to:

1.1 Receive notice of the annual general meeting is Friday, 14 June 2019; and

1.2 Participate in and vote at the annual general meeting is Friday, 16 August 2019. Accordingly, only shareholders who are registered in the register of members of the company, or their proxies, on Friday, 16 August 2019 will be entitled to participate in and vote at the annual general meeting. The last day to trade in order to be entitled to participate in and vote at the annual general meeting is therefore Tuesday, 13 August 2019.

2. General purpose of the annual general meeting

The general purpose of the annual general meeting is to:

2.1 Consider and, if deemed appropriate, pass with or without modification the resolutions set out hereunder; and

2.2 Deal with any business that may lawfully be dealt with at the annual general meeting.

3. Presentation of the consolidated audited annual financial statements

The consolidated audited annual financial statements of the company and its subsidiaries, incorporating the reports of the auditor, the audit and risk committee, the directors and the social and ethics committee for the year ended 31 March 2019, will be presented to shareholders as required in terms of section 30(3)(d) read with section 61(8)(a) of the Companies Act of South Africa.

The full consolidated annual financial statements of the company and the aforementioned reports, are set out in the 2019 integrated annual report on the company's website.

4. Resolutions for consideration and approval

4.1 Ordinary resolution 1: re-election of Gerard Swart as a director

"Resolved that Gerard Swart, who retires by rotation in terms of clause 16.3.2 of the company's Memorandum of Incorporation (MOI), be and is hereby re-elected as a director of the company."

In order for this ordinary resolution number 1 to be passed, the support of more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting, is required.

A brief *curriculum vitae* is set out on page 7.

4.2 Ordinary resolution 2: re-election of Nicolaas C Tromp as a director

"Resolved that Nicolaas C Tromp, who retires by rotation in terms of clause 16.3.2 of the MOI, be and is hereby re-elected as a director of the company."

In order for this ordinary resolution number 2 to be passed, the support of more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting, is required.

A brief *curriculum vitae* is set out on page 6.

4.3 Ordinary resolution 3: election of Cornelius J de Vrye as a director

"Resolved that Cornelius J de Vrye, in terms of clause 16.2.9.1 of the MOI, be and is hereby elected as a director of the company."

In order for this ordinary resolution number 3 to be passed, the support of more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting, is required.

A brief *curriculum vitae* is set out on page 7.

4.4 Ordinary resolution 4: approval of the remuneration policy

"Resolved to approve, by way of a non-binding advisory vote, the remuneration policy of the company as set out on pages 43 and 44 of the 2019 integrated annual report of which this notice forms part."

In order for this ordinary resolution number 4 to be passed, the support of more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting, is required.

4.5 Ordinary resolution 5: approval of the remuneration implementation report

"Resolved to approve, by way of a non-binding, advisory vote, the remuneration implementation report of the company as set out on page 41 of the 2019 integrated annual report of which this notice forms part."

In order for this ordinary resolution number 5 to be passed, the support of more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting, is required.

The remuneration report of the remuneration and nomination committee (which includes the remuneration policy and implementation report) is set out on pages 39 to 44 of the 2019 integrated annual report of which this notice forms part.

The JSE Listings Requirements require, and the King IV Report on Corporate Governance™* for South Africa, 2016 (King IV) recommends, that a company's remuneration policy and implementation report be tabled for separate non-binding advisory votes by shareholders at each annual general meeting. This enables shareholders to express their views on the company's remuneration policy and the implementation report.

Notice of annual general meeting continued

Ordinary resolutions number 4 and 5 are of a non-binding advisory nature only. The board will, however, take the outcome of the non-binding advisory votes into consideration when considering amendments to the group's remuneration policy.

Shareholders are reminded that in terms of the JSE Listings Requirements and King IV, should 25% or more of the votes cast be against one or both of these non-binding ordinary resolutions, Nictus undertakes to engage with shareholders as to the reasons therefore and undertakes to appropriately address legitimate and reasonable objections and concerns raised.

