



CIRCULAR OF THE CO-OP

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Date of Issue: 27 November 2009



AGRA (CO-OP) LIMITED
(incorporated in the Republic of Namibia)
(Registration number F02/98)
("AGRA" or "the Co-op")

CIRCULAR OF THE CO-OP, regarding the conversion thereof into a company incorporated in Namibia in terms of section 19 of the Companies Act, No 61 of 1973, as amended, read with section 76 of the Co-operatives Act, No 23 of 1996, as amended.

The rights and obligations of a member of Agra in terms of the Conversion are not transferable to a third party independently from a transfer of the member's membership in Agra.

Should you wish to consent to or reject the Conversion you should sign the relevant form attached hereto and return same to Agra by no later than 16:00 on 24 March 2010, provided that the Co-op reserves the right to, on due notice to its members, change this date to a later date.

The failure to lodge a consent to the Conversion timeously or at all shall be deemed to be a rejection of the Conversion by the member concerned.

If you are in any doubt as to the action you should take, please consult any director of the Co-op, any member of the Co-op's Executive Committee or senior management, the Co-op's secretary, your attorney, accountant, banker or other professional advisor immediately.



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Appendix A: Report of PricewaterhouseCoopers

Member's Written Consent

Number of Shares Allocated to Member



CORPORATE INFORMATION

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L C van Wyk

8 Bessemer Street

Private Bag 12011

Windhoek

Namibia

Corporate Advisor

Pointbreak Namibia Holdings (Pty) Ltd

24 Orban Street

P O Box 97438

Windhoek

Namibia

Auditors

PricewaterhouseCoopers

344 Independence Avenue

P O Box 1571

Windhoek

Namibia

Attorneys

Engling, Stritter & Partners

12 Love Street

P O Box 43

Windhoek

Namibia



DEFINITIONS

Unless specifically stated to the contrary in this circular, all terms used herein shall bear the same meaning as that given to them in the Co-op Act, and the following terms shall bear the corresponding meanings:

'Agra' or 'Co-op'	Agra Co-operative Limited, an agricultural co-operative with limited liability incorporated in terms of the Co-op Act in the Republic of Namibia.
'the Auditors'	PricewaterhouseCoopers, 344 Independence Avenue, P O Box 1571, Windhoek.
'the By-Laws'	the By-Laws of Agra adopted by the Members at the Annual General Meeting during November 2006 and as subsequently amended.
'Closing Date for proxies'	16h00 on 26 March 2010, or such later date as the Co-op may determine on due notice to its members, being the last date and time on which a proxy, duly completed, shall be received by the Co-op for purposes of voting at the General Meeting.
'Closing Date for Written Consents'	16h00 on 24 March 2010, or such later date as the Co-op may determine on due notice to its members, being the last date and time on which a duly completed Written Consent approving or rejecting the Conversion shall be received by the Co-op for purposes of obtaining the Requisite Majority.
'the Companies Act'	Companies Act, No 61 of 1973, as amended.
'the Company'	Agra Limited, a company with limited liability incorporated in terms of the Companies Act in the Republic of Namibia and which will be the legal successor of the Co-op as a consequence of the Conversion.
'the Conversion'	The Conversion of Agra into the Company in accordance with Section 76 of the Co-Op Act.
'the Co-op Act'	Co-operatives Act, No 23 of 1996, as amended.
'Effective Date'	The date on which the Co-op is deregistered and the Company becomes the legal successor of the Co-op by operation of law.
'the General Meeting'	The general meeting of Members convened for the purpose of passing a special resolution authorising the Conversion on the terms and conditions set out in this circular.



DEFINITIONS CONT.

'Members'	Those persons appearing on the register of members of the Co-op on the Record Date.
'Namibia dollar' or 'N\$'	Legal currency of the Republic of Namibia.
'Record Date'	31 August 2009, being the date on which the membership register of the Co-op has been closed for the issue, or registration of transfer, of shares in the Co-op.
'the Registrar'	The Registrar of Co-operatives appointed in terms of Section 3 of the Co-op Act.
'Requisite Majority'	The written consent by at least two thirds of all the Members, effected by executing the Acceptance of Conversion form attached to this circular.
'Shareholders'	The ordinary shareholders of the Company.
'Written Consent'	The form attached to this circular on which a member should indicate his or her consent to, or rejection of, the Conversion.



