

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 5 of this circular apply, *mutatis mutandis*, to this cover page.

If you are in any doubt as to the action you should take, please consult your broker, CSDP, banker, legal advisor, accountant or other professional advisor immediately.

Action required

If you have disposed of all your Sandown Capital shares, then this circular, together with the attached form of proxy, should be handed to the purchaser of such Sandown Capital shares or to the broker, CSDP, banker or other agent through whom the disposal was effected.

Beneficial shareholders who hold dematerialised Sandown Capital shares through a CSDP or broker who wish to attend the general meeting must request their CSDP or broker to provide them with the necessary letter of representation to attend the general meeting or must instruct their CSDP or broker to vote on their behalf in terms of their respective agreements with their CSDP or broker.

Dematerialised shareholders who have elected “own-name” registration in the sub-register of Sandown Capital maintained by a CSDP, are referred to page 2 of this circular, which sets out the detailed action required of them in respect of the corporate action set out in this circular.

Sandown Capital does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of any holder of dematerialised Sandown Capital shares to notify such shareholder of the transaction set out in this circular.



SANDOWN CAPITAL LIMITED

(Incorporated in South Africa)

(Registration number 2000/013674/06)

JSE share code: SDC ISIN: ZAE000249645

(“Sandown Capital” or the “Company”)

CIRCULAR TO SANDOWN CAPITAL SHAREHOLDERS

relating to:

- **the approval of the termination agreement;**
- **the approval of the change to the current investment policy; and**
- **the proposed change of name of Sandown Capital Limited to “Zarclear Holdings Limited”;**

and enclosing:

- **a notice of general meeting of Sandown Capital shareholders;**
- **a form of proxy to vote at the general meeting of Sandown Capital shareholders (for use by certificated Sandown Capital shareholders and dematerialised Sandown Capital shareholders who have elected “own-name” registration only); and**
- **a form of surrender (*blue*) in respect of the change of name (to be completed by certificated Sandown Capital shareholders only).**

Corporate advisor and JSE Sponsor



Independent Expert



Independent reporting accountants
and auditors



Date of issue: Tuesday, 16 October 2018

This circular is available in English only. Copies of this circular are available on the Company's website at <http://www.sandowncapital.com/News/Article/11> and may also be obtained from the Company and the sponsor at the addresses set out in the corporate information section of this circular during normal office hours from Tuesday, 16 October 2018 to Friday, 14 December 2018.

CORPORATE INFORMATION

Registered office

Sandown Capital Limited
(Registration number 2000/013674/06)
6A Sandown Valley Crescent
Sandown, Sandton, 2196
(PO Box 650361, Benmore, 2010)

Corporate advisor

Java Capital Proprietary Limited
(Registration number 2012/089864/07)
6A Sandown Valley Crescent, Sandown, 2196
(PO Box 522606, Saxonwold, 2132)

Independent reporting accountants and auditors

Deloitte & Touche
Registered Auditors (Practice number 902276)
Deloitte Place, The Woodlands, 20 Woodlands Drive
Woodmead, Johannesburg, 2196
(Private Bag X6, Gallo Manor, 2052)

Transfer secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)

Date and place of incorporation of the Company

Incorporated on 28 June 2000 in the Republic of South Africa

Company secretary

CIS Company Secretaries Proprietary Limited
(Registration number 2006/024994/07)
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)

Sponsor

Java Capital Trustees and Sponsors Proprietary Limited
(Registration number 2006/005780/07)
6A Sandown Valley Crescent, Sandown, 2196
(PO Box 522606, Saxonwold, 2132)

Independent expert

BDO Corporate Finance Proprietary Limited
(Registration number 1983/002903/07)
22 Wellington Road, Parktown, 2193
(Private Bag X60500, Houghton, 2041)

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Form of surrender (<i>blue</i>) of documents of title for use by certificated Sandown Capital shareholders	Attached

ACTION REQUIRED BY SANDOWN CAPITAL SHAREHOLDERS

The definitions and interpretations commencing on page 5 of this circular apply, *mutatis mutandis*, to this section.

THE GENERAL MEETING

The implementation of the termination agreement is subject to, *inter alia*, Sandown Capital shareholders passing the requisite resolutions at a general meeting of shareholders to be held at 11:30 on Thursday, 15 November 2018 in the main boardroom, 4th Floor, 6A Sandown Valley Crescent, Sandown, Sandton.

A notice convening the general meeting to be held on Thursday, 15 November 2018 is attached to and forms part of this circular.

Certificated shareholders and dematerialised shareholders who have elected “own-name” registration in the sub-register of Sandown Capital maintained by a CSDP, who are unable to attend the general meeting but who wish to be represented thereat, are requested to complete and return the attached form of proxy in accordance with the instructions contained therein. For administrative purposes, the completed form of proxy should be deposited at the offices of the transfer secretaries of the Company, Computershare Investor Services, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2916 or *via* email at proxy@computershare.co.za or *via* post to PO Box 61051, Marshalltown, 2017, to be received by 11:30 on Tuesday, 13 November 2018. Alternatively, forms of proxy may be handed to the chairperson of the general meeting or the transfer secretaries at the meeting at any time prior to the commencement of the meeting or prior to voting on any resolution to be proposed at the meeting.

Dematerialised shareholders who have not elected “own-name” registration in the sub-register of Sandown Capital maintained by a CSDP, and who wish to attend the general meeting, must instruct their CSDP or broker timeously in order that such CSDP or broker may issue them with the necessary letter of representation.

Dematerialised shareholders who have not elected “own-name” registration in the sub-register of Sandown Capital maintained by a CSDP, and who do not wish to attend the general meeting, must provide their CSDP or broker with their instruction for attendance or voting at the relevant general meeting in the manner stipulated in the agreement between the Sandown Capital shareholder concerned and the CSDP governing the relationship between such Sandown Capital shareholder and his/her CSDP or broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature.

Sandown Capital does not accept responsibility and will not be held liable for any failure on the part of the CSDP of dematerialised shareholders to notify such shareholders of the general meeting or any business to be conducted thereat.

FORM OF SURRENDER

Dematerialised shareholders

Subject to receiving the requisite shareholder approval for the change of name, the accounts of dematerialised shareholders at their CSDP or broker will be automatically updated to reflect the name “Zarclear Holdings Limited” as approved by the CIPC. Accordingly, dematerialised shareholders must not complete the form of surrender enclosed with this circular.

Certificated shareholders

In order for certificated shareholders to receive new share certificates bearing the name “Zarclear Holdings Limited”, they are requested to surrender their share certificates or other documents of title to the transfer secretaries. A form of surrender which is enclosed with this circular must be sent together with the relevant documents of title to the transfer secretaries.

Replacement share certificates will be posted by registered post at the risk of the addressee on or about Tuesday, 18 December 2018 in respect of documents of title received on or before 12:00 on Friday, 14 December 2018 or within five business days of receipt of the relevant documents of title if received after 12:00 on Friday, 14 December 2018.

Additional copies of the form of surrender are available on request from the transfer secretaries.

If any person who is not the registered holder of shares in the Company or the Company lodges with the transfer secretaries a share certificate or a certified transfer deed or other valid document of title for shares in the Company together with:

- a properly completed transfer form for registration of the said shares; and
- proof, to the satisfaction of the transfer secretaries that the relevant stamp duty has been paid in respect of the proposed registration of transfer of those shares,

then a share certificate in the name of the transferee named in the abovementioned transfer form for the appropriate shares will be posted by registered post at the risk of the addressee, to the transferee's address reflected on such transfer form, provided that no replacement certificates have already been issued in respect of the documents of title so lodged.

The Company uses the "certified transfer deeds and other temporary documents of title" procedure approved by the JSE and, therefore, will issue only one "block" certificate for each shareholder.

The new share certificates will be restrictively endorsed if the existing share certificates or other documents of title lodged are restrictively endorsed under the Exchange Control Regulations or if the address of the certificated shareholder concerned is outside the common monetary area. If the share certificates represent blocked assets of a former resident of South Africa, the new share certificate will be sent to the authorised dealer in foreign exchange in South Africa controlling such former resident's blocked assets. All non-residents, who are former residents, must give the name and address of the authorised dealer in foreign exchange in South Africa to whom, where applicable, share certificates must be sent as set out above. The Company will retain the share certificates until such information is provided.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 5 of this circular apply, *mutatis mutandis*, to this section.

2018

Record date for receipt of circular	Friday, 5 October
Circular posted on	Tuesday, 16 October
Announcement of posting of circular and notice on SENS	Tuesday, 16 October
Announcement of posting of circular and notice in the press	Wednesday, 17 October
Last day to trade in order to be eligible to vote at the general meeting	Tuesday, 6 November
Record date in order to be eligible to vote at the general meeting	Friday, 9 November
Last day to lodge forms of proxy in respect of the general meeting at 11:30 (for administrative purposes)	Tuesday, 13 November
General meeting at 11:30 on	Thursday, 15 November
Results of the general meeting published on SENS on	Friday, 16 November
Results of the general meeting published in the press on	Monday, 19 November
Resolution in respect of the change of name expected to be submitted to the CIPC by no later than	Monday, 19 November
Resolution in respect of the change of name expected to be registered by the CIPC by no later than	Thursday, 29 November
Expected publication of finalisation announcement relating to the change of name on SENS	Friday, 30 November
Expected last day to trade on the JSE prior to the change of name being effected	Tuesday, 11 December
Expected listing and trading in new name of “Zarclear Holdings Limited” on the JSE under the abbreviated name “Zarclear”, JSE share code: ZCL and ISIN: ZAE000262820 commences on	Wednesday, 12 December
Expected record date in respect of change of name	Friday, 14 December
CSDP and broker accounts of dematerialised shareholders updated on	Tuesday, 18 December
Expected date of issue of new replacement share certificates, provided that the old share certificates have been lodged with the transfer secretaries by 12:00 on Friday, 14 December 2018, on or about (share certificates received after this time will be posted within five business days of receipt)	Tuesday, 18 December

Notes:

1. All dates and times in this circular are local times in South Africa. The above dates and times are subject to change. Any changes will be released on SENS.
2. Share certificates in the name of “Sandown Capital Limited” may not be dematerialised or rematerialised after Tuesday, 11 December 2018.
3. Shareholders are reminded that shares in companies listed on the JSE can no longer be bought or sold on the JSE unless they have been dematerialised onto the Strate system. It is therefore suggested that Sandown Capital certificated shareholders should consider dematerialising their Sandown Capital shares and replacing them with electronic records of ownership. In this regard, shareholders may contact either their own broker or a preferred CSDP, details of which are available from Strate at queries@strate.co.za or telephone +27 11 759 5300 or fax +27 11 759 5505.