4.6 Ordinary resolution 6: election of Cornelius J de Vrye as a member and chairman of the audit and risk committee

"Resolved that Cornelius J de Vrye be and is hereby elected as a member and chairman of the audit and risk committee of the company, to hold office until the conclusion of the next annual general meeting of the company, subject to his election as a director of the company pursuant to ordinary resolution number 3."

In order for this ordinary resolution number 6 to be passed, the support of more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting, is required.

4.7 Ordinary resolution 7: re-election of Barend J Willemse as a member of the audit and risk committee

"Resolved that Barend J Willemse, a director and chairman of the board who fulfils the requirements contemplated in section 94(4) of the Companies Act of South Africa, be and is hereby re-elected as a member of the audit and risk committee of the company, to hold office until the conclusion of the next annual general meeting of the company."

In order for this ordinary resolution number 7 to be passed, the support of more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting, is required. Shareholders' attention is specifically drawn to the dual role of Barend J Willemse, being an independent non-executive chairman of the board and also a member of the audit and risk committee of the company.

4.8 Ordinary resolution 8: re-election of Gerard Swart as a member of the audit and risk committee

"Resolved that Gerard Swart, a director of the company who fulfils the requirements contemplated in section 94(4) of the Companies Act of South Africa, be and is hereby re-elected as a member of the audit and risk committee of the company, to hold office until the conclusion of the next annual general meeting of the company, subject to his re-election as a director pursuant to ordinary resolution number 1."

In order for this ordinary resolution number 8 to be passed, the support of more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting, is required.

4.9 Ordinary resolution 9: re-appointment of KPMG Inc. as independent external auditor

"Resolved that KPMG Inc. (with the designated external audit partner being Riaan Kok) be and is hereby re-appointed as the independent external auditor of the company, in terms of the MOI and the Companies Act of South Africa, to hold office until the conclusion of the next annual general meeting of the company."

The audit and risk committee of the company recommended the re-appointment of KPMG Inc., following its assessment of the performance and independence of KPMG Inc. and being satisfied that no governance guidelines have been breached and that they have complied with the provisions of the JSE Listings Requirements and the Companies Act of South Africa.

In order for this ordinary resolution number 9 to be passed, the support of more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting, is required.

4.10 Ordinary resolution 10: authority to issue ordinary shares

"Resolved that the board be and is hereby authorised by way of a general authority to issue at their discretion up to 30% (thirty percent), being 58 966 950 ordinary shares, of the authorised but unissued ordinary shares in the company from time-to-time, and/or to grant options to subscribe for such 30% (thirty percent) of the authorised but unissued ordinary shares in the company from time-to-time, for such purposes and on such terms and conditions as they may determine, provided that such transaction(s) are subject to the JSE Listings Requirements, the Companies Act of South Africa and the following conditions, namely that:

4.10.1 This authority shall only be valid until the next annual general meeting of the company but shall not extend beyond 15 (fifteen) months from the date of passing of this resolution;

4.10.2 The issue of the shares must be made to persons qualifying as public shareholders as defined in the JSE Listings Requirements, and not to related parties;

4.10.3 The shares which are the subject of the issue must be of a class already in issue, or where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;

4.10.4 must be published on a SENS announcement giving full details of the issue, after any issue representing, on a cumulative basis within one financial year, 5% (five percent) of the number of shares in issue prior to the issue concerned; and

4.10.5. In determining the price at which an issue of shares for cash will be made in terms of this authority, the maximum discount permitted shall be 10% (ten percent) of the weighted average traded price of the ordinary shares on the JSE, measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the shares.

In order for this ordinary resolution number 10 to be passed, the support of more than 75% (seventy-five percent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting, is required.

4.11 Ordinary resolution 11: signing authority

"Resolved that each director, or the secretary of the company, be and is hereby authorised to do all such things and sign all such documents as may be necessary for, or incidental to the implementation of the resolutions passed at the annual general meeting of the company and set out in this notice."

In order for this ordinary resolution number 11 to be passed, the support of more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting, is required.