IMPORTANT ACTIONS, DATES AND TIMES

In terms of the Conversion all the assets and liabilities of the Co-op will be transferred to the Company on the Effective Date. The following dates are important in the process of the Conversion and Members are requested to take note hereof:

Record Date:	31 August 2009;
Closing Date for proxies:	24 March 2010
Closing Date for submission of Written Consents:	24 March 2010; and
Date of the General Meeting:	31 March 2010.

A Member should indicate his or her approval or rejection of the Conversion by completing and signing the Written Consent attached hereto indicating whether they approve or reject the Conversion, and returning same to any of the following on or before the Closing Date for submission of Written Consents:

- In person to any Branch Manager of any Agra Branch; or
- By post to Private Bag 12011 Windhoek Namibia (marked for the attention of: Mr. Flip de Bruin); or
- By fax to 061 – 2909227.

The above documents must reach the above address by 16:00 on 24 March 2010, or such later date as the Co-op in its sole discretion may decide.

The failure to lodge Written Consent timeously or at all shall be deemed to be a rejection of the Conversion by the Member. If the Conversion is accepted by the Requisite Majority, share certificates in the Company shall be sent by registered post (at the risk of the Shareholders) to all Shareholders within a reasonable period of the Effective Date.



TERMS OF THE CONVERSION

1. BACKGROUND AND PURPOSE FOR THE CONVERSION

Agra was incorporated as a service co-operative¹ during 1980 in terms of the Co-operative Societies Ordinance, 1946, as amended. This Act was subsequently replaced by the Co-ops Act.

Agra's objectives as per section 3 of the By-Laws include, *inter alia*, "to conduct the business of a primary agricultural and marketing and supply service co-operative in order to achieve sustainable financial results for the benefit of its members and to engage in any other business approved by the board from time to time that enhances and contributes to the achievement of the financial stability of the co-operative"

Agra was established for the purpose of utilizing the collective bargaining power of its members to ensure an effective and efficient supply of goods and services to its members at reasonable prices. As a co-operative, Agra's mission was not to maximise profits and rather to build assets and capital with a view to passing any benefits derived from its business activities on to its members, be it in the form of bonuses declared and paid to members or lower pricing structures for goods and services delivered and/or supplied to its members.

Since 1980, markets and their respective forces have changed significantly. Namibia has a dynamic business environment characterized by increasing levels of competition in markets that are becoming more efficient markets. In order to address the challenges presented by these conditions, all business organisations have had to adapt and to identify and manage the risks that confront them.

Against the above background, the appropriateness and efficacy of Agra's original objectives and legal form have been tested and evaluated by Agra's board of directors with the assistance of its senior management and corporate advisors.

The principle areas of concern that have been identified during the above analysis are:

- Globalisation has had an impact on Namibia with international businesses entering the local markets. Local markets have consequently become more dynamic and competitive resulting in more goods and services being available to consumers in Namibia, including the Members.
- As a result of this increased competition the Co-op is no longer the sole supplier of goods and services to the Members and in certain respects the Co-op does not appear to be the preferred supplier for many of the Members.
- The improved access of Members to other suppliers of products and services indicates that the initial reasons for having established Agra as a co-operative society are no longer relevant.
- For Agra to remain relevant and of value to the Members it should rather focus on being a platform through which the Members can build value. This can be best achieved by improving the efficiency



and profitability of the business carried on by the Co-op. This should result in an increase in the value of the Co-op to its Members in that their interest in its business would be worth more over

- time and that the business would be able to distribute excess profits to the Members.
- A co-operative is not the best legal form through which a strategy of maximising value and profitability can be pursued. A company, however, is a legal form better suited to pursue such a strategy. Companies typically set as one of their main objectives, the increase of shareholder value.
- Other advantages of a 'company' above a those of a 'co-operative' are that:
 - it is a legal form that is well recognised and understood both locally and internationally;
 - the shares of a public company can be freely traded with a broader number of parties than a co-operative;
 - management and employees can be better incentivised through mechanisms such as an employee share incentive programme that are available to employees of a company;
 - the power of the votes of a shareholder in a company is based on the amount of shares held by such a shareholder and is not limited to one vote per member as in the case of a co-operative; and
 - a company can typically raise the capital required for its expansionary growth more efficiently in both the debt and capital markets than a co-operative.
- The Conversion of Agra into a company will significantly strengthen the balance sheet and capital position of Agra. Currently, Agra's issued share capital amounts to less than N\$ 250,000, while Member's funds of more than N\$ 40 million are disclosed as long-term liabilities of the Co-op in terms of International Financial Reporting Standards. The Conversion formula as explained in detail below provides for the allocation of shares to members on the basis of their members' shares in the Co-op and their members' funds. In addition, all the accumulated profits of the Co-op up to 31 July 2009 will be converted into shares and allocated to Members. As a result, the Company will have a stronger balance sheet with a higher amount of share capital.

