

BELL EQUIPMENT LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1968/013656/06)

Share code: BEL

ISIN: ZAE000028304

("Bell Equipment" or "the Company")

**IA BELL AND COMPANY PROPRIETARY LIMITED**

(Incorporated in the Republic of South Africa)

(Registration number 1964/005775/07)

("IA Bell" or "IAB")



JOINT ANNOUNCEMENT OF THE FIRM INTENTION OF IA BELL TO MAKE AN OFFER TO ACQUIRE SHARES IN BELL EQUIPMENT, BY WAY OF A SCHEME OF ARRANGEMENT, AND WITHDRAWAL OF CAUTIONARY

1. INTRODUCTION

- 1.1. Shareholders of Bell Equipment ("**Shareholders**") are referred to the announcement released on the Stock Exchange News Service ("**SENS**") on Wednesday, 10 March 2021 ("**EOI Announcement**"), wherein it was advised, *inter alia*, that IA Bell ("**Offeror**") had expressed a non-binding interest to acquire all of the issued ordinary shares ("**Bell Equipment Shares**") in the Company ("**Issued Share Capital**"), excluding those Bell Equipment Shares held by the Offeror and those held by certain shareholders (see paragraph 6.4 below).
- 1.2. Shareholders are hereby advised that Bell Equipment and IA Bell entered into an implementation agreement ("**Implementation Agreement**") on Wednesday, 6 October 2021 ("**Signature Date**"), as amended in terms of the addenda entered into, the last of which was signed on Friday, 15 October 2021, in terms of which IA Bell has given notice to Bell Equipment of its firm intention to make an offer ("**IAB Offer**" or "**Transaction**") to acquire all of the Issued Share Capital from the Shareholders, other than Bell Equipment Shares:
 - 1.2.1. already held by IA Bell (constituting 70,1% of the Issued Share Capital), which includes Bell Equipment Shares acquired by the Offeror from John Deere Construction & Forestry Company ("**John Deere**") on and with effect from 28 September 2021 pursuant to an agreement dated 30 October 2020 (as amended and restated) concluded between IA Bell and John Deere ("**Deere Sale Agreement**") (further detailed in paragraph 7.1 below);
 - 1.2.2. held by certain shareholders who are related to or acquaintances of the founders of Bell Equipment ("**Excluded Shareholders**") (further detailed in paragraph 6.4 below); and
 - 1.2.3. earmarked for use in respect of the Bell Equipment Limited Share Option 2 Rules ("**Option Scheme**") (being 32,233 Bell Equipment Shares) ("**Option Scheme Shares**").
- 1.3. The Bell Equipment Shares, excluding those listed in paragraphs 1.2.1 to 1.2.3 above, represent Bell Equipment Shares held by Shareholders eligible to participate in the IAB Offer ("**Eligible Shareholders**").
- 1.4. The IAB Offer will be implemented by way of a scheme of arrangement ("**Scheme**") in terms of section 114 of the Companies Act (No. 71 of 2008) ("**Companies Act**") (as contemplated in paragraph 2 below) to be proposed by the board of directors of Bell Equipment ("**Bell Equipment Board**") between Bell Equipment and the Eligible Shareholders.
- 1.5. The holders of the Bell Equipment Shares referred to in paragraphs 1.2.1 to 1.2.3 above will not participate in the Scheme and thus will not sell their Bell Equipment Shares in terms of the Transaction.
- 1.6. The IAB Offer will be made at a cash consideration of ZAR10,00 (Ten Rand) ("**Cash Consideration**" or "**Scheme Consideration**") per Bell Equipment Share.

