
BRAINWORKS

Brainworks Limited

(Incorporated in the Republic of Mauritius)

Registration number 115883 C1/GBL)

Share code: BWZ ISIN: MU0548500000

("the Company" or "Brainworks")

NOTICE OF SUBMISSION OF A PROPOSED SPECIAL RESOLUTION TO THE SHAREHOLDERS OF BRAINWORKS RELATING TO AMENDMENTS TO THE COMPANY'S CONSTITUTION IN TERMS OF SECTION 117 OF THE MAURITIUS COMPANIES ACT, NO. 15 OF 2001, AS AMENDED ("ACT") AND SECTION 11.1.3 OF THE COMPANY'S CONSTITUTION ("NOTICE")

DATE OF ISSUE: 12 AUGUST 2019

The defined terms set out herein, apply to this Notice, the Resolution, the Written Consent and the Proxy Form.

Dear Brainworks Shareholder

1. INTRODUCTION

- 1.1. Shareholders are advised that the board of directors of Brainworks ("**Board**") has resolved to propose that Brainworks shareholders consider and, if deemed fit, pass, with or without modification, the special resolution set out in Annexure 1 ("**Resolution**"), by written consent in terms of section 117 of the Act, in order to amend certain sections of the Company's Constitution ("**Constitution Amendments**").

The Constitution Amendments are proposed to align the same with best corporate governance practice and, in line with the recommendations of the King IV code of governance, to restrict increases in directors' and/or employees' remuneration and borrowing powers above certain thresholds. If, in the future, the Board requires certain thresholds to be exceeded, shareholders will be provided with an opportunity to consider and vote in respect thereof.

The Constitution Amendments therefore provide shareholders with an ability to participate in material decisions which could place the Company under financial difficulty.

- 1.2. The Board confirms that the Resolution complies with the requirements of the Act and the Company's Constitution as well as the JSE Limited Listings Requirements.
- 1.3. In terms of section 117 of the Act and sections 6.1 and 11.1.3 of the Company's Constitution, a resolution that could be voted on at a shareholders' meeting may instead be submitted for consideration to the shareholders entitled to exercise voting rights in relation to the resolution and be voted on in writing by shareholders entitled to exercise voting rights in relation thereto, within 21 business days of the Resolution being submitted to them and can be approved by 75% of all shareholders entitled to vote.
- 1.4. Section 117(1)(a) and (b) of the Act provides that a Resolution contemplated in terms of section 117(1) of the Act and section 11.1.3 of the Company's Constitution will have been adopted if it is approved by shareholders entitled to vote on that resolution who hold not less than 75% of the voting rights exercisable in respect thereof and, if adopted, such Resolution will have the same effect as if it had been approved by voting at a meeting.

2. RECORD DATE

The Board has resolved that the record date for determining which shareholders are entitled to vote on the Resolution in terms of the Written Consent and the Form of Proxy, as the case may be, shall be Friday, 13 September 2019.

3. SALIENT DATES

	2019
Record date to determine which shareholders are entitled to receive this Notice	Friday, 2 August
Notice posted on	Monday, 12 August
Date of receipt of this Notice, determined as the 2nd day following the day on which this Notice was posted (" Deemed Receipt Date ")	Wednesday, 14 August
Deadline for the exercise of voting rights by shareholders on the Resolution by 12:00 on	Friday, 13 September
Publication of the results of the voting on SENS by	Friday, 13 September
Distribution of statement of results of the Resolution in terms of section 117(6) of the Act by no later than	Friday, 20 September

4. ACTION REQUIRED BY SHAREHOLDERS

- 4.1 **SHAREHOLDERS WHO HAVE DEMATERIALIZED THEIR SHARES (OTHER THAN OWN-NAME DEMATERIALIZED SHAREHOLDERS)** should advise their Central Securities Depository ("CSDP") or Broker as to what action they wish to take. This must be done in terms of the agreement entered into between them and their CSDP or Broker. Shareholders who have dematerialised their shares (other than own-name dematerialised shareholders) must NOT return the Form of Written Consent per Annexure 2 hereto ("Written Consent") to Computershare Investor Services Proprietary Limited (the "Transfer Secretaries"), but must instead furnish their CSDP or Broker with their instructions for action.
- 4.2 **CERTIFICATED SHAREHOLDERS AND OWN-NAME DEMATERIALIZED SHAREHOLDERS** may indicate, by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate box provided, on the Written Consent, how they wish to cast their votes in relation to the Resolution. Please return the completed and signed Written Consent to the Transfer Secretaries by 12:00 on Friday, 13 September 2019 (i.e. within 21 business days from the Deemed Receipt Date) to any one of the following addresses:

By hand

Rosebank Towers
15 Biermann Avenue
Rosebank

By mail

PO Box 61051
Marshalltown, 2107
Email: proxy@computershare.co.za

Yours faithfully

Adansonia Management Services Limited
Company Secretary

12 August 2019

ANNEXURE 1

BRAINWORKS

Brainworks Limited
(Incorporated in the Republic of Mauritius)
(Registration number 115883 C1/GBL)
(Share code: BWZ, ISIN MU0548S00000)
("Brainworks" or "the Company")

RESOLUTION SUBMITTED TO SHAREHOLDERS IN TERMS OF SECTION 117(1) OF THE MAURITIUS COMPANIES ACT, NO. 15 OF 2001, AS AMENDED ("THE ACT")

SPECIAL RESOLUTION NUMBER 1 – AMENDMENTS TO THE COMPANY'S CONSTITUTION

"RESOLVED as a special resolution that the following amendments to the Company's Constitution be and are hereby approved:

1. Amendments to section 12 of the Constitution

- 1.1. In order to expand the scope of section 12.5, the heading thereof be deleted in its entirety and replaced with the following:

'Remuneration of directors and employees'

- 1.2. Section 12.5.1 be amended to read:

'Subject to section 12.5.2, the remuneration of directors shall be determined by the Remuneration Committee.'

- 1.3. In relation to the powers of the board, section 12.5.2 be deleted in its entirety and replaced with the following:

'Subject to applicable laws, the board may determine the terms of any service contract with any director and/or employee of the Company or any of its subsidiaries, provided that:'

- 1.4. The following new sections 12.5.2.1, 12.5.2.2 and 12.5.2.3 be inserted after section 12.5.2:

'12.5.2.1 In respect of the appointment of a new executive director or other employee of the Company or any of its subsidiaries (excluding any subsidiary whose shares are listed on any recognized stock exchange from time to time), any annual total remuneration package payable to such new executive director or employee, as the case may be, being the aggregate of the gross salary and any benefits (including, without limitation, bonuses, pensions, incentive payments and share options or other share awards) to which such new executive director or employee, as the case may be, is contractually entitled to receive pursuant to the terms of their employment contract, excluding any Non-Guaranteed Amounts (as such term is defined in section 12.5.2.3), exceeding the annual equivalent of USD300,000.00 (Three Hundred Thousand United States of America Dollar only) shall require the approval by a resolution of the Shareholders of the Company (either in general meeting or by way of written resolution) who hold not less than (a) in the case of a resolution to be passed in general meeting, 50% of the votes entitled to be cast on that resolution and present in person or by proxy; or (b) in the case of a resolution to be passed as a written resolution, 75% of the votes entitled to be cast on that resolution.

12.5.2.2 In respect of an executive director or other employee of the Company or any of its subsidiaries (excluding any subsidiary whose shares are listed on any recognized stock exchange from time to time) that has already entered into an employment contract, the annual total remuneration package payable to such executive director or employee, as the case may be, being the aggregate of the gross salary and any benefits (including, without limitation, bonuses, pensions, incentive payments and share options or other share awards) to which such executive director or employee, as the case may be, is contractually entitled to receive pursuant to the terms of their employment contract, excluding any Non-Guaranteed Amounts (as such term is defined in section 12.5.2.3), may not be increased to exceed an annual equivalent of USD300,000.00 (Three Hundred

United States of America Dollars only), without the prior approval by a resolution of the Shareholders of the Company (either in general meeting or by way of written resolution) who hold not less than (a) in the case of a resolution to be passed in general meeting, 50% of the votes entitled to be cast on that resolution in person or by proxy; or (b) in the case of a resolution to be passed as a written resolution, 75% of the votes entitled to be cast on that resolution.