The conclusion that Agra's board of directors has arrived at following the above analysis is that the continuation of the Co-op as a meaningful asset for the Members is best served by pursuing a strategy aimed at increasing the value of the Members' investment in Agra. In order to pursue this strategy, Agra and the Members will be better suited by changing its legal form from that of a co-operative to that of a company.

In addition to the benefits listed above, the Conversion will also provide the Members with the following specific benefits:

- **Tax-free dividends:** Currently, the distribution of profits by the Co-op to its Members is done in the form of bonus allocations, which are taxable in the hands of the Members. A company, however, distributes residual profits in the form of dividends, which are tax-free. Dividend receipts by Agra's Shareholders will therefore be exempt from tax after Conversion.
- **Continuity of shareholding:** In terms of the By-Laws of Agra Co-op, membership of the Co-op is restricted to persons who practice farming for their own account in Namibia. Therefore, if a person



retires or ceases his farming activity, his membership in the Co-op will be cancelled. This is not the case with a company. Shareholders will retain their shareholding and will not be forced to sell the shares even if they cease to conduct any farming activities. The shares in Agra can therefore be treated as an investment that can either be sold at any time convenient to the shareholder or be kept until death and bequeathed in accordance with the testament of the shareholder.

- **Liquidity of shareholding:** Members may sell their shares in the Company at any time after the Conversion to any willing buyer, thus converting their shares into cash. This is not possible if Agra remains a Co-op.
- **Shares as an investment:** Due to the fact that Agra, after its Conversion, will be a public company, the shares will be freely tradable. Further, the price of a share in Agra will be determined by supply and demand and should take into account the net asset value of Agra. As such, a share in Agra will become an investment in the hands of a Shareholder. A Shareholder may either keep this share with a view of achieving growth in the value of the share of Agra as the business grows, or dispose of the share if the Shareholder is in need of cash or has a pessimistic view on Agra's future value.
- **The Patronage Principle:** Agra will "reward" members who have contributed most to Agra's business over the past 6-years. From the conversion formula set out below it is evident that accumulated profits of the Co-op up to 31 July 2009 (amounting to approximately N\$51 million) will be converted in shares and allocated to the members in accordance with their proportionate trade with Agra over the past 6 years. The more trade a Member has conducted with Agra over these last 6 years, the higher will be the number of shares allocated to such Member.

2. TERMS AND MECHANICS OF THE CONVERSION

1.1 The terms

1.1.1 Legal requirements

The Conversion is regulated by Section 76 of the Co-op Act. Section 76 stipulates that for the Registrar to approve the Conversion:

1. At least two thirds of the Members represented in person or by proxy must, at a General Meeting of the Co-op, vote in favour of the Conversion.
2. Two Thirds of all the Members must consent in writing to the Conversion.
3. All the creditors of the Co-op have been given at least three months' written notice of the intended Conversion, which creditors shall, on demand, be entitled to payment of any amounts owing to them on the date immediately before the registration of the Co-op is cancelled.
4. Payment of the requisite amount of revenue stamps must be made.

If the Registrar is satisfied that the provisions of the Act have been complied with then Agra's registration as a Co-op will be cancelled and all its rights, obligations, assets and liabilities will, in terms of section 76(5), vest in the Company as Agra's legal successor. The transfer of any



property occasioned by the Conversion to the Company shall be free from the payment of transfer duty, stamp duty or any other fee or charge.