- 1.7. The independent board of Bell Equipment, established by Bell Equipment for the purposes of the IAB Offer, comprises of John Robert Barton, Derek Hamilton Lawrance, Hendrik Roux van der Merwe, Rajendran Naidu and Mamokete Emily Ramathe ("**Independent Board**").
- 1.8. The Cash Consideration represents a premium of 118,3% to the closing price of Bell Equipment Shares, and a 88,4% premium to the 30-day volume-weighted average traded price ("**VWAP**") of Bell Equipment Shares on the securities exchange operated by the JSE Limited ("**JSE**") ("**Securities Exchange**") of ZAR4,58, as at Friday, 4 September 2020, being the last trading day prior to the date of release of the cautionary announcement on SENS regarding the non-binding memorandum of understanding that was entered into between IA Bell and John Deere, prior to entering into the Deere Sale Agreement.
- 1.9. The Cash Consideration represents a premium of 8,7% to the closing price of Bell Equipment Shares, and a 2,25% premium to the 30-day VWAP of Bell Equipment Shares on the Securities Exchange of ZAR9.20, as at Tuesday, 9 March 2021, being the last trading day prior to the release of the EOI Announcement.
- 1.10. The Cash Consideration represents a discount of 26,09% to the closing price of a Bell Equipment Share on the Securities Exchange of ZAR13,53 as at Tuesday, 5 October 2021, being the last trading day prior to the Signature Date.

2. PROPOSED TRANSACTION MECHANISM AND DELISTING OF BELL EQUIPMENT

- 2.1. The IAB Offer will be implemented at the Cash Consideration and upon the terms and subject to the conditions set out in the circular to be distributed to Shareholders in due course ("**Circular**") (refer to paragraph 14 below) and in which Circular the Scheme will be proposed.
- 2.2. If the Scheme is approved, IA Bell will acquire 29,45% of the Issued Share Capital at the Cash Consideration, and the listing of Bell Equipment on the main board of the Securities Exchange will be terminated in terms of paragraph 1.17(b) of the JSE Listings Requirements ("**Delisting**").
- 2.3. The Transaction will constitute an "**affected transaction**" as defined in section 117(1)(c) of the Companies Act. It will be implemented in accordance with the Companies Act and the Companies Regulations, 2011 ("**Companies Regulations**") and will be regulated by the Takeover Regulation Panel ("**TRP**").

3. REPORT OF THE INDEPENDENT EXPERT

- 3.1. The Independent Board has appointed BDO Corporate Finance Proprietary Limited as the independent expert, as required in terms of section 114(2) of the Companies Act and the Companies Regulations ("**Independent Expert**"), to issue an opinion dealing with the matters set out in sections 114(2) and 114(3) of the Companies Act and Regulations 90, 110(1) and 113(1)(a) of the Companies Regulations, to express an opinion on whether the Scheme Consideration is fair and reasonable to Eligible Shareholders ("**Fair and Reasonable Opinion**").
- 3.2. The Fair and Reasonable Opinion will be provided in the Circular.

4. OVERVIEW OF IA BELL

- 4.1. IA Bell is an investment holding company, owned by representatives of the founding family (and affiliates) of Bell Equipment, these shareholders being:
 - 4.1.1. Gary William Bell;
 - 4.1.2. Peter Charles Bell;
 - 4.1.3. Paul Allan Bell;
 - 4.1.4. Michael Allan Campbell;
 - 4.1.5. David Ian Campbell; and
 - 4.1.6. the estate of the late Howard John Buttery.
- 4.2. Apart from its 70,1% shareholding in Bell Equipment, IA Bell holds a non-controlling minority 49,92% stake in Loinette Capital, which is an asset-based finance provider focused on creating funding solutions to small-to-medium enterprises across sub-Saharan Africa.

5. RATIONALE AND BENEFITS OF THE TRANSACTION

- 5.1. IA Bell holds 70,1% of the Bell Equipment Shares, and if the IAB Offer is successfully implemented, IA Bell, together with the Excluded Shareholders, will own 100% of the Issued Share Capital, other than the Option Scheme Shares.
- 5.2. IA Bell believes that the Company will be able to operate more sustainably in the delisted environment. During a time of immense uncertainty in world markets, IA Bell believes that agility around the Company's strategy execution and emphasis on the founding family values within the organisation will assist in achieving acceptable and sustainable financial returns over the next 4 to 6 years. If wholly-owned with the Excluded Shareholders, the board of directors of IA Bell ("**IA Bell Board**") will be able to take a longer-term view in its approach to managing the Company and its business undertakings, particularly where certain strategic decisions are necessary which are unlikely to yield positive short term financial results. These time parameters do not suit the listed environment.
- 5.3. IA Bell is of the view that Bell Equipment derives limited value from its listing, as the primary benefits derived from a listing including share liquidity and the ability to raise capital, are constrained. Additionally, the costs associated with maintaining the listing, both direct and indirect, do not appear to be commensurate with the benefit derived therefrom.