Notice of annual general meeting continued

4.12 Special resolution 1: approval of directors' remuneration

"Resolved that the company be and is hereby authorised to pay remuneration to its non-executive directors for their services as directors, as contemplated in sections 66(8) and 66(9) of the Companies Act of South Africa, and that the remuneration structure and amounts as set out below, be and are hereby approved until such time as rescinded or amended by the shareholders by way of a special resolution."

	Proposed fees					
Name of director	Annual fee R	Board R	Audit and risk committee R	Remu-neration and nomination committee R	Social and ethics committee R	Investment committee R
Barend J Willemse	435 000	315 000	40 000	40 000	–	40 000
Gerard Swart	252 000	160 000	40 000	52 000	–	–
Cornelius J de Vrye	272 000	160 000	72 000	40 000	–	–
Philippus J de W Tromp	186 000	160 000	–	–	26 000	–
Nicolaas C Tromp	160 000	160 000	–	–	–	–

Special resolution number 1 is required in terms of section 66 of the Companies Act of South Africa, which requires that non-executive directors' remuneration for their services as directors may be paid by a company only in accordance with a special resolution approved by shareholders within the previous two years.

In order for special resolution number 1 to be passed, the support of at least 75% (seventy-five percent) of the voting rights exercised on the resolution by the shareholders present in person, or represented by proxy, at the annual general meeting, is required.

The reason for this resolution is to obtain approval for the payment of the non-executive directors' remuneration and the effect will be that the non-executive directors are paid in accordance with this resolution.

4.13 Special resolution 2: general authority to repurchase shares

"Resolved that the company, in terms of its MOI, or one of its wholly-owned subsidiaries, in terms of such wholly-owned subsidiary's MOI, as the case may be, and subject to the relevant subsidiary passing the necessary special resolution, be and is hereby authorised by way of a general authority to acquire the company's own securities, upon such terms and conditions and in such amounts as the directors may from time-to-time decide, subject to the JSE Listings Requirements and the Companies Act of South Africa and subject to the following:

4.13.1 This general authority shall be valid until the company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this resolution;

4.13.2 The repurchase being effected through the order book operated by the JSE trading system, without any prior understanding or arrangement between the company and the counterparty;

4.13.3 Repurchases may not be made at a price greater than 10% (ten percent) above the weighted average of the market value of the ordinary shares for the 5 (five) business days immediately preceding the date on which the transaction was effected;

4.13.4 An announcement being published as soon as the company has repurchased ordinary shares constituting, on a cumulative basis, 3% (three percent) of the initial number of ordinary shares, and for each 3% (three percent) in aggregate of the initial number of ordinary shares repurchased thereafter, containing full details of such repurchases;

4.13.5 The number of shares which may be acquired pursuant to this authority in any one financial year may not in the aggregate exceed 20% (twenty percent) of the company's issued share capital as at the date of passing of this special resolution or 10% (ten percent) of the company's issued share capital in the case of an acquisition of shares in the company by a subsidiary of the company;

4.13.6 The company and/or its subsidiaries may not repurchase securities during a prohibited period as defined in the JSE Listings Requirements, unless it has in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed and full details of the programme have been submitted to the JSE, in writing, and disclosed in an announcement published on SENS, prior to the commencement of the prohibited period. The company must instruct an independent third party, which makes its investment decisions in relation to the company's securities independently of, and uninfluenced by, the company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;

4.13.7 At any point in time the company only appointing one agent to effect any repurchases on its behalf;

4.13.8 The board must pass a resolution that they authorised the repurchase and that the company passed the solvency and liquidity test set out in section 4 of the Companies Act of South Africa and that since the test was performed, there have been no material changes to the financial position of the company and its subsidiaries (collectively, the group); and

4.13.9 The directors, having considered the effects of the maximum repurchase permitted, are of the opinion that for a period of 12 (twelve) months after the date of the notice of the annual general meeting and at the date of the repurchase:

4.13.9.1 the company and the group will be able, in the ordinary course of business, to pay its debts;

4.13.9.2 the working capital of the company and the group will be adequate for ordinary business purposes;

4.13.9.3 the assets of the company and the group, fairly valued in accordance with International Financial Reporting Standards, will exceed the liabilities of the company and the group; and

4.13.9.4 the company's and the group's ordinary share capital and reserves will be adequate for ordinary business purposes."