DEFINITIONS AND INTERPRETATIONS

In this circular and the annexures hereto, unless inconsistent with the context, an expression which denotes a gender includes the other gender, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa* and the expressions set out in the first column bear the meaning assigned to them in the second column.

“Act” or “Companies Act”	the Companies Act, 71 of 2008, as amended;
“board”	the board of directors of Sandown Capital;
“business day”	any day other than a Saturday, Sunday or official public holiday in South Africa;
“certificated shareholder(s)”	Sandown Capital shareholders who hold certificated shares;
“certificated share(s)”	Sandown Capital shares which have not yet been dematerialised into the Strate system, title to which is represented by physical documents of title;
“change of name”	the proposed change of name of the Company from “Sandown Capital Limited” to “Zarclear Holdings Limited”;
“CIPC”	the Companies and Intellectual Properties Commission;
“circular”	this circular dated Tuesday, 16 October 2018 and the annexures thereto, which has been prepared in compliance with the JSE Listings Requirements;
“condition precedent”	the condition precedent to the termination agreement, details of which are set out in clause 3 of the termination agreement and summarised in paragraph 3.2.4 of this circular;
“CSDP”	Central Securities Depository Participant;
“current investment policy”	the investment policy of the Company as set out in its pre-listing statement, further details of which are set out in paragraph 2 of this circular;
“dematerialised shareholder(s)”	Sandown Capital shareholders who hold dematerialised shares;
“dematerialised share(s)”	Sandown Capital shares which have been incorporated into the Strate system, title to which is no longer represented by physical documents of title;
“effective date”	the second business day following the fulfilment of the condition precedent set out in paragraph 3.2.4 of this circular, which date is anticipated to be Monday, 19 November 2018;
“existing management agreement”	the investment advisory agreement entered into between Sandown Capital, Sandown International and Sandown Management on 23 October 2017, further details of which are set out in paragraph 3 of this circular;
“general meeting”	the general meeting of Sandown Capital shareholders to be held at 11:30 on Thursday, 15 November 2018 called for the purpose of adopting with or without modification, the resolutions set out in the notice of general meeting attached to this circular;
“independent expert” or “BDO”	BDO Corporate Finance Proprietary Limited (Registration number 1983/002903/07), a private company duly incorporated in accordance with the laws of South Africa, further details of which are set out in the corporate information section of this circular;
“independent reporting accountants and auditors” or “Deloitte”	Deloitte & Touche (Practice number 902276), a limited partnership established in South Africa, further details of which are set out in the corporate information section of this circular;
“investment advisor” or “Sandown Management”	Sandown Management Limited (Registration number 64034), a private company duly incorporated in accordance with the laws of Guernsey;

“Java Capital”	Java Capital Proprietary Limited (Registration number 2012/089864/07), in its capacity as corporate advisor and/or Java Capital Trustees and Sponsors Proprietary Limited (Registration number 2006/005780/07), in its capacity as sponsor, as the context may require, further details of which are set out in the corporate information section of this circular;
“JSE”	JSE Limited (Registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act, 19 of 2012;
“JSE Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time;
“last practicable date”	Thursday, 4 October 2018, being the last practicable date prior to the finalisation of this circular;
“memorandum of incorporation” or “MOI”	the memorandum of incorporation of the Company dated 11 September 2017;
“NAV”	net asset value, as determined in accordance with IFRS;
“own-name dematerialised shareholder(s)”	dematerialised shareholders who/which have elected own-name registration;
“parties”	collectively, Sandown Capital, Sandown International and Sandown Management;
“pre-listing statement”	the Company’s pre-listing statement dated Tuesday, 14 November 2017, including all annexures thereto;
“R” or “Rand”	South African Rand;
“revised investment policy”	the proposed new investment policy, as determined by the board, which will, subject to obtaining the requisite shareholder approval, replace the current investment policy, further details of which are set out in paragraph 2 of this circular;
“Sandown Capital” or the “Company”	Sandown Capital Limited (Registration number 2000/013674/06), a public company incorporated in accordance with the laws of South Africa, further details of which are set out in the corporate information section of this circular;
“Sandown Capital shares” or “share”	ordinary shares of no par value in the issued share capital of the Company;
“Sandown Capital shareholder(s)” or “shareholder(s)”	the holder of a Sandown Capital share;
“Sandown International”	Sandown Capital International Limited (Registration number 63843), a company incorporated in Guernsey and a wholly-owned subsidiary of the Company;
“SENS”	the Stock Exchange News Service, the news service operated by the JSE;
“South Africa”	the Republic of South Africa;
“Strate”	Strate Proprietary Limited (Registration number 1998/022242/07), which is registered in terms of the Financial Markets Act of South Africa, No. 36 of 2004, as amended, responsible for the electronic system of the JSE;
“termination agreement”	the agreement entered into between the parties on Monday, 17 September 2018 in terms of which the parties agreed, subject to obtaining the requisite shareholder approval, to amend the termination fee payable in terms of the existing management agreement to an agreed reduced amount of R63 million and to the consensual termination of the existing management agreement, with effect from the effective date, in consideration for payment by Sandown International of a termination fee of R63 million to the investment advisor, further details of which are set out in paragraph 3 of this circular;

<p>“transaction”</p>	<p>the amendment of the termination fee as provided for in the existing management agreement to an agreed reduced amount of R63 million, the termination of the existing management agreement with effect from the effective date and the payment of a termination fee of R63 million by Sandown International to the investment advisor;</p>
<p>“transfer secretaries” or “Computershare”</p>	<p>Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company duly incorporated in accordance with the laws of South Africa, further details of which are set out in the corporate information section of this circular; and</p>
<p>“voting record date”</p>	<p>the date on which a Sandown Capital shareholder must be recorded in the share register of the Company in order to vote at the general meeting, being the close of business on Friday, 9 November 2018.</p>



SANDOWN CAPITAL LIMITED

(Incorporated in South Africa)
(Registration number 2000/013674/06)
JSE share code: SDC ISIN: ZAE000249645
("Sandown Capital" or the "Company")

Directors

Paul Baloyi (*Independent non-executive chairman*)
Warren Chapman (*Chief Executive Officer*)
Andrew Hannington (*Chief Financial Officer*)
Fatima Vawda (*Independent non-executive director*)
Amanda Valerie Smith (*Independent non-executive director*)

CIRCULAR TO SANDOWN CAPITAL SHAREHOLDERS

1. INTRODUCTION

- 1.1 Sandown Capital is an investment holding company which aims to create long-term value for shareholders through targeting selected investment opportunities which meet its current investment policy.
- 1.2 Shareholders are referred to previous SENS announcements, the last of which was released on Wednesday, 19 September 2018, wherein shareholders were advised that:
 - 1.2.1 Sandown Capital, Sandown International and Sandown Management had entered into the termination agreement in terms of which the parties agreed, subject to obtaining the requisite shareholder approval, to reduce the termination fee as provided for in the existing management agreement to an agreed reduced amount of R63 million and consented to the termination of the existing management agreement, with effect the effective date, in consideration for payment by Sandown International to Sandown Management of a termination fee of R63 million;
 - 1.2.2 following an engagement process, the current investment policy, as detailed in the Company's pre-listing statement, was to be amended. The Company now seeks to adopt a revised investment policy, details of which are set out in paragraph 2 of this circular; and
 - 1.2.3 in line with the revised investment policy, the board proposed that the name of the Company be changed from "Sandown Capital Limited" to "Zarclear Holdings Limited", further details of which are set out in paragraph 4 of this circular.
- 1.3 The purpose of this circular is to:
 - 1.3.1 provide Sandown Capital shareholders with information relating to the transaction, the revised investment policy and the change of name so as to enable shareholders to make an informed decision as to whether or not they should vote in favour of the transaction, the revised investment policy and the change of name; and
 - 1.3.2 give notice convening the general meeting at which the resolutions necessary to approve and implement the transaction, the revised investment policy and the change of name will be considered and, if deemed fit, approved with or without modification. The notice convening the general meeting of Sandown Capital shareholders is attached to and forms part of this circular.

2. INVESTMENT POLICY

2.1 The current investment policy

- 2.1.1 In terms of the current investment policy, Sandown Capital sought to create long-term value for its shareholders by sourcing and holding investment opportunities which the board felt were capable, over time, of producing compound annual growth in excess of its minimum targeted return of 15% per annum.
- 2.1.2 Strategically, there was a preference for investing in a few, high conviction opportunities rather than building a more diversified investment portfolio. Sandown Capital prefers to be a meaningful cornerstone investor, actively engaging with management and adding strategic value rather than being a holder of passive investment stakes.