6. IAB OFFER TERMS AND PRICING

6.1. Number of Bell Equipment Shares

- 6.1.1. IA Bell will purchase a total of approximately 28 158 401 Bell Equipment Shares ("**Scheme Shares**") from Shareholders representing approximately 29,45% of the Issued Share Capital.

6.2. The Offer Price in terms of the Transaction

- 6.2.1. The Scheme Consideration in terms of the IAB Offer will be made at a cash consideration of ZAR10,00 (Ten Rand) for each Scheme Share.

6.3. Cash Confirmation

- 6.3.1. In accordance with Regulation 111(4) and Regulation 111(5) of the Companies Regulations, the Offeror has provided an irrevocable bank guarantee to the TRP which confirms that, in aggregate, the Offeror has sufficient cash resources to satisfy payment of the maximum consideration, being for at least the total Scheme Consideration, an amount of ZAR281 584 010 (Two Hundred and Eighty One Million Five Hundred and Eighty Four Thousand and Ten Rand).
- 6.3.2. Shareholders' attention is drawn to paragraph 7.7 below.

6.4. Excluded Shareholders

- 6.4.1. There are Shareholders other than IA Bell, holding between them as at the Signature Date, 398 658 Bell Equipment Shares representing 0,42% of the Issued Share Capital (who are related to the founding family of the Company and some of whom are also shareholders of IA Bell), who are excluded from the Scheme and will thus retain their Bell Equipment Shares.
- 6.4.2. The Excluded Shareholders have consented in writing (i) not to be participants in the Scheme and (ii) not to dispose of their Bell Equipment Shares in terms of the Scheme and the TRP has, in terms of Section 119(6) of the Companies Act, granted exemption from the application of Section 127(1) of the Companies Act (to the extent required) in this regard.

6.4.3. The Excluded Shareholders are:

Excluded Shareholder	Bell Equipment Shares Held (whether directly or through a nominee)
Bell, Gary William (non-executive Chairman of the Bell Equipment Board)	253 600
Bell, Quentin Irvine	29 500
Bell, Mark Owen	29 259
Buttery, Rosalie Grace	27 300
Bell, Larissa	25 000
Bell, Ricky Louise	23 400
Buttery, Guy Luke	5 400
Bell, Ashley Jon (non-executive director of the Company)	2 598
Bell, Jessica May	2 200
Bell, Melissa	301
Bell, Kelvin Charles	100
Total	398 658

6.4.4. With reference to paragraph 1.2.3, the Option Scheme Shares are also excluded from the Transaction, as they do not have voting rights attached to them.

7. JOHN DEERE TRANSACTION AND AGTERSKOT

- 7.1. Shareholders are referred to the announcements released on SENS by the Company on Monday, 7 September 2020, Friday, 6 November 2020, Wednesday, 20 January 2021, Wednesday, 15 September 2021 and Wednesday, 29 September 2021, relating to the Deere Sale Agreement. Given that the Deere Sale Agreement has been implemented, IA Bell now holds c.70,1% of the Issued Share Capital.
- 7.2. Consistent with the Deere Sale Agreement, in terms of which IA Bell purchased from John Deere its 30 000 000 Bell Equipment Shares at a price of ZAR10,00 (Ten Rand) per Bell Equipment Share ("**John Deere Transaction**"), in addition to but separate and distinct from the Cash Consideration, an agterskot ("**Agterskot**") per Bell Equipment Share may become payable, to Eligible Shareholders who elect to participate in the Scheme ("**Scheme Participants**") if, at any time within a period of two years ("**Subsequent Sale Period**") from the implementation of the Scheme ("**Scheme Implementation Date**"), IA Bell and/or any related party to whom IA Bell may have transferred some or all of its Bell Equipment Shares after the Signature Date, taken together, sells all or a majority of its Bell Equipment Shares to a third party (other than a related party) at a price per Bell Equipment Share in excess of the Cash Consideration and that sale is implemented ("**Subsequent Sale**").
- 7.3. It is reiterated to Eligible Shareholders that the Agterskot potentially payable to Scheme Participants, does not form part of the Cash Consideration. It may only become payable if, during the Subsequent Sale Period, a Subsequent Sale is entered into and implemented in respect of all or a majority of IA Bell's Bell Equipment Shares at a price per Bell Equipment Share in excess of the Cash Consideration. The Independent Board has been advised by IA Bell that currently no Subsequent Sale is being contemplated by IA Bell and that there is thus at the time of this announcement, no intention to on-sell all or any of its Bell Equipment Shares.
- 7.4. The Cash Consideration being offered to Eligible Shareholders is the same as the purchase price agreed to and paid by IA Bell to John Deere in terms of the Deere Sale Agreement. The Agterskot per Bell Equipment Share, which may become payable to Scheme Participants in the event of a Subsequent Sale occurring during the Subsequent Sale Period (refer to paragraph 7.2 above), is also the same as that which may become payable to John Deere under the Deere Sale Agreement.