1.1.2 Mechanics of conversion

The Conversion requires that the direct interests of Members in the Co-op be transferred to the Company. This entails the cancellation of the Members' shares in the Co-op and the replacement thereof with shares in the Company. Shares in the Company will be issued to the Members on the basis set out below. The direct interests of Members in Agra include the following:

- Share capital
- Bonus shares
- Members' funds or loans
- Retained earnings and
- Other reserves

The audited balances of the above interests at **31 July 2009**, Agra's latest financial year-end, can be summarized as follows:

	N\$
Share capital	394,400
Bonus shares	1,237,470
Members' loans	43,366,768
	44,998,638
Retained earnings	51,445,714
Fair value adjustment reserves	3,986,609
Other reserves	14,910,364
	70,342,687
Total Members' interests	115,341,325

The number of shares in the Company which each Member will receive as a result of the Conversion will be calculated by applying the above amounts as follows:



Basis Of Calculation		
Category:	How it came about:	How it will be converted into shares:
Share capital (ordinary shares): N\$394,400	Every Member has historically subscribed for ordinary shares in the Co-op.	This amount will be converted into ordinary shares in the Company on a one to one basis. In other words, each Member will be issued ordinary shares in the Company with an issue price of one Namibian dollar for every share held in the Co-op.
Bonus shares: N\$1,237,470	These were created by (i) the conversion of ordinary shares in excess of 50 shares held by each Member, and (ii) by capitalising profits in terms of Paragraph 23.7 of the By-Laws.	The bonus shares will be converted on the same basis as the ordinary shares.
Member' loans: N\$43,366,768	The unpaid portion of declared Members' bonuses.	The value of Members' loans will be converted on a one to one basis, i.e. for every Namibia dollar a Member holds in Members' loans, the Shareholder will be issued with an ordinary share in the Company at an issue price of one Namibia dollar.
Retained earnings: N\$51,445,714	Profits or surpluses earned by the Co-op in the past that have not been transferred to reserves in terms of the Co-op Act or the By-Laws or that have not been declared to Members.	Retained earnings will be allocated to the Members pro rata the individual Members' contribution to the Co-op's total revenues, on a weighted average basis for the six financial years ended 31 July 2009. Earnings generated by the Co-op after 31 July 2009 will be retained and not converted into share capital.
Fair value adjustment reserves:N\$ 3,986,609	These arose from the revaluation of property and shares held by the Co-op.	These reserves will remain and is and will not be converted into share capital.
Other reserves: N\$14,910,364	These consist of a general reserve and deferred expenditure funds created in terms of Paragraphs 23.7.1.1 of the By-Laws.	These will be allocated to the Members on the same basis as the retained earnings.

The following 3 tables using 3 hypothetical members and combining the actual interests of all other members illustrate the application of the above calculation:



Table A: Members' shares, funds and turnover of the Co-op:

		Co-op investment				
Name of member	Registration Date	Co-op Shares	Bonus Shares	Member Funds	Total Turnover for last 6 years	Proportionate % turnover *
Mr A	01/08/2002	50.00	2,575.00	106,930.90	8,761,286.27	0.3461233%
Mrs B	01/08/2002	50.00	43.00	9,704.06	454,237.86	0.0201939%
Mr C	02/04/2009	500.00	-	23.99	369.13	0.0000114%
Rest of Agra members		393,800.00	1,234,852.00	43,250,109.39	2,267,649,044.88	99.6336715%
		394,400.00	1,237,470.00	43,366,768.34	2,276,864,938.14	100.0000000%
* calculated by dividing the member's turnover for each year over the total turnover of the Co-op for that year and then adding the 6 results together and dividing them by six (i.e. using the weighted average method)						

Table B: Application of conversion formula:

		Converted as follows into share capital:			
Name of member	Registration Date	Shares (1:1)	Bonus Shares (1:1)	Member Funds (1:1)	Retained earnings and reserves (% of turnover)
Mr A	01/08/2002	50.00	2,575.00	106,930.90	229,673.83 *
Mrs B	01/08/2002	50.00	43.00	9,704.06	13,399.85 **
Mr C	02/04/2009	500.00	-	23.99	7.57 ***
Rest of Agra members		393,800.00	1,234,852.00	43,250,109.39	66,112,996.62
		394,400.00	1,237,470.00	43,366,768.34	66,356,077.87
<u>Notes:</u>	Total retained earnings and reserves to be converted				<u>66,356,077.87</u>
	*	0.3461233% * 66,356,077.87 = 229,673.83			
	**	0.0201939% * 66,356,077.87 = 13,399.85			
	***	0.0000114% * 66,356,077.87 = 7.57			

Table C: Illustration of shareholding per member after Conversion:

		Company investment	
Name of member	Registration Date	Total shares obtained	% shareholding
Mr A	01/08/2002	339,230	0.304639%
Mrs B	01/08/2002	23,197	0.020832%
Mr C	02/04/2009	532	0.000477%
Rest of Agra members		110,991,758	99.674052%
		111,354,716	100.0000000%

The application of the above calculation to the actual Member's list of the Co-op has been verified by the Auditors. Their report is attached as **Appendix A**. The calculation of the shares to be issued to a Member to which this Circular is sent is set out in the separate schedule accompanying this circular. **Members who accept the Conversion are to ensure that the information contained in this schedule is, to the best of their knowledge and belief, true and correct.**



1.2 Approval of the Conversion:

The Conversion will be submitted to the Registrar for approval if:

- the Requisite Majority of Members approve the Conversion validly indicating their consent to the Conversion by completing the Written Consent and delivering same to the Co-op in the manner and within the time stipulated herein;
- the special resolution resolving that the Co-op be converted to the Company on the terms and conditions set out herein is approved by the Required Majority at the General Meeting;
- the Co-op publishing the notices to creditors stipulated in Section 76 of the Co-ops Act;
- the Co-op paying the requisite amount of revenue stamps.

The failure to lodge a Written Consent timeously or at all shall be deemed to be a rejection of the Conversion by the Member concerned.

If the Registrar is satisfied that the provisions of Section 76 of the Co-op Act have been complied with, the Conversion will be approved meaning that it will apply to all Members, irrespective of whether or not they accepted or rejected the Conversion.

In that instance the Members authorize any director of the Co-op, *in rem suam* and in their stead, to do all things necessary in order to cancel the registration of the Co-op, and to receive their shares in and other rights to and claims against the Company that are to be issued to the Members as a result of the Conversion, on behalf of the Members.

Share certificates in the Company shall be sent by registered post (at the risk of the Shareholders) to all Shareholders within a reasonable time of the Effective Date.

1.3 Effect of the Conversion:

The effect of the Conversion is that:

- The Registrar will strike the name and other particulars of the Co-op off the Register of Co-operatives.
- As from the date on which the registration of the Co-op has been cancelled all assets, rights, liabilities and obligations of the Co-op shall vest in the Company.

Consequently, all Members of the Co-op will become Shareholders in the Company on the basis of the conversion calculation referred to above.



1.4 Other Considerations:

1.4.1 New Shareholders of the Company post the Conversion:

Persons who are not Shareholders but after the Effective Date wish to become Shareholders of the Company must apply to the board of directors of the Company in the form specified by them from time to time for the right to subscribe for shares in the Company at a price determined by the board of directors. The directors shall however not be obliged to issue shares to such persons. Alternatively, such persons can purchase shares in the Company from Shareholders wishing to sell same at the market value of such shares. A trading desk will be established at the Agra head office for this purpose. All share trades will have to be conducted through this trading desk in order to ensure that the Company Secretary can update the Company Register and issue the relevant share certificates in the name of the purchaser of the shares.

1.4.2 Members that do not approve the Conversion:

If the Conversion is approved by Requisite Majority and the Registrar, Members that did not approve the Conversion will nonetheless become Shareholders of the Company and share the same rights and obligations that all other Shareholders have in terms of the Companies Act.

2. DETAILS REGARDING THE COMPANY

2.2 Capital structure of the Company:

The authorised share capital of the Company will be N\$150,000.-, made up of 150,000,000 shares of N\$ 0.001 each, 111,354,716 of which will be issued to Shareholders in terms of the Conversion.

2.3 Memorandum and Articles of Association of the Company:

The most important features of the Company's Memorandum and Articles of Association are set out below:

Share Capital: The capital structure of the Company makes allowance for one class of ordinary shares only. The Company may, by Special Resolution, increase the number of authorized shares or consolidate or divide the amount of shares in issue. Shares in the Company may be freely transferred. The transfer shall be facilitated through the transfer office of the Company. The Directors may only decline to recognize the transfer if the transfer is not accompanied by the relevant share certificate and if the relevant stamp duty is not paid.

Annual General Meeting: The Company shall annually hold an Annual General Meeting ("AGM") within 6 months after its financial year-end. An AGM and a General Meeting at which a special resolution is passed must be called by not less than 21 days notice in writing, while a General Meeting requires 14 days notice in writing. The AGM shall deal with the approval of a dividend, annual financial statements, election of directors, appointment of auditors and any other business laid before it.