2.2 The revised investment policy

As announced on SENS on Thursday, 2 August 2018, the current investment policy has not found favour with the market and certain shareholders, resulting in the Company's share price trading at a significant discount to its NAV since listing. The Company now seeks to adopt a revised investment policy, namely:

- 2.2.1 Sandown Capital will seek to capitalise on its status as a permanent capital vehicle by investing in a portfolio of high quality investment opportunities that offer exceptional investment returns with a focus on financial market infrastructure companies that would benefit from listed governance structures, access to liquid and flexible capital, a broad shareholder base, sector expertise and networks that the Company's management and board offer. Investments are likely to be in regulated exchanges, trade repositories, clearing houses, securities depositories and investment and technology platforms within the financial markets sector in general and South Africa in particular;
- 2.2.2 the intention is for the financial market infrastructure investments to be complemented and supported by portfolio investments of liquid investments that could be used as regulatory capital, that are conducive to transparent valuation by Sandown Capital's shareholders and that may be readily monetised should the Company elect to exit the investment;
- 2.2.3 there will be a preference for investing in few, high conviction opportunities in which the Company is positioned to actively engage with management and add strategic value rather than passive investment stakes;
- 2.2.4 the bulk of Sandown Capital's portfolio investments will comprise liquid and transparent investments. Should the Company's share price continue to trade at a substantial discount to NAV, the Company will proactively implement strategies to reduce the discount and consider the return of capital to shareholders *via* share buybacks or otherwise; and
- 2.2.5 in line with the revised investment policy, the Company will, through a wholly-owned subsidiary, be making an application for a trade repository licence under section 54 of the Financial Markets Act, 2012 ("FMA") and the FMA Regulations and, as prescribed by the Financial Sector Conduct Authority and the Prudential Authority in the FMA Joint Standard 1 of 2018.

3. TERMINATION OF THE EXISTING MANAGEMENT AGREEMENT

3.1 The existing management agreement

- 3.1.1 Under the existing management agreement, the investment advisor was appointed to, *inter alia*, investigate and identify investments for acquisition or divestment, advise on and assist with the implementation of transactions and to advise on and assist with negotiations regarding the terms of any purchase, forward funding and joint venture agreements for the group.
- 3.1.2 The investment advisor is entitled to an annual fee ("**investment advisory fee**") equal to the greater of R16 000 000 or 0.95% of Sandown Capital's annual average net asset value, which fee is payable in four monthly instalments in advance. Taking into consideration that the investment advisor performs these services to the group, Sandown International is, in terms of the existing management agreement, jointly liable with the Company to make payment to the investment advisor of the investment advisory fee.

- 3.1.3 In the event of termination, the existing management agreement provides that the Company and/or Sandown International will be liable to pay the investment advisor an amount equal to five times the investment advisory fee which accrued to the investment advisor over the six months immediately preceding the date of termination annualised. As at the last practicable date, this fee was calculated to be approximately R80 million.

3.2 **The termination agreement**

- 3.2.1 As announced on SENS on Wednesday, 19 September 2018, the parties have entered into the termination agreement in terms of which they agreed, subject to obtaining the requisite shareholder approval, to amend the termination fee as provided for in the existing management agreement to an agreed amount of R63 million and to the consensual termination of the existing management agreement, with effect from effective date, in consideration for payment by Sandown International of a termination fee of R63 million to the investment advisor.
- 3.2.2 The termination of the existing management agreement will not affect any fees which were payable by Sandown Capital to the investment advisor up to and including the effective date, which amounts if unpaid, will be paid by Sandown Capital to the investment advisor on the effective date.
- 3.2.3 Save as disclosed in paragraphs 3.2.1 and 3.2.2 above, the investment advisor will not be entitled to payment of any further amounts from Sandown Capital in terms of or arising from the existing management agreement or its termination.
- 3.2.4 The termination agreement is subject to the fulfilment of the condition precedent that a resolution be passed by Sandown Capital shareholders (other than Sean Jelley and Sean Melnick, together with their associates) at a general meeting approving the reduction of the termination fee as provided for in the existing management agreement to R63 million and the termination of the existing management agreement, in consideration for payment by Sandown International of a termination fee of R63 million to the investment advisor.

4. **CHANGE OF NAME**

- 4.1 The board proposes that the name of the Company be changed from “Sandown Capital Limited” to “Zarclear Holdings Limited”, which change has been reserved with CIPC.
- 4.2 Subject to the passing and the registration of the special resolution necessary for the change of name, expected listing and trading in the new name “Zarclear Holdings Limited” on the JSE under the JSE share code: ZCL and ISIN: ZAE000262820, is anticipated to commence on Tuesday, 18 December 2018.
- 4.3 For a period of not less than one year, the Company will reflect the former name “Sandown Capital Limited” on all documents of title beneath the new name “Zarclear Holdings Limited”. In addition, for a period of not less than a year, the Company will reflect the former name “Sandown Capital Limited” on all circulars beneath the new name “Zarclear Holdings Limited” in accordance with the JSE Listings Requirements.
- 4.4 In terms of clause 2.3 and clause 5.10 of the Company’s MOI and section 16 of the Companies Act, a special resolution to approve the amendment of the Company’s name set out above will be put to Sandown Capital shareholders at the general meeting.
- 4.5 The procedure to be followed by certificated shareholders for the change of name is as follows:
- 4.5.1 subject to the passing and registration of the special resolution necessary for the change of name, it is necessary to recall share certificates from certificated shareholders in order to replace them with share certificates reflecting the new name;
- 4.5.2 to facilitate the timeous receipt by certificated shareholders of replacement share certificates, certificated shareholders who wish to anticipate the implementation of the change of name and who do not wish to deal in their existing shares prior to the change of name are requested to surrender their certificates of title, under cover of the form of surrender, to the transfer secretaries, at the address set out in that form, prior to the change of name record date;
- 4.5.3 share certificates so received will be held in trust by the transfer secretaries pending the change of name becoming unconditional. In the event that the change of name does not become unconditional, the transfer secretaries will, within five business days thereafter, return the share certificates to the certificated shareholders concerned, by registered post, at the risk of such shareholders;

- 4.5.4 the results of the general meeting will be announced on SENS on Friday, 16 November 2018. Should the change of name be approved and implemented, shareholders who have not already surrendered their share certificates will be required to do so under cover of the attached form of surrender, which should be retained for that purpose as no further form of surrender will be circulated to shareholders. Additional copies may be requested from the transfer secretaries; and
- 4.5.5 it is expected that the new replacement share certificates will be issued on Tuesday, 18 December 2018, provided that the old share certificates have been lodged with the transfer secretaries by 12:00 on Friday, 14 December 2018. Old share certificates received after this time will be posted within five business days of receipt.
- 4.6 In the case of certificated shareholders whose registered addresses in the Company's register in South Africa are outside the common monetary area, or where the relevant certificates are restrictively endorsed in terms of the Exchange Control Regulations, the following will apply:
- 4.6.1 ***Non-residents who are emigrants from the Common Monetary Area***
- The replacement share certificate reflecting the change of name will be restrictively endorsed "non-resident" in terms of the Exchange Control Regulations and will be credited to their CSDP or broker's account and a "non-resident" annotation will appear in the CSDP or broker's register. Any new share certificates, dividends and residual cash payments, based on emigrants' shares controlled in terms of the Exchange Control Regulations, will be forwarded to the authorised dealer in the foreign exchange controlling their blocked assets. The election by emigrants for the above purpose must be made through the authorised dealer in the foreign exchange controlling their blocked assets. Such share certificates will be endorsed "non-resident".
- 4.6.2 ***All other non-residents***
- The replacement share certificate reflecting the change of name will be restrictively endorsed "non-resident" in terms of Exchange Control Regulations.
- 4.7 Dematerialised shareholders must not do anything as their accounts at their CSDP or broker will be automatically updated.

5. RATIONALE

The termination of the existing management agreement is to effect the internalisation of the management of the Company's business and the substitution of the current externalised management arrangements with internalised management arrangements that better align the new management team with the shareholder interests and to reduce the cost structure of the Company with a view to maximising shareholder returns. The board and the new management team aim to keep the cost base of the Company over the next five years to less than or comparable to the cost base that the Company would have been subject to in terms of the existing management agreement had the existing management agreement not been terminated, inclusive of the R63 million cost to the Company of terminating the existing management agreement.

The investment policy is to be revised to recognise the migration away from an externalised management structure and allow the Company to avail itself of investment opportunities that may include portfolio investments within the financial market infrastructure sectors that would benefit from the listed governance structures, access to liquid and flexible capital, a broad shareholder base, sector expertise and networks the Company's management and board offer.

The change of name will better align the Company with the revised investment policy.

6. RELATED PARTY CONSIDERATIONS AND FAIRNESS OPINION

- 6.1 Sean Jelley and Sean Melnick are directors and shareholders of the investment advisor and were directors of the Company in the 12 months preceding the conclusion of the termination agreement (both Sean Jelley and Sean Melnick having resigned as directors of the Company with effect from 5 September 2018). Accordingly, the transaction is classified as a related party transaction which is subject to the approval of Sandown Capital shareholders excluding the votes of the related parties and their associates. Although Sean Jelley and Sean Melnick, together with their associates, will be taken into account in determining a quorum at the general meeting, the JSE requires that the resolution relating to the amendment of the existing management agreement and the conclusion of the termination agreement must be approved by a majority of Sandown Capital shareholders, excluding the votes cast by Sean Jelley and Sean Melnick, together with their associates.

- 6.2 The board has appointed the independent expert to provide an independent fairness opinion on the transaction. The independent expert has concluded, in terms of the fairness opinion, that the terms of the transaction are fair to Sandown Capital shareholders. The fairness opinion is set out in **Annexure 1**. The board has considered the terms of the termination agreement, believe them to be fair (as advised by the independent expert) and unanimously recommend that shareholders vote in favour of the resolutions set out in the notice of general meeting necessary to, *inter alia*, effect the implementation of the transaction.