7.5. The Agterskot which may become payable is an amount determined by the application of the following formula:

$$A = 50\% \text{ of } (B \times C)$$

Where:

“A” means the agterskot amount potentially payable per Bell Equipment Share to Scheme Participants;

“B” means the number of the Bell Equipment Shares sold by IA Bell and/or by any related party to whom IA Bell may have transferred some or all of its Bell Equipment Shares after the Signature Date, taken together, in the aggregate under the Subsequent Sale expressed as a percentage of the total number of Bell Equipment Shares held by it/them in the aggregate immediately prior to the Subsequent Sale; and

“C” means the amount by which the price per Bell Equipment Share under the Subsequent Sale exceeds the Cash Consideration per Bell Equipment Share.

7.6. In the event of a Subsequent Sale becoming unconditional and occurring during the Subsequent Sale Period, IA Bell has undertaken in favour of the Scheme Participants, and as a stipulation for their benefit, to ensure that any such Subsequent Sale agreement contains a provision in terms of which, the purchase price payable to the Offeror, as and when it becomes payable in whole or in part from time to time, an amount equal to the Agterskot, or the relevant proportion thereof if the purchase price is payable in instalments, shall be paid by the purchaser on behalf of the Offeror directly into an escrow account to be administered by an escrow agent agreed upon between IA Bell and the Independent Board for the benefit of the Scheme Participants, with the balance of the purchase price or the relevant instalment being paid to IA Bell.

7.7. As the Agterskot does not form part of the Scheme Consideration, the TRP does not require a guarantee to be provided in accordance with Regulation 111(4) and Regulation 111(5) of the Companies Regulations to satisfy the payment of the Agterskot. The Shareholders of IA Bell have however, agreed to furnish security in favour of Scheme Participants for these obligations of IA Bell. In this regard, in the event of the Agterskot becoming payable by IA Bell, each of Gary William Bell, Peter Charles Bell, Paul Allan Bell, Michael Allan Campbell and David Ian Campbell (who between them hold 89,67% of the shares in IA Bell) have signed a personal guarantee in favour of the Scheme Participants undertaking to procure that IA Bell complies with the undertaking in paragraph 7.6 above and makes payment of the Agterskot (if and when it becomes payable).

8. SCHEME CONDITIONS

8.1. The Scheme and the implementation thereof will be subject to the fulfilment of the following conditions precedent (“**Scheme Conditions**”) as follows:

8.1.1. the Independent Expert has issued its Fair and Reasonable Opinion confirming the terms of the Scheme and the Scheme Consideration as being fair and reasonable;

8.1.2. having regard to the Fair and Reasonable Opinion, the Independent Board being of the opinion that the Scheme Consideration is fair and reasonable and has resolved to recommend to Eligible Shareholders that they vote in favour of the resolution to approve the Scheme (“**Scheme Resolution**”);

8.1.3. the Circular has been approved by the JSE and the TRP;

8.1.4. to the extent that any agreement between Bell Equipment and any of its funders contains any cancellation or other rights in favour of the relevant funder which will be triggered by the implementation of the IAB Offer and/or the Delisting without the approval of the funder concerned, the relevant funder(s) providing such approval

8.1.5. IA Bell has, subject to approval from the TRP, secured written irrevocable undertakings to vote in favour of the Scheme, from 1 (one) or more Eligible Shareholders (excluding the Excluded

Shareholders and IAB) holding between them in aggregate not less than 2 900 000 (two million nine hundred thousand) Scheme Shares;