- 12.5.2.3 *The introduction of any new, or any amendment to any existing, schemes and/or policies of the Company and/or any of its subsidiaries (excluding any subsidiary whose shares are listed on any recognized stock exchange from time to time) in respect of share options, discretionary bonuses, long term incentive schemes and/or similar schemes and/or policies (such awards and/or payments thereunder being a “Non-Guaranteed Amount”) shall require the prior approval by a resolution of the Shareholders of the Company (either in general meeting or by way of written resolution) who hold not less than (a) in the case of a resolution to be passed in general meeting, 50% of the votes entitled to be cast on that resolution in person or by proxy; or (b) in the case of a resolution to be passed as a written resolution, 75% of the votes entitled to be cast on that resolution.*

Where any of the foregoing acts are to be taken in respect of an executive director or other employee of a non-wholly owned subsidiary of the Company where the Company, as a shareholder of such subsidiary, is required by law or regulation or under the constitution of, or pursuant to any shareholders’ or other agreement with, such subsidiary, is required to first (a) consent to any action being taken by such subsidiary with respect to matters of director and employee remuneration, borrowing powers, the granting of security, acquisitions, disposals and investments or (b) otherwise vote on a resolution to enable such subsidiary to take such action (each, a “Qualified Subsidiary”), the exercise of such consent or vote by the Company shall require the prior approval by a resolution of the Shareholders of the Company (either in general meeting or by way of written resolution) who hold not less than (i) in the case of a resolution to be passed in general meeting, 50% of the votes entitled to be cast on the resolution in person or by proxy; or (ii) in the case of a resolution to be passed as a written resolution, 75% of the votes entitled to be cast on that resolution.’

- 1.5 Section 12.5.5 to commence with the wording ‘Subject to section 12.5.2, ...’

2. Amendments to section 13 of the Constitution

- 2.1 In order to expand the powers and duties of directors, section 13.1 be deleted in its entirety and replaced with the following:

13.1 *Borrowing Powers*

13.1.1 *For the purpose of this constitution, “Threshold Limit” is defined as the higher of either USD2,000,000 (Two million United States of America Dollars any) or the foreign currency equivalent thereof at the prevailing Spot rate, or 5% of the market capitalization of the Company, in each case, as at the date of the proposed transaction to be entered into by the Company or any of its subsidiaries, as the case may be.*

13.1.2 *Subject to the provisions of section 13.1.1, the directors may exercise all powers of the Company to borrow or raise or secure the payment of money or the performances or satisfaction by the Company of any obligation or liability and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue mortgages, charges, bonds, notes and other securities and other instrument whether outright or as security, for any debt liability or obligation of the Company or of any third party. In addition, such power shall be exercised, in compliance with section 143 of the Companies Act 2001.*

13.1.3 *The following acts by the Company or any of its subsidiaries (excluding any subsidiary whose shares are listed on any recognized stock exchange from time to time) shall require the prior approval by a resolution of the Shareholders of the Company (either in general meeting or by way of written resolution) who hold not less than (a) in the case of a resolution to be passed in general meeting, 50% of the votes entitled to be cast on the resolution in person or by proxy; or (b) in the case of a resolution to be passed as a written resolution, 75% of the votes entitled to be cast on that resolution:*

- 13.1.3.1 *entering in any indebtedness, loan agreement borrowing or otherwise in one or multiple occurrence for an amount exceeding the Threshold Limit; or*
- 13.1.3.2 *granting of any security, guarantee, encumbrance or otherwise in one or multiple occurrence the value of which exceeds the Threshold Limit; or*
- 13.1.3.3 *materially amending the terms of any existing loan agreements to which the Company and/or a subsidiary of the Company is a party to the nominal value of which exceeds the Threshold Limit as defined in section 13.1 and, for the purposes of this section 13.1.2.3, a material amendment shall include, without limitation, any change to the amount of principal or interest payable under the relevant loan agreement.*

Where any of the foregoing acts are to be taken in respect of Qualified Subsidiary, the exercise of any consent or vote by the Company shall require the prior approval by a resolution of the Shareholders of the Company (either in general meeting or by way of written resolution) who hold not less than (a) in the case of a resolution to be passed in general meeting, 50% of the votes entitled to be cast on the resolution in person or by proxy; or (b) in the case of a resolution to be passed as a written resolution, 75% of the votes entitled to be cast on that resolution.'