Section 48 of the Companies Act of South Africa authorises the board of directors of a company to approve the acquisition of its own shares subject to the provisions of section 48 and 46 of the Companies Act of South Africa

Notice of annual general meeting continued

having been met. The JSE Listings Requirements require the approval of a 75% (seventy-five percent) majority of the votes cast by shareholders present in person or represented by proxy at the annual general meeting for special resolution number 2 to become effective.

4.14 Special resolution 3: financial assistance to entities related or inter-related to the company, in terms of section 45 of the Companies Act of South Africa

"Resolved that, as a general approval, the company may, in terms of section 45(3)(a)(ii) of the Companies Act of South Africa, provide any direct or indirect financial assistance (financial assistance will herein have the meaning attributed to it in section 45(1) of the Companies Act of South Africa) to any related or inter-related company or to any juristic person who is a member of or related to any such company/ies (related and inter-related will herein have the meaning attributed to it in section 2 of the Companies Act of South Africa), subject to compliance with the remainder of section 45 of the Companies Act of South Africa, as the board may deem fit and on the terms and conditions, to the recipient/s, in the form, nature and extent and for the amounts that the board may determine from time-to-time."

In order for special resolution number 3 to be passed the support of at least 75% (seventy-five percent) of the voting rights exercised on the resolution by the shareholders present in person, or represented by proxy, at the annual general meeting, is required.

The effect of special resolution number 3, if adopted, is to confer the authority on the board to authorise financial assistance to companies related or inter-related to the company or to any juristic person who is a member of or related to any such companies generally as the board may deem fit, on the terms and conditions, and for the amounts that the board may determine from time-to-time, for a period of two years from the date of the adoption of the special resolution and in particular as specified in the special resolution.

5. Additional information

The following additional information, which may appear elsewhere in the integrated annual report, is provided in terms of the JSE Listings Requirements for purposes of the general authority to repurchase the company's shares set out in special resolution number 2 above:

5.1. Major shareholders – page 52 of the 2019 integrated annual report of which this notice forms part;

5.2. Stated capital of the company – pages 110 and 111 of the 2019 integrated annual report of which this notice forms part.

6. Directors' responsibility statement

The directors in office, whose names appear on pages 6 and 7, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 2 and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolutions contain all information required by the JSE Listings Requirements.

7. Material changes

Other than the facts and developments reported on in the integrated annual report, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the company's financial year end and the date of signature of the integrated annual report.

8. Directors' intention regarding the general authority to repurchase the company's shares

The directors have no specific intention, at present, for the company to repurchase any of its shares but consider that such a general authority should be put in place should an opportunity present itself to do so during the year which is in the best interests of the company and shareholders.

9. Attendance and proxies

9.1 Please note that, in terms of section 62(3)(e) of the Companies Act of South Africa:

9.1.1 a shareholder entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies to attend, participate in and vote at the annual general meeting in place of that shareholder; and

9.1.2 a proxy need not also be a shareholder of the company.

9.2 Please note further that section 63(1) of the Companies Act of South Africa requires that the annual general meeting participants must provide satisfactory identification. In this regard, all annual general meeting participants will be required to provide identification satisfactory to the chairman of the annual general meeting. Forms of identification include valid identity documents, driver's licences and passports.

9.3 All beneficial owners whose shares have been dematerialised through a Central Securities Depository Participant (CSDP), broker or nominee other than with "own name" registration, must provide the CSDP, broker or nominee with their voting instructions in terms of their custody agreement should they wish to vote at the annual general meeting. Alternatively, they may request the CSDP, broker or nominee to provide them with a letter of representation, in terms of their custody agreements, should they wish to attend the annual general meeting.

9.4 Unless you advise your CSDP, broker or nominee, in terms of the agreement between you and your CSDP, broker or nominee by the cut-off time stipulated therein, that you wish to attend the annual general meeting or send a proxy to represent you at this annual general meeting, your CSDP, broker or nominee will assume that you do not wish to attend the annual general meeting or send a proxy.