8.1.6. agreements relating to the Option Scheme and the Bell Equipment (2017) Phantom Share Incentive Scheme are concluded on terms satisfactory to Bell Equipment and IA Bell, acting reasonably; and

8.1.7. as at the date on which the last of the conditions set out in paragraphs 8.1.1 to 8.1.6 above has been fulfilled or, where waiver or adjustment is permitted, waived, there has, in IA Bell's reasonable opinion, since the Signature Date been:

8.1.7.1. no event which –

8.1.7.1.1. has resulted or will result in any cost, loss, damage, charge and/or expense to Bell Equipment exceeding an amount of ZAR50 000 000 (Fifty Million Rand);

8.1.7.1.2. is reasonably likely to result in the earnings before interest, taxation, depreciation and amortisation ("**EBITDA**") of Bell Equipment as will be indicated in the consolidated audited annual financial statements for the period ending 31 December 2021, being less than the EBITDA for the preceding comparable financial year by 7,5% or more; or

8.1.7.2. an event as contemplated in paragraph 8.1.7.1.1 and 8.1.7.1.2, however, (i) such event occurred in the ordinary course of business; and/or (ii) provision was made in the consolidated audited annual financial statements for the period ending December 2020, for such event and its consequences, whether provisional or not,

provided that the Scheme Condition in paragraph 8.1.7.1 shall be deemed to have been fulfilled, notwithstanding that an event as contemplated in 8.1.7.1.1 has occurred, if IAB or any of its directors were, as at the Signature Date, aware of such event or the likelihood of it occurring following due and careful enquiry.

8.1.8. the Scheme is approved by the requisite majority of Eligible Shareholders, as contemplated in section 115(2) of the Companies Act, and in the event of the provisions of section 115(2)(c) of the Companies Act becoming applicable:

8.1.8.1. the High Court of South Africa approves the implementation of the relevant resolution; or

8.1.8.2. if applicable, Bell Equipment not treating the aforesaid resolution as a nullity, as contemplated in section 115(5)(b) of the Companies Act;

8.1.9. no more than 5% (or such higher percentage as agreed in writing between the Offeror and the Company) of Shareholders exercise their appraisal rights in terms of section 115 of the Companies Act by:

8.1.9.1. delivering notice objecting, as contemplated in section 164(3) of the Companies Act, to the special resolution to be proposed in accordance with section 114(1)(c) and section 115(2)(a) of the Companies Act to Eligible Shareholders at the Bell Equipment general meeting ("**Bell**

Equipment General Meeting”) seeking their approval of, *inter alia*, the Scheme, details of which will be contained in the notice of the general meeting forming part of the Circular;

- 8.1.9.2. voting against the Scheme Resolution; and
- 8.1.9.3. delivering a valid demand, as contemplated in sections 164(5) to 164(8) of the Companies Act, within the time period prescribed in section 164(3) and (7) of the Companies Act;
- 8.1.10. the regulatory approvals required to implement the Scheme have been obtained, namely:
 - 8.1.10.1. the TRP having issued the compliance certificate to Bell Equipment with respect to the Scheme in terms of section 121(b) of the Companies Act;
 - 8.1.10.2. the Financial Surveillance Department of the South African Reserve Bank grants such approvals as are required in terms of the South African Exchange Control Regulations (promulgated in terms of the South African Currency and Exchanges Act No. 9 of 1933) to implement the Scheme either unconditionally, or subject to conditions acceptable to IA Bell; and
 - 8.1.10.3. the JSE grants such approvals as are required in terms of the JSE Listings Requirements with respect to the Scheme;
- 8.1.11. prior to the fulfilment or, where applicable, waiver, of the last of the aforementioned Scheme Conditions in paragraphs 8.1.1 to 8.1.10 above, the Independent Board has not withdrawn, modified or qualified its recommendation that Eligible Shareholders vote in favour of the Scheme Resolution and/or withdrawn, modified or qualified its opinion that the Scheme Consideration is fair and reasonable to Eligible Shareholders; and
- 8.1.12. the Implementation Agreement is not terminated in accordance with its terms, namely that it shall terminate with immediate effect and all rights and obligations will, subject to paragraph 8.2 below, cease forthwith in the event of any of the following occurring –
 - 8.1.12.1. upon written notice by IA Bell to Bell Equipment if the Independent Board intends to withdraw or modify its recommendation to the Eligible Shareholders in respect of the IAB Offer or if the recommendation has not yet been made, that the Independent Board will not recommend the IAB Offer to the Eligible Shareholders;
 - 8.1.12.2. upon written notice by Bell Equipment to IA Bell if Bell Equipment has received a *bona fide* written alternative offer from an unsolicited third party that would in the opinion of the Independent Board, if implemented in accordance with its terms, result in a transaction more favourable to the Eligible Shareholders than the IAB Offer (“**Superior Proposal**”), and, after following the process set out in paragraph 10 below, such Superior Proposal continues to be a Superior Proposal when compared to the New Scheme Consideration