2.2 The following new section 13.7 be inserted:

'13.7 Acquisition and Disposal of assets and investments

The following acts by the Company or any of its subsidiaries (excluding any subsidiary whose shares are listed on any recognized stock exchange from time to time) shall require the approval by a resolution of the Shareholders of the Company (either in general meeting or by way of written resolution) who hold not less than (a) in the case of a resolution to be passed in general meeting, 50% of the votes entitled to be cast on the resolution in person or by proxy; or (b) in the case of a resolution to be passed as a written resolution, 75% of the votes entitled to be cast on that resolution:

- 13.7.1 *acquiring, buying or investing in any assets in one or multiple occurrence for an amount exceeding the Threshold Limit; and*
- 13.7.2 *selling or divesting in whole or in part from any asset in one or multiple occurrence the value of which exceeds the Threshold Limit.*

Where any of the foregoing acts are to be taken in respect of Qualified Subsidiary, the exercise of any consent or vote by the Company shall require the prior approval by a resolution of the Shareholders of the Company (either in general meeting or by way of written resolution) who hold not less than (a) in the case of a resolution to be passed in general meeting, 50% of the votes entitled to be cast on the resolution in person or by proxy; or (b) in the case of a resolution to be passed as a written resolution, 75% of the votes entitled to be cast on that resolution.'

3. Amendments to section 17 of the Constitution

In relation to 'Debt Instruments', section 17 be deleted in its entirety and replaced with the following:

'17. DEBT INSTRUMENTS

Subject to section 13.1, the Board may create and issue secured or unsecured debentures and the Board may authorise the Company to issue secured or unsecured debt instruments but no special privileges associated with any debt instruments to be issued by the Company may be granted and the authority of the Board in such regard is limited by this Constitution.'

Voting requirement:

Special resolution number 1 requires approval by shareholders exercising at least 75% of the voting rights, exercised in accordance with section 117(1)(a) and (b) of the Act.

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(Share code: BWZ, ISIN MU0548S00000)

("Brainworks" or "the Company")

FORM OF WRITTEN CONSENT IN TERMS OF SECTION 117(4) OF THE ACT ("WRITTEN CONSENT")

FOR USE BY CERTIFICATED SHAREHOLDERS AND OWN-NAME DEMATERIALISED SHAREHOLDERS IN TERMS OF SECTION 117(4) OF THE ACT

Shareholders who have dematerialised their shares, other than own-name dematerialised shareholders, should advise their CSDP or Broker as to what action they wish to take. This must be done in terms of the agreement entered into between them and their CSDP or Broker. Shareholders who have dematerialised their shares (other than own-name dematerialised shareholders) must **NOT** return this Form of Written Consent to the Transfer Secretaries, but must instead furnish their CSDP or Broker with their instructions for action.

I/We (please print full names) _____

of _____ (address)

Telephone number: () _____ Mobile number: _____

Email address: _____

being the holders of _____ shares, hereby vote as follows:

	For	Against	Abstain
Special Resolution number 1 Amendments to the Company's Constitution			

Please insert the number of shares you wish to vote or insert an "X" if you wish to vote all of your shares.