9.5 Forms of proxy (which form may be found enclosed) must be dated and signed by the shareholder appointing a proxy and must be received at the registered offices of the company, c/o Veritas Board of Executors Proprietary Limited, Nictus Building, corner of Pretoria and Dover Streets, Randburg (PO Box 2878, Randburg 2125) or the Transfer Secretaries, Computershare Investor Services Proprietary Limited, 15 Biermann Avenue, Rosebank 2196, South Africa (PO Box 61051, Marshalltown 2107). Forms of proxy must be received not later than 10:00 on Monday, 19 August 2019. Before a proxy exercises any rights of a shareholder at the annual general meeting, such form of proxy must be so delivered. Thereafter, forms of proxy must be handed to the chairman of the annual general meeting before the appointed proxy may exercise any rights of the shareholder at the annual general meeting. If required, additional forms of proxy may be obtained from registered offices of the company or the transfer secretaries.

9.6 Attention is drawn to the "Notes" to the form of proxy.

Notice of annual general meeting continued

9.7 The completion of a form of proxy does not preclude any shareholder attending the annual general meeting.

10. Voting

10.1. On a show of hands, every shareholder present in person or represented by proxy, and if a member is a body corporate, its representatives shall have one vote and on a poll, every shareholder present in person or represented by proxy and, if the person is a body corporate, its representative, shall have one vote for every share held or represented by him/her.

10.2. For the purpose of resolutions proposed in terms of the JSE Listings Requirements in respect of which any votes are to be excluded, any proxy given by a holder of securities to the holder of such an excluded vote shall also be excluded from voting for the purposes of that resolution.

11. Electronic participation at the annual general meeting

11.1. Should any shareholder wish to participate in the annual general meeting by way of electronic participation, that shareholder shall be obliged to make application in writing (including details as to how the shareholder or its representative can be contacted) to so participate, to the transfer secretaries at the applicable address set out below at least 5 (five) business days prior to the annual general meeting in order for the transfer secretaries to arrange for the shareholder (or its representative) to provide reasonably satisfactory identification to the transfer secretaries for the purposes of section 63(1) of the Companies Act of South Africa and for the transfer secretaries to provide the shareholder (or its representative) with details as to how to access any electronic participation to be provided. The company reserves the right not to provide for electronic participation at the annual general meeting in the event that it determines that it is not practical to do so. The costs of accessing any means of electronic participation provided by the company will be borne by the shareholder so accessing the electronic participation.

11.2. Shareholders are encouraged to attend the annual general meeting. Please note that, in terms of section 63(1) of the Companies Act of South Africa, shareholders (including their proxies), who intend to attend or participate in the annual general meeting are required to provide reasonably satisfactory identification before being entitled to attend or participate in the annual general meeting. Forms of identification include valid identity documents, driver's licences and passports.

By order of the board

Nictus Limited
Veritas Board of Executors Proprietary Limited
Company secretary

Randburg
19 June 2019

Form of proxy

nictus

(Incorporated in the Republic of South Africa)
Registration number RSA: 1981/011858/06
Registration number NAM: 781/11858
JSE share code: NCS
ISIN number: NA0009123481
(Nictus or the company)

To be completed by certificated shareholders and dematerialised shareholders with "own name" registration only

For completion by registered members of Nictus unable to attend the annual general meeting of the company to be held in the boardroom, Nictus Building, corner of Pretoria and Dover Streets, Randburg, on Wednesday, 21 August 2019 at 12:00 (SA time), or at any adjournment thereof.