(as defined in paragraph 10.1.1 below) and/or other terms contemplated in paragraph 10.1 below;

8.1.12.3. if any Scheme Condition which may be waived by IA Bell becomes incapable of fulfilment, and IA Bell notifies Bell Equipment in writing that IA Bell will not waive that Scheme Condition; or

8.1.12.4. if all the Scheme Conditions have not been fulfilled or waived, on or before the relevant date/s for fulfilment or waiver

and/or Bell Equipment and IAB have signed a confirmation that it has not been so terminated and shall not be so terminated.

8.2. Neither Bell Equipment nor IA Bell is entitled to terminate or otherwise cancel the Implementation Agreement or the Scheme after the Scheme Implementation Date.

8.3. The Scheme Conditions in paragraphs 8.1.1 to 8.1.7 above must be fulfilled or, where waiver or adjustment is permitted, waived or adjusted by no later than Thursday, 2 December 2021 ("**First Long Stop Date**") and the Scheme Conditions in paragraphs 8.1.8 to 8.1.12 must be fulfilled or, where waiver or adjustment is permitted, waived or adjusted by no later than Tuesday, 1 March 2022 ("**Second Long Stop Date**"), with the Delisting occurring by Tuesday, 15 March 2022. Bell Equipment and IA Bell shall be entitled to extend the First Long Stop Date and/or the Second Long Stop Date by written agreement and subject to TRP approval insofar as necessary. If the First Long Stop Date or the Second Long Stop Date is extended, the amended date will be released on SENS and, if required, published in the South African press.

8.4. The Scheme Conditions in paragraphs 8.1.3, 8.1.8 and 8.1.10 are regulatory in nature and cannot be waived.

8.5. Neither IA Bell nor Bell Equipment may waive or vary any other Scheme Condition unless that waiver is agreed to in writing by both Bell Equipment and IA Bell and is permissible in law (or unless specifically provided for).

8.6. An announcement will be released on SENS and, where required, published in the South African press as soon as possible after the: (i) fulfilment, waiver or adjustment, as the case may be, of all of the Scheme Conditions; or (ii) non-fulfilment of any Scheme Condition(s).

9. BREAK FEE

9.1. In the event that the Scheme Conditions in paragraphs 8.1.1 and/or 8.1.2 above have not been fulfilled (whether on their own or with the non-fulfilment of other Scheme Conditions), IAB shall make payment of a break fee to Bell Equipment in an amount equal to 50% of:

9.1.1. the costs incurred and fees payable by Bell Equipment in respect of the preparation and publishing of this firm intention announcement, whether incurred before or after the Signature Date;

9.1.2. the costs and fees of the Independent Expert; and

9.1.3. the costs and fees payable by Bell Equipment to its legal advisers in respect of the period between the Signature Date and the failure of the Scheme Conditions in paragraphs 8.1.1 and 8.1.2 above,

but subject to a maximum of R500 000 (Five Hundred Thousand Rand) plus value added tax.