7. CONSOLIDATED *PRO FORMA* FINANCIAL EFFECTS

- 7.1 The consolidated *pro forma* financial effects of the transaction on Sandown Capital's basic earnings per share, headline earnings per share, diluted basic earnings per share, diluted headline earnings per share and dividends per share (collectively, "**earnings and dividends per share**") and net asset value per share and tangible net asset value per share for the year ended 31 March 2018 are set out below.
- 7.2 Due to its nature, the consolidated *pro forma* financial effects, the consolidated *pro forma* statement of comprehensive income and the consolidated *pro forma* statement of financial position (collectively, the "**consolidated *pro forma* financial information**"), may not give a fair reflection of Sandown Capital's financial position, changes in equity, results of operations and cash flows subsequent to the transaction.
- 7.3 The consolidated *pro forma* financial information is the responsibility of the directors and has been prepared for illustrative purposes only, to provide information on how the transaction may have impacted on the historical financial results of Sandown Capital for the year ended 31 March 2018.
- 7.4 The consolidated *pro forma* statement of comprehensive income and the consolidated *pro forma* statement of financial position of Sandown Capital for the year ended 31 March 2018 and the explanatory notes thereto are set out in **Annexure 2** to this circular and should be read in conjunction with the independent reporting accountants' assurance report thereon which is presented in **Annexure 3**.
- 7.5 The consolidated *pro forma* financial information has been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the audited financial statements of Sandown Capital for the year ended 31 March 2018.
- 7.6 The consolidated *pro forma* financial effects of the transaction on Sandown Capital are as follows:

	Before the transaction	<i>Pro forma</i> after the transaction	Percentage change (%)
Basic loss per share (cents)	(26.56)	(49.53)	86
Headline loss per share (cents)	(26.56)	(49.53)	86
Diluted basic loss per share (cents)	(26.56)	(49.53)	86
Diluted headline loss per share (cents)	(26.56)	(49.53)	86
Dividend per share (cents)	1.11	1.11	–
Net asset value per share (Rand)	4.87	4.66	(4)
Net tangible asset value per share (Rand)	4.87	4.66	(4)
Actual number of shares in issue	226 065 696	226 065 696	–
Weighted average number of shares in issue	193 625 269	193 625 269	–

- 7.7 Detailed notes and assumptions regarding the consolidated *pro forma* financial information are set out in **Annexure 2**.

8. DIRECTORS' INTERESTS

8.1 Directors' interests in Sandown Capital shares

8.1.1 Set out below are the direct and indirect beneficial interests of directors (and their associates) in the Company as at the last practicable date. This includes the interests of persons who are no longer directors, but resigned during the last 18 months.

Directors	Beneficially held		Total	%
	Directly	Indirectly ¹		
Lawrie Brozin [^]	–	6 000 000	6 000 000	2.7
Sean Melnick [^]	29 437 275	–	29 437 275	13.0
Sean Jelley [^]	1 750 000	–	1 750 000	0.8
Andrew Hannington [#]	–	864	864	0.0
Mandy Yachad [*]	80 264	1 974 169	2 054 433	0.9
Paul Baloyi [#]	–	3 498 300	3 498 300	1.5
Warren Chapman [#]	–	33 719 730	33 719 730	14.9
Fatima Vawda [#]	–	6 760 000	6 760 000	3.0
Total	31 267 539	51 953 063	83 220 602	36.8

[^]Resigned as a director of the Company with effect from 5 September 2018.

[#]Appointed as a director of the Company with effect from 5 September 2018.

^{*}Resigned as a director of the Company with effect from 29 November 2017.

¹Denotes shares held via a trust, company and associates.

8.1.1.1 Save as disclosed in paragraph 8.1.1 above, the directors do not hold any interests in Sandown Capital shares.

8.1.1.2 Save as disclosed in paragraph 8.1.1 above, there have been no changes to the directors' holdings between the end of the preceding financial year, being 31 March 2018, and the date of issue of this circular.

8.1.2 Save as disclosed in paragraph 8.1.1 above, there will be no changes to the directors' interests in Sandown Capital shares following the implementation of the transaction.

8.2 Directors' interests in transactions

8.2.1 Set out below are the names of the directors, including directors who resigned in the last 18 months, that are directly beneficially interested in the issued share capital of the investment advisor and in which the directors hold an interest. Sean Jelley and Sean Melnick, who are directors of the investment advisor, resigned as directors of the Company with effect from 5 September 2018.

Name of shareholder	% of shares in issue
Sean Melnick	75
Sean Jelley	25
Total	100

8.2.2 Save as set out above, the directors of the Company had no beneficial interest, either direct or indirect, in transactions entered into by the Company:

8.2.2.1 during the current financial year; or

8.2.2.2 during an earlier financial year which remain in any respect outstanding or unperformed.

8.2.3 No amount has been paid to any director (or to any company in which he is interested (whether directly or indirectly) or of which he is a director or to any partnership, syndicate or other association of which he is a member) since incorporation of the Company (whether in cash or securities or otherwise) by any person either to induce him to become or to qualify him as a director or otherwise for services rendered by him (or by the associated entity) in connection with the promotion or formation of the Company.

9. MAJOR SHAREHOLDERS

Set out below are the names of shareholders, other than directors, that are directly or indirectly, beneficially interested in 5% or more of the issued shares of Sandown Capital as at the last practicable date.

Name of shareholder	Number of shares controlled			Total	%
	Directly	Indirectly	Associates		
Nkholi Consolidated Int Proprietary Limited	20 229 300 [#]	–	–	20 229 300	8.95
Zolospan Proprietary Limited	5 907 330 [*]	–	–	5 907 330	5.66
Peregrine Equities Proprietary Limited	–	11 283 704	–	11 283 704	5.00
Government Employees Pension Fund	8 736 389	–	–	8 736 389	3.86
Total	34 873 019	11 283 704	–	46 156 723	23.47

[#]Warren Chapman is a 9.8% shareholder of Nkholi Consolidated Int Proprietary Limited (“**Nkholi**”). This figure excludes any shares controlled by him and his indirect beneficial interest in Nkholi is disclosed in paragraph 8.1.1 above.

[#]Fatima Vadwa is a 20% shareholder of Nkholi. This figure excludes any shares controlled by her and her indirect beneficial interest in Nkholi is disclosed in paragraph 8.1.1 above.

[#]Paul Baloyi is a 10.35% shareholder of Nkholi. This figure excludes any shares controlled by him and his indirect beneficial interest in Nkholi is disclosed in paragraph 8.1.1 above.

^{*}Warren Chapman is a 31.59% shareholder of Zolospan Proprietary Limited (“**Zolospan**”). This figure excludes any shares controlled by him and his indirect beneficial interest in Zolospan is disclosed in paragraph 8.1.1 above.

10. GENERAL MEETING

A general meeting of Sandown Capital shareholders will be held in the main boardroom, 4th Floor, 6A Sandown Valley Crescent, Sandown, Sandton at 11:30 on Thursday, 15 November 2018 in order for Sandown Capital shareholders to consider and, if deemed fit, to pass, with or without modification, the resolutions in the manner required by the Companies Act, as read with the JSE Listings Requirements to approve the transaction, the revised investment policy and the change of name.

11. DIRECTORS’ RESPONSIBILITY STATEMENT

The directors, whose names appear on page 8 of this circular, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief, there are no other 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 this circular contains all information required by law and the JSE Listings Requirements.

12. DIRECTORS’ RECOMMENDATIONS

The board has considered the terms of the termination agreement, believes them to be fair and unanimously recommends that shareholders vote in favour of the resolutions set out in the notice of general meeting necessary to, *inter alia*, effect the implementation of the transaction.

13. LITIGATION STATEMENT

There are no legal or arbitration proceedings which may have or have during the 12 months preceding the date of this circular, had a material effect on the financial position of the Company. The Company is not aware of any proceedings that would have a material effect on the financial position of the Company or which are pending or threatened against the Company.

14. CONSENTS

Each of the sponsor, corporate advisor, company secretary, independent expert, independent reporting accountants and auditors and the transfer secretaries have consented in writing to act in the capacities stated and to their names appearing in this circular and have not withdrawn their consent prior to the publication of this circular.

15. MATERIAL CHANGES

There have been no material changes in the financial trading position of the Company and its subsidiaries that has occurred between the date of this circular and the date on which the last audited financial statements were published.

16. EXPENSES

The estimated total amount of expenses (excluding VAT) relating to the approval of the transaction which have been incurred by the Company or that are expected to be incurred are set out below:

Expense	Recipient	R
Sponsor and corporate advisory fees	Java Capital	450 000
Independent expert's fee	BDO	100 000
Independent reporting accountants' fees	Deloitte & Touche	120 000
JSE documentation inspection fees	JSE	27 657
Press announcements and printing and	Ince	64 153
Imputed VAT on termination fee	SARS	3 780 000
Contingency costs		338 190
Total		4 880 000

17. DOCUMENTS AVAILABLE FOR INSPECTION

The documents listed below will be available for inspection at the office of the Company, 6A Sandown Valley Crescent, Sandown, Sandton, 2196, during normal office hours on business days from the date on which this circular is posted to Sandown Capital shareholders to the record date of the change of name:

- 17.1 this circular;
- 17.2 the Company's memorandum of incorporation;
- 17.3 the signed termination agreement;
- 17.4 the signed existing management agreement;
- 17.5 the consolidated *pro forma* financial information of Sandown Capital for the year ended 31 March 2018;
- 17.6 the independent reporting accountants' assurance report on the consolidated *pro forma* financial information of Sandown Capital, a copy of which is set out in **Annexure 3**;
- 17.7 the independent fairness opinion, a copy of which is set out in **Annexure 1**;
- 17.8 the annual financial statements for the year ended 31 March 2018; and
- 17.9 the consent letters referred to in paragraph 14 above.

Signed at Sandton by Warren Chapman on his behalf and on behalf of all of the directors of the Company on Tuesday, 16 October 2018 in terms of powers of attorney granted by them dated Friday, 5 October 2018.