Votes of Members: On a poll at any Meeting of the Company, a member is entitled to that proportion of the total votes as his number of shares bears to the total number of issued shares. If voting is done



on a show of hands, each member shall only have one vote, irrespective of the number of shares he holds or represents. **In order to prevent the Company from being controlled by any single shareholder, the maximum number of votes to which any Shareholder is entitled is limited to 5% of all the votes exercisable by all the Shareholders.**

Directors: The directors of the Co-op will be the first directors of the Company. The appointment of the Company's board of directors will be voted on at the first AGM of the Company. The remuneration of the directors shall from time to time be determined by the Company in a general meeting. At the first annual general meeting of the company all the directors shall retire from office, and at the annual general meeting in every subsequent year one-third of the directors for the time being, or if their number is not three or a multiple of three, the number nearest to one-third, shall retire from office. The directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot. A retiring director shall be eligible for re-election.

Dividends: Dividends may be declared at an Annual General Meeting, but no dividend shall exceed the amount recommended by the directors. The directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think are necessary for the future business operations and for any potential investments the Company may make. The directors may also carry forward any profits which they may think prudent not to distribute as dividends.

3. FINANCIAL INFORMATION ON THE COMPANY

The assets and liabilities of the Co-op will upon Conversion vest in the Company. Consequently, apart from items converted into share capital (comprising reserves, retained earnings at 31 July 2009, Bonus shares and members' funds), the assets and liabilities of the Co-op immediately prior to the Effective Date will be the assets and liabilities of the Company with effect from the Effective Date.

4. DIRECTOR'S EMOLUMENTS

The emoluments of the directors of the Co-op that will be the first directors of the Company will be unaffected by the successful implementation of the Conversion.

5. SPECIAL ARRANGEMENTS

No agreement, arrangement or understanding (including any compensation arrangement) exists between the Co-op, the Company, or any person acting in concert with either of these entities, and any directors of the Co-op or persons who were directors within the preceding 12 months, or holders of ordinary shares in the Co-op or persons who were holders of shares in the Co-op within the preceding 12 months, that has any connection with or is dependent upon the Conversion.



6. NO SET-OFF OF CONSIDERATION

The settlement of the Member's right to receive shares in the Company under the Conversion will be implemented in full in accordance with the terms of the Conversion, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Co-op or the Company may otherwise be, or claim to be, entitled against the other.

7. ARRANGEMENTS, UNDERTAKINGS OR AGREEMENTS IN RELATION TO THE OFFER

There are no arrangements with, undertakings by, or agreements between the Co-op and the Company, and persons acting in concert with either of them, in relation to the ordinary shares in the Company.

8. OPINIONS AND RECOMMENDATIONS

The board of directors of the Co-op recommends that the Members vote in favour of the Conversion.

The report of the Auditors in respect of the verification of the calculation of the number of shares in the Company each Member is entitled to receive in terms of the Conversion is set out in **Appendix A**.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The board of directors of the Co-op:

- collectively and individually take responsibility for the accuracy of the information that appears in this Circular; and
- certify that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statements herein false or misleading and that they have made all reasonable inquiries to ascertain such facts and that this circular contains all information required by law.

10. DOCUMENTS AVAILABALE FOR INSPECTION

The following documents are available for inspection at the registered offices of the Co-op situated at 8 Bessemer Street, Windhoek, Namibia:

- the Memorandum and Articles of Association of the Company;
- the original of this Circular; and
- the original advise from the Company's Auditor.



11. ACTION TO BE TAKEN

A Member should indicate his or her approval or rejection of the Conversion by completing and signing the Written Consent attached hereto indicating whether they approve or reject the Conversion, and returning same:

- In person to any Branch Manager of any Agra Branch; or
- By post to Private Bag 12011 Windhoek Namibia (marked for the attention of: Mr. Flip de Bruin); or
- By fax to 061 – 2909227.

The above documents must reach the above address by 16:00 on 24 March 2010, or such later date as the Co-op in its sole discretion may decide.

If the Conversion is accepted by the Requisite Majority, share certificates in respect of the Shareholders' shares in the Company shall be sent by registered post (at the risk of the Shareholders) to all Shareholders within a reasonable period of the Effective Date.

The failure to lodge a Written Consent timeously or at all shall be deemed to be a rejection of the Conversion by the Member concerned.

Chairperson:

Date: 27 November 2009



APPENDIX A

[REPORT OF PWC]