10. RIGHT TO MATCH

10.1. Bell Equipment shall not, in respect of any Superior Proposal, enter into any agreement to effect same, unless:

10.1.1. IA Bell has been provided with a copy of the document containing such Superior Proposal (with such deletions as are necessary to protect any confidential portions of such document, provided that the material terms and conditions thereof, and the identity of the person making such Superior Proposal, may not be deleted), in order to afford IA Bell the right to match or better the Superior Proposal in the form of an increased consideration ("**New Scheme Consideration**");

10.1.2. five business days have elapsed from the date on which IA Bell has received a copy of the document contemplated in paragraph 10.1.1 and IA Bell has not made a binding offer with a New Scheme Consideration and/or other terms ("**New IAB Offer**") such that the Superior Proposal would cease to be a Superior Proposal when compared to the New Scheme Consideration and/or other terms; and

10.1.3. Bell Equipment terminates the Implementation Agreement.

10.2. If a Superior Proposal is received by Bell Equipment and/or if IA Bell has not within the five business days (or such additional period of time as may be agreed in writing by Bell Equipment and IA Bell) submitted a New IAB Offer together with a revised guarantee to the TRP approved by the TRP:

10.2.1. the Independent Board shall be entitled to withdraw or modify its recommendation in respect of the IAB Offer; and

10.2.2. Bell Equipment shall be entitled to terminate the Implementation Agreement.

11. INTERESTS OF OFFEROR AND OFFEROR DIRECTORS IN BELL EQUIPMENT SHARES

11.1. The Offeror holds 67 040 093 Bell Equipment Shares amounting to 70,1% of the Issued Share Capital.

11.2. Messrs Gary Bell and Ashley Bell have a direct beneficial interest in Bell Equipment Shares holding 253 600 and 2 598 Bell Equipment Shares, respectively.

11.3. Apart from the 30 000 000 Bell Equipment Shares acquired by the Offeror from John Deere on and with effect from 28 September 2021 pursuant to the Deere Sale Agreement, the Offeror has not had any other dealings in Bell Equipment Shares during the six-month period prior to the Signature Date.

11.4. None of the Offeror's directors have had any dealings in Bell Equipment Shares during the six-month period prior to the Signature Date.

12. OFFEROR ACTING AS PRINCIPAL

12.1. The Offeror will be the ultimate prospective purchaser of the Bell Equipment Shares and is deemed to be acting in concert with the Excluded Shareholders.

13. IRREVOCABLE UNDERTAKINGS

13.1. As at the date of this announcement, no Shareholders have provided irrevocable undertakings to vote in favour of the Scheme.

14. DISTRIBUTION OF THE CIRCULAR

14.1. Further details of the Scheme will be included in the Circular, which will contain *inter alia* the Fair and Reasonable Opinion and the recommendation of the Independent Board, the terms of the Scheme, pertinent dates relating to the Scheme, a notice of the Bell Equipment General Meeting, a form of proxy and a form of election, surrender and transfer in respect of the Scheme.

14.2. The salient dates in relation to the Scheme will be published on SENS and in the press at the time of distribution of the Circular.

14.3. The Circular will be distributed to Shareholders within 20 days of publication of this announcement, or at such later date/s as may be extended by Bell Equipment and IA Bell (subject to the approval of the Executive Director of the TRP). Should there be any amendments to the timetable, Shareholders will be notified on SENS and if required, via publication in the South African press.

15. IA BELL BOARD RESPONSIBILITY STATEMENT

15.1. The IA Bell Board accepts responsibility for the information contained in this announcement which relates to the Offeror and confirms that, to the best of its knowledge and belief, such information which relates to the

Offeror is true and this announcement does not omit anything likely to affect the importance of such information.

16. INDEPENDENT BOARD RESPONSIBILITY STATEMENT

- 16.1. The Independent Board accepts responsibility for the information contained in this announcement which relates to Bell Equipment and confirms that, to the best of its knowledge and belief, such information which relates to Bell Equipment is true and this announcement does not omit anything likely to affect the importance of such information.

17. WITHDRAWAL OF CAUTIONARY

- 17.1. Shareholders are referred to the cautionary announcement dated Wednesday, 10 March 2021, and the subsequent renewal of cautionary announcements, the last of which was dated, Monday, 30 August 2021. In the light of the information set out in this announcement, Shareholders are hereby informed that such previously advised caution is no longer required to be exercised when dealing in the Company's securities.

Johannesburg
22 October 2021

Corporate Advisor and Transaction Sponsor to Bell Equipment

Merchantec Capital



Corporate Advisor to IA Bell

Bravura Capital



Independent Expert

BDO Corporate Finance



Legal Advisor to Bell Equipment

Webber Wentzel



Legal Advisor to IA Bell

ENSafrica