Signed at _____ on _____

Signature _____

Assisted by me (where applicable) _____ Name _____

Capacity _____

Signature _____

Notes:

1. A person signing this Written Consent in a representative capacity must attach the documentary evidence establishing such authority to this Written Consent unless previously recorded by the Transfer Secretaries.
2. The Written Consent must be completed and signed in accordance with the instructions therein, and must be received by the Transfer Secretaries as follows:

The completed and signed Written Consent must be delivered to the Transfer Secretaries by Friday, 13 September 2019 at any one of the following addresses:

By hand

Computershare Investor Services (Pty) Ltd
Rosebank Towers
15 Biermann Avenue
Rosebank

By mail

Computershare Investor Services (Pty) Ltd
PO Box 61051
Marshalltown, 2107
Email: proxy@computershare.co.za

3. A certificated or own-name dematerialised shareholder's instructions on the Written Consent must be indicated by the insertion of the relevant number of votes exercised by that shareholder in the appropriate box provided. A certificated or own-name dematerialised shareholder is not obliged to use all the votes exercisable by such shareholder, but the total number of votes cast and in respect of which abstention is recorded may not exceed the total number of votes exercisable by the certified or own-name dematerialised shareholder.

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("Brainworks" or "the Company")

FORM OF PROXY

(for use by certificated and own-name dematerialised shareholders only)

I/We (please print full names) _____

of _____ (address)

Telephone number: () _____ Mobile number: _____

Email address: _____

being the holders of _____ shares, appoint (see note 1)

1. _____ or failing him,

2. _____ or failing him,

3. the chairperson,

as my/our proxy to vote for me/us on my/our behalf in respect of the Resolution proposed by the directors of the Company, as set out in Annexure 1 of the Notice, for the purpose of considering and, if deemed fit, passing, with or without modification, the Resolution, and to vote on the Resolution in respect of the shares registered in my/our names in accordance with the following instructions (see note 6):

	Number of Votes		
	For	Against	Abstain
Special Resolution number 1 Amendments to the Company's Constitution			

Please insert the number of shares you wish to vote or insert an "X" if you wish to vote all of your shares.

Signed at _____ on _____

Signature _____

Assisted by me (where applicable) _____ Name _____

Capacity _____

Signature _____

Notes:

1. The following categories of shareholders are entitled to complete a Form of Proxy:
 - a) Certificated shareholders whose names appear in the Company's register;
 - b) Own-name dematerialised shareholders whose names appear on the sub-register of a CSDP;
 - c) CSDPs with nominee accounts; and
 - d) Brokers with nominee accounts.
2. Certificated shareholders wishing to vote in respect of the Resolution must ensure, beforehand with the Transfer Secretaries, that their shares are registered in their name.
3. Beneficial shareholders whose shares are not registered in their own-name, but in the name of another, for example, a nominee, may not complete a Form of Proxy, unless a Form of Proxy is issued to them by the registered holder and they should contact the registered holder for assistance in issuing instruction on voting such shares, or obtaining a Form of Proxy to vote in respect of the Resolution.
4. All beneficial shareholders who have dematerialised their shares through a CSDP or Broker, other than those in their own-name, must provide the CSDP or Broker with their voting instructions. Shareholders who have dematerialised their shares, other than those in their own-name, must not lodge the Written Consent.
5. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided. The person whose name stands first on the Form of Proxy will be entitled to act as proxy to the exclusion of those whose names follow.
6. Please insert the number of votes in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in the Company, insert the number of shares in respect of which you desire to vote. Failure to comply with the above will be deemed to authorise the proxy to vote, or to abstain from voting in respect of the Resolution as he/she deems fit in respect of all of the shareholders' votes exercisable thereon. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder, or by the proxy, but the total of votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by the proxy.

Forms of proxy must be received by the Transfer Secretaries by Friday, 13 September 2019 at any one of the following addresses

By hand

Computershare Investor Services (Pty) Ltd
Rosebank Towers
15 Biermann Avenue
Rosebank

By mail

Computershare Investor Services (Pty) Ltd
PO Box 61051
Marshalltown, 2107
Email: proxy@computershare.co.za

7. The completion and lodging of this Form of Proxy will not preclude the relevant shareholder from voting personally in respect of the Resolution to the exclusion of any proxy appointed in terms thereof.
8. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity must be attached to this Form of Proxy.
9. Any alteration or correction made to this Form of Proxy must be initialled by the signatory/ies.
10. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Transfer Secretaries.
11. The Company may reject or accept a Form of Proxy which is completed and/or received other than in accordance with these notes, if it is satisfied as to the manner in which the shareholder wishes to vote.

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