Warren Chapman
Chief Executive Officer

INDEPENDENT FAIRNESS OPINION

“The Directors
Sandown Capital Limited
6A Sandown Valley Crescent
Sandown
Sandton
2196

5 October 2018

Dear Sirs

FAIRNESS OPINION REGARDING THE AMENDMENT TO THE EXISTING MANAGEMENT AGREEMENT IN RELATION TO THE INVESTMENT ADVISOR OF SANDOWN CAPITAL LIMITED

INTRODUCTION

Holders of ordinary shares of no par value (“**shares**”) (“**shareholders**”) in the issued share capital of Sandown Capital Limited (“**Sandown Capital**” or the “**Company**” or “**group**”) are referred to the announcements published on the Stock Exchange News Service operated by the JSE Limited (“**JSE**”) (“**SENS**”), the last of which was released on Wednesday, 19 September 2018, wherein Shareholders were advised that Sandown Capital, Sandown Capital International Limited (“**Sandown International**”) and Sandown Management Limited (“**Sandown Management**” or the “**investment advisor**”) (the “**parties**”) had entered into the termination of the investment advisory agreement (“**existing management agreement**”) in terms of which, Sandown Management has agreed to the consensual termination of the existing management agreement in consideration for the payment by Sandown International to Sandown Management of an amount of R63 000 000 (“**termination agreement**”).

In terms of the existing management agreement, entered into between the parties on 30 October 2017, Sandown Capital appointed the investment advisor to, *inter alia*, investigate and identify investments for acquisition or divestment, advise on and assist with the implementation of transactions and to advise on and assist with negotiations regarding the terms of any purchase, forward funding and joint venture agreements for the group.

The investment advisor is entitled to an annual fee (“**investment advisory fee**”) equal to the greater of R16 000 000 or 0.95% of Sandown Capital’s annual average net asset value, which fee is payable in four monthly instalments in advance. Taking into consideration that the investment advisor performs these services to the group, Sandown International is, in terms of the existing management agreement, jointly liable with the Company to make payment to the investment advisor of the investment advisory fee.

In the event of termination of the existing management agreement, the Company and/or Sandown International is liable to pay the investment advisor an amount equal to five times the investment advisory fee which accrued to the investment advisor over the six months immediately preceding the date of termination annualised. As at the last practicable date, this fee was calculated to be approximately R80 000 000.

Shareholders have been requested to approve a resolution to amend the termination fee payable in terms of the existing management agreement to an agreed amount of R63 000 000 and to the consensual termination of the existing management agreement, in consideration for payment by Sandown International of a termination fee of R63 000 000 to the investment advisor (the “**transaction**”).

Full details of the transaction are set out in the circular to Sandown Capital Shareholders dated Tuesday, 16 October 2018 (the “**circular**”).

FAIRNESS OPINION REQUIRED IN TERMS OF THE JSE LISTINGS REQUIREMENTS

In terms of section 10 of the JSE Listings Requirements (the “**Listings Requirements**”) the investment advisor and the Company are related parties in that Sean Jelley and Sean Melnick are directors and shareholders of the investment advisor and were directors of the Company in the 12 months preceding the conclusion of the termination agreement (both Sean Jelley and Sean Melnick resigned as directors of the Company with effect from 5 September 2018).

In terms of the JSE Listings Requirements the board of directors of Sandown Capital (“**directors**” or “**board**”) is required to obtain a fairness opinion confirming whether the transaction is fair insofar as shareholders of Sandown Capital are concerned, excluding the related parties, which must be included in the circular.

BDO Corporate Finance Proprietary Limited (“**BDO Corporate Finance**”) has been appointed as the independent expert by the board to provide an independent fairness opinion with regard to the transaction (“**fairness opinion**”).

RESPONSIBILITY

Compliance with the JSE Listings Requirements is the responsibility of the directors. Our responsibility is to report to the directors and shareholders of Sandown Capital on the fairness of the terms of the transaction.

EXPLANATION AS TO HOW THE TERM “FAIR” APPLIES IN THE CONTEXT OF THE TRANSACTION

Schedule 5.7 of the JSE Listings Requirements states that the “fairness” of a transaction is based on quantitative issues. A transaction will typically be considered fair to a company’s shareholders if the benefits received by shareholders, as a result of a corporate action, are equal to or greater than the value ceded by a company.

In the context of the transaction, there is value ceded and no consideration asset received. In terms of the existing management agreement in the event of termination, the Company and/or Sandown International is liable to pay the investment advisor an amount equal to five times the investment advisory fee which accrued to the investment advisor over the six months immediately preceding the date of termination annualised.

In terms of the transaction, the termination fee payable in terms of the existing management agreement has been amended. BDO Corporate Finance has considered whether the amendment to the termination fee payable in terms of the existing management agreement is favourable or onerous to the Company in the context of a termination of the existing management agreement. In the event that the amendment is favourable, i.e. a reduced termination fee is paid, the transaction will be considered fair.

DETAILS AND SOURCES OF INFORMATION

In arriving at our opinion we have relied upon the following principal sources of information:

- The existing management agreement;
- The termination agreement;
- The SENS announcements dated 24 July 2018, 2 August 2018 and 23 August 2018;
- Discussions with Sandown Capital directors and management regarding the rationale for the transaction; and
- Publicly available information relating to Sandown Capital and the Financial-Equity Investment Instruments sector.

The information above was secured from:

- Directors and management of Sandown Capital and their advisors; and
- Third party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing Sandown Capital.

PROCEDURES

In arriving at our opinion we have undertaken the following procedures and taken into account the following factors in evaluating the fairness of the transaction:

- Reviewed the terms and conditions of the existing management agreement as well as the termination agreement;
- Reviewed the terms and conditions of the transaction;
- Performed a comparison of the termination fees payable under the existing management agreement to the termination fee payable in terms of the termination agreement;
- Reviewed certain publicly available information relating to Sandown Capital, including company announcements and media articles; and
- Held discussions with the directors and management of Sandown Capital as to their policy and rationale for the transaction and considered such other matters as we considered necessary, including assessing the prevailing economic and market conditions and trends in the Financial-Equity Investment Instruments sector.

ASSUMPTIONS

We arrived at our opinion based on the following assumptions:

- That all agreements that are to be entered into in terms of the transaction will be legally enforceable; and
- That the transaction will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives and advisors of Sandown Capital.

APPROPRIATENESS AND REASONABLENESS OF UNDERLYING INFORMATION AND ASSUMPTIONS

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by determining the extent to which representations from management were confirmed by documentary evidence.

LIMITING CONDITIONS

This opinion is provided in connection with and for the purposes of the termination agreement. The opinion does not purport to cater for each individual shareholder's perspective, but rather that of the general body of shareholders. We have also not considered the merits of the change to the current investment policy.

Individual shareholders' decisions regarding the transaction may be influenced by such shareholders' particular circumstances and accordingly individual shareholders should consult an independent advisor if in any doubt as to the merits or otherwise of the transaction.

We have been neither a party to the negotiations entered into in relation to the existing management agreement nor have we been involved in the deliberations leading up to the decision on the part of the board to enter into the existing management agreement. We do not express any opinion on the fairness of the existing management agreement and especially the investment advisory fee and the existing termination provisions.

We have been neither a party to the negotiations entered into in relation to the transaction nor have we been involved in the deliberations leading up to the decision on the part of the board to enter into the transaction.

We do not, by this letter or otherwise, advise or form any judgement on the strategic, commercial or financial merits or risks of the transaction. All such evaluations, advice, judgements or comments remain the sole responsibility of the board and their advisors. We have however, drawn upon such evaluations, judgements and comments as we deem necessary and appropriate in arriving at our opinion.

The scope of our appointment does not require us to express, and nor do we express, a view on the future growth prospects, earnings potential or value of a share. We do not express any view as to the price at which shares may trade nor on the future value, financial performance or condition of Sandown Capital.

It is also not within our terms of reference to compare the merits of the transaction to any alternative arrangements that were or may have been available to Sandown Capital. Such comparison and consideration remain the responsibility of the board and their advisors.

Our opinion is based on current economic, regulatory and market as well as other conditions. Subsequent developments may affect the opinion, and we are under no obligation to update, review or re-affirm our opinion based on such developments.

INDEPENDENCE, COMPETENCE AND FEES

We confirm that we have no direct or indirect interest in shares or in the transaction. We also confirm that we have the necessary qualifications and competence to provide the fairness opinion on the transaction.

Furthermore, we confirm that our professional fees, payable in cash, are not contingent upon the success of the transaction.

COMPARISON OF THE TERMINATION FEE PAYABLE UNDER THE EXISTING MANAGEMENT AGREEMENT TO THE TERMINATION FEE PAYABLE UNDER THE TRANSACTION

In accordance with clause 15 of the existing management agreement:

“ 15.4 Consequences of termination by Sandown Capital

- 15.4.1 If Sandown Capital terminates the agreement in accordance with clause 15.2.2 (the “**termination event**”), Sandown Capital shall pay to the investment advisor by way of compensation for the relinquishment of an income-generating asset, the sum of the amounts calculated in accordance with clauses 15.4.1 and 15.4.3 (the sum of such amounts hereinafter referred to as the “**termination amount**”).*

15.4.2 Sandown Capital shall pay to the investment advisor an amount equal to 5 (five) times the investment advisory fees which accrued to the investment advisor in terms of clause 8 of this agreement over the 6 (six) months immediately preceding the date of termination (“termination date”) pursuant to the termination event, annualised.”

In accordance with clause 8 the existing management agreement, the investment advisory fees shall be equal to the greater of:

- R16 000 000; or
- 0.95% of the Annual Average Net Asset Value of Sandown Capital.

The table below outlines the differences between the termination fee payable under the existing management agreement and in terms of the transaction:

	Existing Management Agreement	Transaction	Saving
Termination fee	R80 000 000	R63 000 000	R17 000 000

The above table indicates that, based on a like-for-like comparison of the existing management agreement to the transaction, a cost saving of R17 000 000 will be realised by Sandown Capital upon termination of the existing management agreement.

OPINION

BDO Corporate Finance has considered the terms and conditions of the transaction and, based on and subject to the conditions set out herein, is of the opinion that the terms and conditions of the transaction are fair to shareholders, excluding the related parties.

Our views are based on market, economic, industry, monetary and other conditions (where applicable) prevailing on and our analysis of the information made available to us up to Thursday, 4 October 2018 (the “**last practicable date**”). We assume no responsibility to update, revise or reaffirm our opinion for factors or assumptions in light of any subsequent development after the last practicable date that may affect our opinion or factors or assumptions contained herein.