I/We ______________________________

of ______________________________ (address)

being the holder/s of ______________ shares in the company, do hereby appoint:

1. ______________________________ or, failing him/her

2. ______________________________ or, failing him/her

3. the chairman of the annual general meeting,

as my/our proxy to attend, speak and, on a poll, vote on my/our behalf at the abovementioned annual general meeting of members or at any adjournment thereof, and to vote or abstain from voting as follows on the ordinary and special resolutions to be proposed at such meeting:

	For	Against	Abstain	Precluded from voting in terms of the Companies Act of South Africa or the JSE Listings Requirements
Ordinary resolution 1: re-election of Gerard Swart as a director				
Ordinary resolution 2: re-election of Nicolaas C Tromp as a director				
Ordinary resolution 3: election of Cornelius J de Vrye as a director				
Ordinary resolution 4: approval of the remuneration policy				

Form of proxy continued

	For	Against	Abstain	Precluded from voting in terms of the Companies Act of South Africa or the JSE Listings Requirements
Ordinary resolution 5: approval of the remuneration implementation report				
Ordinary resolution 6: election of Cornelius J de Vrye as a member and chairman of the audit and risk committee				
Ordinary resolution 7: re-election of Barend J Willemse as a member of the audit and risk committee				
Ordinary resolution 8: re-election of Gerard Swart as a member of the audit and risk committee				
Ordinary resolution 9: re-appointment of KPMG Inc. as independent external auditor				
Ordinary resolution 10: authority to issue ordinary shares				
Ordinary resolution 11: signing authority				
Special resolution 1: approval of directors' remuneration				
Special resolution 2: general authority to repurchase shares				
Special resolution 3: financial assistance to entities related or inter-related to the company, in terms of section 45 of the Companies Act of South Africa				

Please indicate with an "X" in the appropriate spaces provided above how you wish your vote to be cast.

If you wish not to cast your votes in respect of less than all of the ordinary shares that you own in the company, however, insert the number of ordinary shares held in respect of which you desire to vote.

Signed at ______________________ on ______________________ 2019

Signature ______________________

Assisted by me, where applicable (name and signature) ______________________

Notes to the form of proxy

1. Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder(s) of the company) to attend, speak and, on a poll, or by show of hands, vote in place of that shareholder at the annual general meeting.
2. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the chairman of the annual general meeting". The person whose name stands first on the form of proxy and who is present at the annual general meeting shall be entitled to act as proxy to the exclusion of the persons whose names follow.
3. A shareholder's instructions to the proxy have to be indicated by the insertion of an "X" or the relevant number of votes exercisable by that shareholder in the appropriate box provided. Failure to comply with the above shall be deemed to authorise the chairman of the annual general meeting, if the chairman is the authorised proxy, to vote in favour of the ordinary and special resolutions at the annual general meeting, or any other proxy to vote or to abstain from voting at the annual general meeting, as he/she deems fit, in respect of all the shareholder's votes exercisable thereat.
4. A shareholder or his/her proxy is not obliged to vote in respect of all the ordinary shares held by such shareholder or represented by such proxy, but the total number of votes for or against the ordinary and special resolutions and in respect of which any abstention is recorded may not exceed the total number of votes to which the shareholder or his/her proxy is entitled.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity has to be attached to this form of proxy, unless previously recorded by the company's transfer secretaries or waived by the chairman of the annual general meeting.
6. The chairman of the annual general meeting may reject or accept any form of proxy that is completed and/or received other than in accordance with these instructions and notes.
7. Any alterations or corrections to this form of proxy have to be initialled by the signatory(ies).
8. The completion and lodging of this form of proxy shall not preclude the relevant shareholder from attending the annual 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.
9. All beneficial owners of ordinary shares who have dematerialised their shares through a Central Securities Depository Participant (CSDP) or broker, other than those shareholders who have elected to dematerialise their shares with "own name" registrations, and all beneficial owners of ordinary shares who hold certificated shares through a nominee, must provide their CSDP, broker or nominee with their voting instructions. Voting instructions must reach the CSDP, broker or nominee in sufficient time to allow the CSDP, broker or nominee to advise the company or its transfer secretaries of this instruction no less than 48 hours before the time appointed for the holding of the meeting. Should you, as the beneficial owner, however, wish to attend the meeting in person, you may do so by requesting your CSDP, broker or nominee to issue you with a letter of representation in terms of the custody agreement entered into with your CSDP, broker or nominee. Letters of representation must be lodged with the company's transfer secretaries or at the registered office of the company not less than 48 hours before the time appointed for the holding of the meeting. Shareholders who hold certificated shares with their own name and shareholders who have dematerialised their shares with "own name" registrations must lodge their completed proxy forms with the company's transfer secretaries or at the registered office of the company not less than 48 hours before the time appointed for the holding of the meeting (excluding Saturdays, Sundays and public holidays).
10. Forms of proxy have to be lodged with or posted to the registered office of the company, c/o Veritas Board of Executors Proprietary Limited, Nictus Building, corner of Pretoria and Dover Streets, Randburg, (PO Box 2878, Randburg 2125) or the transfer secretaries, Computershare Investor Services Proprietary Limited, 15 Biermann Avenue, Rosebank 2196 (PO Box 61051, Marshalltown 2107) South Africa. Forms of proxy must be received not later than 10:00 on Monday, 19 August 2019. Thereafter, forms of proxy must be handed to the chairman of the annual general meeting before the appointed proxy may exercise any rights of the shareholder at the annual general meeting.