We have assumed that all conditions precedent, including any material regulatory and other approvals or consents required in connection with the transaction have been fulfilled or obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

CONSENT

We hereby consent to the inclusion of this fairness opinion, in whole or in part, and references thereto in the circular, in the form and context in which it appears.

Yours faithfully

BDO Corporate Finance Proprietary Limited

Nick Lazanakis

Director

22 Wellington Road

Parktown

2193”

CONSOLIDATED *PRO FORMA* FINANCIAL INFORMATION OF SANDOWN CAPITAL

Set out below are the consolidated *pro forma* statement of financial position and consolidated *pro forma* statement of comprehensive income reflecting the effects of the transaction based on Sandown Capital's consolidated financial results for the year ended 31 March 2018.

Due to its nature, the consolidated *pro forma* financial effects set out in paragraph 7 of the circular, the consolidated *pro forma* statement of financial position and consolidated *pro forma* statement of comprehensive income set out below (collectively, "**consolidated *pro forma* financial information**") may not fairly present Sandown Capital's financial position, changes in equity, results of operations and cash flows subsequent to the transaction.

The consolidated *pro forma* financial information is the responsibility of the directors and has been prepared for illustrative purposes only, in order to provide information about the financial position of Sandown Capital assuming that the transaction had been implemented on 31 March 2018 for statement of financial position and on 1 April 2017 for statement of comprehensive income purposes. However, due to the fact that the existing management agreement only commenced on 4 October 2017, the financial effects resulting from the termination agreement only impact the period post 4 October 2017 as no similar agreement to the existing management agreement existed prior to this date which requires *pro forma* adjustment.

The consolidated *pro forma* financial information has been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the audited financial statements of Sandown Capital for the year ended 31 March 2018.

The consolidated *pro forma* financial information has been reviewed by the independent reporting accountants whose report on the consolidated *pro forma* financial information is contained in **Annexure 3** of the circular.

CONSOLIDATED *PRO FORMA* STATEMENT OF COMPREHENSIVE INCOME

R'000 Notes	Audited 31 Mar 18 1	Reversal of advisory fees paid 2	Existing manage- ment agreement termination fee 3	Group costs and manage- ment fees 4	Trans- action- related expenses 5	<i>Pro forma</i> after adjustments 31 Mar 18
Investment losses	(44 103)	–	–	–	–	(44 103)
Total revenue	(44 103)	–	–	–	–	(44 103)
Operating expenses	(23 932)	8 000	(63 000)	(1 200)	(4 880)	(85 012)
(Loss)/profit from operations	(68 035)	8 000	(63 000)	(1 200)	(4 880)	(129 115)
Net interest (paid)/received	(5 636)	25	(712)	–	–	(6 323)
Interest received ⁴	736	25	–	–	–	761
Interest paid ⁵	(6 372)	–	(712)	–	–	(7 084)
(Loss)/profit before taxation	(73 671)	8 025	(63 712)	(1 200)	(4 880)	(135 438)
Taxation credit/(expense)	22 236	(2 247)	17 839	336	1 366	39 530
(Loss)/profit for the year	(51 435)	5 778	(45 873)	(864)	(3 514)	(95 908)
Adjustments for headline earnings	–	–	–	–	–	–
Headline (loss)/earnings for the year	(51 435)	5 778	(45 873)	(864)	(3 514)	(95 908)
Other comprehensive (loss)/ income for the year						
Items that can be classified subsequent to profit and loss:						
Currency translation differences	(34 961)	–	–	–	–	(34 961)
Total comprehensive (loss)/ income for the year	(86 396)	5 778	(45 873)	(864)	(3 514)	(130 869)
Shares in issue	226 065 696					226 065 696
Basic and diluted loss per share (cents)	(26.56)					(49.53)
Headline and diluted headline loss per share (cents)	(26.56)					(49.53)
Dividend per share (cents)	1.11					1.11

Notes:

1. Extracted, without adjustment, from the consolidated audited statement of comprehensive income of Sandown Capital for the year ended 31 March 2018.
2. Represents the following adjustments on the assumption that the existing management agreement was terminated on 5 October 2017:
 - 2.1 The quarterly investment advisory fees of R8 million in total for the financial year (and tax thereon of R2.2 million) are reversed, which adjustment is of a continuing nature;
 - 2.2 An incremental saving on interest expense is obtained through a reduction of the group's net debt outstanding as a result of the non-payment of the quarterly investment fees. Quarterly investment fees were paid on 4 December 2017 and 5 January 2018, and the saving in interest expense has been assumed to arise from these dates. An interest rate of 1.13% has been assumed, being the average rate earned on Sandown Capital's USD treasury account. This adjustment is of a continuing nature; and
 - 2.3 The existing management agreement commenced on 4 October 2017.
3. Represents the following adjustments in relation to the termination fee payable, under the provisions of the termination agreement, on the assumption that the existing management agreement was terminated on 5 October 2017:
 - 3.1 Accrual of the termination fee of R63 million per the existing management agreement, which adjustment is once-off in nature;
 - 3.2 Recognition of an additional interest expense of R0.7 million as a result of an increase in the group's net debt outstanding which is caused by an increase in borrowings in order to fund the payment of the termination fee, which adjustment is of a continuing nature; and
 - 3.3 It has been assumed that the termination fee will be deductible for tax purposes and as a result tax thereon of R17.8 million has been recognised at 28%.
4. Represents the recognition of incremental group expenses expected to be incurred as a consequence of the termination of the existing management agreement and related tax adjustment, which adjustments are of a continuing nature. These expenses will be funded out of working capital in the ordinary course of business.
5. Represents the follow adjustments related to the accrual of once-off transaction expenses of incurred by Sandown Capital relating to the termination of the existing management agreement:
 - 5.1 Recognition of an expense of R4.9 million related to the various transaction expenses; and
 - 5.2 Recognition of the related tax credit of R1.4 million.
6. There are no other subsequent events which require adjustment to the consolidated *pro forma* financial information.

CONSOLIDATED *PRO FORMA* STATEMENT OF FINANCIAL POSITION

R'000	Audited	Existing	Provision for	<i>Pro forma</i>
Notes	31 Mar 18	management	transaction	after
	1	agreement	expenses	31 Mar 18
		termination fee	3	
		2		
ASSETS				
Non-current assets	632 747	17 640	1 366	651 753
Financial investments	588 949	–	–	588 949
Investment in associates	22 949	–	–	22 949
Deferred tax	20 849	17 640	1 366	39 855
Current assets	590 358	–	–	590 358
Financial investments	507 094	–	–	507 094
Trade and other receivables	162	–	–	162
Taxation	6 672	–	–	6 672
Cash and other equivalents	76 430	–	–	76 430
Total assets	1 223 105	17 640	1 366	1 242 111
EQUITY AND LIABILITIES				
Equity and reserves	1 101 687	(45 360)	(3 514)	1 052 813
Share capital	474 400	–	–	474 400
Currency translation reserve	(34 961)	–	–	(34 961)
Accumulated profits	662 248	(45 360)	(3 514)	613 374
Non-current liabilities				
Deferred tax	–	–	–	–
Current liabilities	121 418	63 000	4 880	189 298
Loans and other payables	120 000	–	–	120 000
Provision for termination fee	–	63 000	–	63 000
Accrued expenses	–	–	4 880	4 880
Trade and other payables	1 418	–	–	1 418
Total equity and liabilities	1 223 105	17 640	1 366	1 242 111
Shares in issue	226 065 696			226 065 696
Net asset value per share (cents)	487			466
Tangible net asset value per share (cents)	487			466

Notes:

1. Extracted, without adjustment, from the consolidated audited statement of financial position of Sandown Capital as at 31 March 2018.
2. Represents the following adjustments on the assumption that the existing management agreement was terminated on 31 March 2018:
 - 2.1 Recognition of a R63 million liability, being a termination fee, which is payable by Sandown Capital to the investment advisor on termination of the existing investment management agreement; and
 - 2.2 Recognition of a deferred tax asset of R17.6 million which relates to the tax credit available to the Company as a result of the incurrence of the R63 million termination fee. The tax credit has been assumed to accrue at a marginal tax rate of 28%.
3. Represents the follow adjustments related to the accrual of once-off transaction expenses of incurred by Sandown Capital relating to the termination of the existing management agreement:
 - 3.1 Recognition of an expense of R4.9 million related to the various transaction expenses; and
 - 3.2 Recognition of the related tax credit of R1.4 million.
4. There are no other subsequent events which require adjustment to the consolidated *pro forma* financial information.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE CONSOLIDATED *PRO FORMA* FINANCIAL INFORMATION OF SANDOWN CAPITAL

"The Directors

Sandown Capital Limited
6A Sandown Valley Crescent
Sandown
Sandton
2196

5 October 2018

Dear Sirs

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Sandown Capital Limited (the "**group**") by the directors. The consolidated *pro forma* financial information, as set out in paragraph 7 and **Annexure 2** of the circular (the "**circular**"), to be dated on or about Tuesday, 16 October 2018, consists of consolidated *pro forma* statement of financial position and consolidated *pro forma* statement of comprehensive income and related notes. The consolidated *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited ("**JSE**") Listings Requirements.

The consolidated *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in paragraphs 2 and 3 of the circular, on the group's financial position as at 31 March 2018, and the group's financial performance for the period then ended, as if the corporate action or event had taken place at 1 April 2017 and for the period then ended. As part of this process, information about the group's financial position and financial performance has been extracted by the directors from the group's financial statements for the period ended 31 March 2018, on which an unmodified auditor's report was issued on 26 June 2018.

Directors' responsibility for the consolidated *pro forma* financial information

The directors are responsible for compiling the consolidated *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in paragraph 7 and **Annexure 2**.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B).

The firm applies the International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountant's responsibility

Our responsibility is to express an opinion about whether the consolidated *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *Pro forma* Financial Information Included in a Prospectus which is applicable to an engagement of this nature. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the consolidated *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the consolidated *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the consolidated *pro forma* financial information.

The purpose of the consolidated *pro forma* financial information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction at 31 March 2018 would have been as presented.

A reasonable assurance engagement to report on whether the consolidated *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the consolidated *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those criteria; and
- the consolidated *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the group, the corporate action or event in respect of which the consolidated *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the consolidated *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the consolidated *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in paragraph 7 and **Annexure 2**.

Deloitte & Touche

Registered Auditor

Per: Lesley Wallace

Partner

Deloitte Place
The Woodlands
20 Woodlands Drive
Woodmead
Sandton
2196



SANDOWN CAPITAL LIMITED

(Incorporated in South Africa)
(Registration number 2000/013674/06)
JSE share code: SDC ISIN: ZAE000249645
("Sandown Capital" or the "Company")

NOTICE OF GENERAL MEETING OF SANDOWN CAPITAL SHAREHOLDERS

Where appropriate and applicable, the terms defined in the circular to which this notice of general meeting of Sandown Capital shareholders is attached, bear the same meaning in this notice of general meeting of shareholders and in particular, in the resolutions set out below.

Notice is hereby given that a general meeting of Sandown Capital shareholders will be held, in the main boardroom, 4th Floor, 6A Sandown Valley Crescent, Sandown, Sandton, at 11:30 on Thursday, 15 November 2018 for the purpose of considering and, if deemed fit, passing with or without modification, the resolutions set out below.

In terms of section 62(3)(e) of the Companies Act:

- a shareholder who is entitled to attend and vote at the general meeting is entitled to appoint a proxy or two or more proxies to attend, participate in and vote at the general meeting in the place of the shareholder;
- a proxy need not be a shareholder of the Company; and
- shareholders recorded in the registers of the Company on the voting record date (including shareholders and their proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in the general meeting. In this regard, all shareholders recorded in the registers of the Company on the voting record date will be required to provide identification satisfactory to the chairman of the general meeting. Forms of identification include valid identity documents, drivers' licenses and passports.

IMPORTANT DATES TO NOTE

2018

Record date for receipt of circular	Friday, 5 October
Circular posted on	Tuesday, 16 October
Announcement of posting of circular and notice on SENS	Tuesday, 16 October
Announcement of posting of circular and notice in the press	Wednesday, 17 October
Last day to trade in order to be eligible to vote at the general meeting	Tuesday, 6 November
Record date in order to be eligible to vote at the general meeting	Friday, 9 November
Last day to lodge forms of proxy in respect of the general meeting at 11:30 (for administrative purposes)	Tuesday, 13 November
General meeting at 11:30 on	Thursday, 15 November
Results of the general meeting published on SENS on	Friday, 16 November
Results of the general meeting published in the press on	Monday, 19 November
Resolution in respect of the change of name expected to be submitted to the CIPC by no later than	Monday, 19 November
Resolution in respect of the change of name expected to be registered by the CIPC by no later than	Thursday, 29 November
Expected publication of finalisation announcement relating to the change of name on SENS	Friday, 30 November

Expected last day to trade on the JSE prior to the change of name being effected	Tuesday, 11 December
Expected listing and trading in new name of “Zarclear Holdings Limited” on the JSE under the abbreviated name “Zarclear”, JSE share code: ZCL and ISIN: ZAE000262820 commences on	Wednesday, 12 December
Expected record date in respect of change of name	Friday, 14 December
CSDP and broker accounts of dematerialised shareholders updated on	Tuesday, 18 December
Expected date of issue of new replacement share certificates, provided that the old share certificates have been lodged with the transfer secretaries by 12:00 on Friday, 14 December 2018, on or about (share certificates received after this time will be posted within five business days of receipt)	Tuesday, 18 December

In terms of the JSE Listings Requirements, the ordinary resolutions set out below require a majority of the votes cast by securities holders (excluding any parties or their associates who are a party to, or have an interest in, the termination agreement).

SPECIAL RESOLUTION: CHANGE OF NAME

“Resolved that, the name of the Company be and is hereby changed from “Sandown Capital Limited” to “Zarclear Holdings Limited”, with effect from the date of filing the notice of amendment with the CIPC and on the understanding that the front cover of the Company’s MOI be and is hereby amended accordingly, to reflect the change of the Company’s name.”

In order for the special resolution to be adopted, the resolution requires the support of more than 75% of the voting rights exercised on the resolution by Sandown Capital shareholders, present in person or by proxy.

Reason and effect of the special resolution

The reason for the special resolution is to better align the Company’s new name with the revised investment policy.

ORDINARY RESOLUTION 1: APPROVAL OF THE TERMINATION AGREEMENT AND TERMINATION OF THE EXISTING MANAGEMENT AGREEMENT

“Resolved that, the termination agreement entered into between Sandown Capital, Sandown International and Sandown Management, in terms of which the parties agreed, subject to obtaining the requisite shareholder approval, to amend the termination fee payable in terms of the existing management agreement to an agreed reduced amount of R63 million and to the consensual termination of the existing management agreement, with effect from the effective date, in consideration for payment by Sandown International of a termination fee of R63 million to the investment advisor, be and is hereby ratified and approved.”

In order for ordinary resolution 1 to be adopted, the resolution requires the support of more than 50% of the voting rights exercised on the resolution by Sandown Capital shareholders, present in person or by proxy, but excluding those voting rights exercisable by Sean Jelley and Sean Melnick, together with their associates.

ORDINARY RESOLUTION 2: CHANGE TO THE CURRENT INVESTMENT POLICY

“Resolved that, the amendments to the current investment policy as more detailed in paragraph 2 of the circular, be and is hereby approved.”

In order for ordinary resolution 2 to be adopted, the resolution requires the support of more than 50% of the voting rights exercised on the resolution by Sandown Capital shareholders, present in person or by proxy.

ORDINARY RESOLUTION 3: AUTHORITY TO SIGN DOCUMENTATION

“Resolved that any director and/or the company secretary be and is hereby authorised to sign all such documentation and do all such things as may be required to give effect to the special resolution, ordinary resolution 1 and ordinary resolution 2.”

In order for ordinary resolution 3 to be adopted, the resolution requires the support of more than 50% of the voting rights exercised on the resolution by Sandown Capital shareholders, present in person or by proxy.

ANY MATTERS RAISED BY SHAREHOLDERS, WITH OR WITHOUT ADVANCE NOTICE TO THE COMPANY

To deal, at the general meeting, with any matters raised by shareholders, with or without advance notice to the Company.

QUORUM

A quorum for the purposes of considering the ordinary resolutions above shall consist of three shareholders of the Company personally present or represented by proxy (and if the shareholder is a body corporate, it must be represented) and entitled to vote at the general meeting. In addition, a quorum shall comprise 25% of all the voting rights that are entitled to be exercised by Sandown Capital shareholders in respect of the resolutions above.

Given that the transaction is being treated as a related party transaction, in terms of paragraph 10.9(f) of the JSE Listings Requirements, the votes of the related parties, Sean Jelley and Sean Melnick together with their associates, are excluded for the purposes of determining the results of the voting at the general meeting.

The date on which Sandown Capital shareholders must be recorded as such in the register maintained by the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107), for the purposes of being entitled to attend, participate in and vote at the general meeting is Friday, 9 November 2018.

GENERAL INSTRUCTIONS

Shareholders are encouraged to attend, speak and vote at the general meeting.

FORM OF PROXY

In terms of section 62(3)(e) of the Companies Act:

- a shareholder who is entitled to attend and vote at the general meeting is entitled to appoint a proxy or two or more proxies to attend and participate in and vote at the general meeting in the place of the shareholder, by completing the form of proxy in accordance with the instructions set out therein; and
- a proxy need not be a shareholder of the Company.

A form of proxy is attached for the convenience of any Sandown Capital shareholder holding certificated shares and who cannot attend the general meeting of Sandown Capital shareholders or who wishes to be represented thereat. Forms of proxy may also be obtained on request from the Company's registered office. For administrative purposes, the completed forms of proxy should be deposited at or posted to the office of the transfer secretaries of the Company to be received by 11:30 on Tuesday, 13 November 2018 to allow for processing of the forms of proxy.

Alternatively, the form of proxy may be handed to the chairperson of the general meeting, or to the transfer secretaries, at the general meeting at any time prior to the commencement of the general meeting or prior to voting on any resolution proposed at the general meeting. Any member who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the general meeting should that member subsequently decide to do so.

Sandown Capital shareholders who have already dematerialised their Sandown Capital shares through a Central Securities Depository Participant ("**CSDP**") or broker and who wish to attend the general meeting of Sandown Capital, must instruct their CSDP or broker to issue them with the necessary letter of representation to attend.

Dematerialised Sandown Capital shareholders, who have elected own-name registration in the sub-register through a CSDP and who are unable to attend, but wish to vote at the general meeting of Sandown Capital, must complete and return the attached form of proxy and lodge it with the transfer secretaries of the Company, by 11:30 on Tuesday, 13 November 2018 to allow for processing. Alternatively, the form of proxy may be handed to the chairperson of the general meeting at any time prior to the commencement of the general meeting or prior to voting on any resolution proposed at the general meeting.

Dematerialised Sandown Capital shareholders, who have not elected own-name registration in the sub-register through a CSDP and who are unable to attend but who wish to vote at the general meeting of Sandown Capital shareholders should ensure that the person or entity (such as a nominee) whose name has been entered into the sub-register maintained by a CSDP or broker completes and returns the attached form of proxy in terms of which they appoint a proxy to vote at the general meeting of Sandown Capital shareholders.