Notes to the form of proxy continued

Summary of rights established by section 58 of the Companies Act of South Africa, as required in terms of subsection 58(8)(b)(i)

1. A shareholder may at any time appoint any individual, including a non-shareholder of the company, as a proxy to participate in, speak and vote at a shareholders' meeting on his or her behalf (section 58(1)(a)), or to give or withhold consent on behalf of the shareholder to a decision in terms of section 60 (shareholders acting other than at a meeting) (section 58(1)(b)).

2. A proxy appointment must be in writing, dated and signed by the shareholder, and remains valid for one year after the date on which it was signed or any longer or shorter period expressly set out in the appointment, unless it is revoked in terms of paragraph 6.3 or expires earlier in terms of paragraph 10.4 (section 58(2)).

3. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder (section 58(3)(a)).

4. A proxy may delegate his or her authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy (proxy instrument) (section 58(3)(b)).

5. A copy of the proxy instrument must be delivered to the company, or to any other person acting on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders' meeting (section 58(3)(c)) and in terms of the company's Memorandum of Incorporation (MOI) at least 48 hours before the annual general meeting commences.

6. Irrespective of the form of instrument used to appoint a proxy:

6.1 the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder (section 58(4)(a));

6.2 the appointment is revocable unless the proxy appointment expressly states otherwise (section 58(4)(b)); and

6.3 if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or by making a later, inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the company (section 58(4)(c)).

7. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 6.3 (section 58(5)).

8. If the proxy instrument has been delivered to a company, as long as that appointment remains in effect, any notice required by the Companies Act of South Africa or the MOI to be delivered by the company to the shareholder must be delivered by the company to the shareholder (section 58(6)(a)), or the proxy or proxies, if the shareholder has directed the company to do so in writing and paid any reasonable fee charged by the company for doing so (section 58(6)(b)).

9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the MOI or proxy instrument provides otherwise (section 58(7)).

10. If a company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of proxy instrument:

10.1 the invitation must be sent to every shareholder entitled to notice of the annual general meeting at which the proxy is intended to be exercised (section 58(8)(a));

10.2 the invitation or form of proxy instrument supplied by the company must:

10.2.1 bear a reasonably prominent summary of the rights established in section 58 of the Companies Act of South Africa (section 58(8)(b)(i));

10.2.2 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 (section 58(8)(b)(ii)); and

10.2.3 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 annual general meeting, or is to abstain from voting (section 58(8)(b)(iii));

10.3 the company must not require that the proxy appointment be made irrevocable (section 58(8)(c)); and

10.4 the proxy appointment remains valid only until the end of the annual general meeting at which it was intended to be used, subject to paragraph 7 (section 58(8)(d)).

Contact information

Nictus Limited

(Nictus or the company)
(Incorporated in the Republic of South Africa)
Registration number RSA: 1981/011858/06
Registration number NAM: 781/11858
JSE share code: NCS
ISIN number: NA0009123481
www.nictuslimited.co.za

Registered office of the company

Head office

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Corner of Pretoria and Dover Streets, Randburg

PO Box 2878, Randburg 2125

Windhoek office

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Windhoek

Private Bag 13231, Windhoek

Company secretary

Veritas Board of Executors Proprietary Limited

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KPMG Inc.

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nictus

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