ELECTRONIC PARTICIPATION

Shareholders or their proxies may participate in the meeting by way of telephone conference call. Shareholders or their proxies who wish to participate in the general meeting via the teleconference facility will be required to advise the company secretary thereof by no later than 11:30 on Tuesday, 13 November 2018 by submitting by email, at the following email address: gillian.prestwich@computershare.co.za, the relevant contact details including email address, cellular number and landline, as well as full details of the shareholder's title to the shares issued by the Company and acceptable proof of identity such as an identity document, drivers licence or passport, together with share certificates (in the case of certificated shareholders) and (in the case of dematerialised shareholders), written confirmation from the shareholder's CSDP confirming the shareholder's title to the dematerialised shares.

Upon receipt of the required information, the shareholder concerned will be provided with a secure code and instructions to access the electronic communication system during the general meeting. Shareholders who wish to participate in the general meeting by way of telephone conference call must note that they will not be able to vote during the general meeting. Such shareholders, should they wish to have their vote counted at the general meeting, must, to the extent applicable, (i) complete the form of proxy; or (ii) contact their CSDP or broker, in both instances, as set out above.

CONSENT TO RECEIVE DOCUMENTATION

Included in the form of proxy is a consent for those shareholders who wish to receive notices, statements, reports, accounts or any other documents pertaining to the Company by email.

By order of the board

CIS Company Secretaries Proprietary Limited

Company Secretary

Johannesburg

Tuesday, 16 October 2018



SANDOWN CAPITAL LIMITED

(Incorporated in South Africa)
(Registration number 2000/013674/06)
JSE share code: SDC ISIN: ZAE000249645
("Sandown Capital" or the "Company")

FORM OF PROXY FOR SANDOWN CAPITAL SHAREHOLDERS

For use by holders of certificated Sandown Capital ordinary shares or holders of dematerialised Sandown Capital ordinary shares held through a Central Securities Depository Participant ("CSDP") or broker and who have selected own-name registration, at the general meeting of the Company to be held at 11:30 on Thursday, 15 November 2018 (or such later date as is advised on SENS and in the press in relation to any adjournment of the general meeting) at 6A Sandown Valley Crescent, Sandown, Sandton, 2196.

Additional forms of proxy are available from the transfer secretaries of the Company.

Not for use by holders of the Company's dematerialised ordinary shares who have not selected own-name registration. The CSDP or broker, as the case may be, of dematerialised Sandown Capital ordinary shareholders who have not elected own-name registration, should contact such Sandown Capital ordinary shareholders to ascertain the manner in which they wish to cast their vote at the general meeting and thereafter cast their vote in accordance with their instructions. Such instructions should be communicated to the CSDP or broker, as the case may be, in terms of the agreement between the Sandown Capital ordinary shareholder and his/her CSDP or broker. If such dematerialised Sandown Capital ordinary shareholder concerned has not been contacted, it would be advisable for them to contact their CSDP or broker, as the case may be, and furnish them with their instructions. Dematerialised Sandown Capital ordinary shareholders who are not own-name dematerialised Sandown Capital ordinary shareholders and who wish to attend the general meeting must obtain their necessary letter of representation from their CSDP or broker, as the case may be, and submit same to Sandown Capital's transfer secretaries to be received by 11:30 on Tuesday, 13 November 2018 to allow for processing of the forms of proxy.

Alternatively, the form of proxy may be handed to the chairperson of the general meeting at any time prior to the commencement of the general meeting or prior to voting on any resolution proposed at the general meeting. This must be effected in terms of the agreement entered into between the dematerialised Sandown Capital ordinary shareholder and his/her/its CSDP or broker.

If the CSDP or broker, as the case may be, does not obtain instructions from such dematerialised Sandown Capital ordinary shareholder, they will be obliged to act in terms of the mandate furnished to them, or, if the mandate is silent in this regard, to abstain from voting.

I/We (BLOCK LETTERS PLEASE)

of (ADDRESS)

being the holder/s of Sandown Capital shares hereby appoint:

- 1. _____ or failing him/her,
- 2. _____ of failing him/her,
- 3. the chairperson of the general meeting,

as my/our proxy to act for me/us at the general meeting of the Company to be held at 6A Sandown Valley Crescent, Sandown, Sandton, at 11:30 on Thursday, 15 November 2018, and at any adjournment thereof, and to vote for me/us on my/our behalf in respect of the undermentioned resolutions.

Please indicate with an "X" in the appropriate spaces below how you wish your votes to be cast. Unless this is done the proxy will vote as he/she thinks fit.

	In favour of*	Against*	Abstain*
Special resolution: Change of name			
Ordinary resolution 1: Approval of the termination agreement and termination of the existing management agreement			
Ordinary resolution 2: Change to the current investment policy			
Ordinary resolution 3: Authority to sign documentation			

*Mark "For", "Against" or "Abstain" as required. If no options are marked the proxy will be entitled to vote as he/she thinks fit.

Consent in terms of Sections 6(10) and (11) of the Companies Act, read with Regulation 7 and Table CR3 and Clause 7 of the Company's memorandum of incorporation.

I/We hereby consent to receive notices, statements, reports, accounts, or any other documents pertaining to the Company at the following email address until such authority is revoked:

Email: _____

I/We undertake to advise the Company within five days of any change in my/our email address by sending notification thereof to info@sandowncapital.com. This consent may be revoked at any time on the provision of five days' notice in writing to the Company to info@sandowncapital.com.

Please read the notes on the reverse side hereof.

Signed this _____ day of _____ 2018

Telephone number () _____ Cell phone number _____

Signature _____

Assisted by me (where applicable) _____

(State capacity and full name) _____

NOTES TO THE FORM OF PROXY

1. This form of proxy is only to be completed by those ordinary shareholders who are:
 - 1.1 holding ordinary shares in certificated form; or
 - 1.2 recorded in the sub-register in electronic form in their "own-name", on the date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Computershare Investor Services Proprietary Limited, in order to vote at the general meeting on Thursday, 15 November 2018, and who wish to appoint another person to represent them at the general meeting.
2. Certificated shareholders wishing to attend the general meeting have to ensure beforehand with the transfer secretaries of the Company (being Computershare Investor Services Proprietary Limited) 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 a registered shareholder and they should contact the registered shareholder for assistance in issuing instruction on voting their shares, or obtaining a proxy to attend, speak and, on a poll, vote at the general meeting.
4. A Sandown Capital shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space. The person whose name stands first on the form of proxy and who is present at the Sandown Capital general meeting of shareholders will be entitled to act as proxy to the exclusion of those whose names follow.
5. A proxy appointed by a Sandown Capital shareholder in terms hereof may not delegate his authority to act on behalf of the Sandown Capital shareholder to any other person.
6. If duly authorised companies and other corporate bodies who are shareholders of the Company having shares registered in their own name may, instead of completing this form of proxy, appoint a representative to represent them and exercise all of their rights at the meeting by giving written notice of the appointment of that representative. This notice will not be effective at the general meeting unless it is accompanied by a duly certified copy of the resolution or other authority in terms of which that representative is appointed and is received at Computershare Investor Services Proprietary Limited, at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, to reach the Company by 11:30 on Tuesday, 13 November 2018 to allow for processing of the forms of proxy. Alternatively, the form of proxy may be handed to the chairperson of the general meeting at any time prior to the commencement of the general meeting or prior to voting on any resolution proposed at the general meeting.
7. A Sandown Capital shareholder's instructions to the proxy must be indicated by means of a tick or a cross in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the general meeting as he/she deems fit in respect of all the Sandown Capital shareholder's votes exercisable thereat relating to the resolutions proposed in this form of proxy.
8. The forms of proxy should be lodged at Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or posted to PO Box 61051, Marshalltown, 2107 or emailed to proxy@computershare.co.za so as to be received, for administrative purposes, by 11:30 on Tuesday, 13 November 2018 to allow for processing of the forms of proxy. Alternatively, the form of proxy may be handed to the chairperson of the general meeting or to the transfer secretaries at the general meeting at any time prior to the general meeting or prior to voting on any resolution at the general meeting.
9. The completion and lodging of this form of proxy will not preclude the relevant Sandown Capital shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Sandown Capital shareholder wish to do so. In addition to the foregoing, a Sandown Capital shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the Sandown Capital shareholder as at the later of the date stated in the revocation instrument, if any; or the date on which the revocation instrument was delivered in the required manner.
10. The chairperson of the general meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
11. Any alteration to this form of proxy, other than a deletion of alternatives, must be initialled by the signatory/ies.
12. 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 unless previously recorded by the Company.
13. Where there are joint holders of Sandown Capital shares:
 - 13.1 any one holder may sign this form of proxy; and
 - 13.2 the vote of the senior (for that purpose seniority will be determined by the order in which the names of shareholders appear in the register of members) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint holder(s) of Sandown Capital shares.
14. This form of proxy may be used at any adjournment or postponement of the general meeting, including any postponement due to a lack of quorum, unless withdrawn by the Sandown Capital shareholder.
15. The foregoing notes contain a summary of the relevant provisions of section 58 of the Companies Act, as required in terms of that section.



SANDOWN CAPITAL LIMITED

(Incorporated in South Africa)
(Registration number 2000/013674/06)
JSE share code: SDC ISIN: ZAE000249645
("Sandown Capital" or the "Company")

FORM OF SURRENDER
of documents of title for use by certificated shareholders only

Instructions:

1. This form of surrender is for use by certificated shareholders who will be receiving certificated shares in the Company after the change of name and, when completed, should be sent to the transfer secretaries.
2. Replacement share certificates will not be sent to shareholders unless and until a form of surrender and the documents of title in respect of the relevant shares have been surrendered to the transfer secretaries.
3. Part A must be completed by all shareholders who have not yet dematerialised their share certificates or other documents of title. Dematerialised shareholders must not complete a form of surrender as the appropriate action will be taken by their CSDP or broker.
4. If this form of surrender is received by the transfer secretaries with the relevant documents of title prior to the change of name becoming effective, it will be treated as a conditional surrender which is made subject to the change of name becoming effective. Such surrendered documents of title will be held in trust by the transfer secretaries until the change of name becomes effective. In the event that the change of name does not become effective, for any reason whatsoever, the transfer secretaries will (within five business days after either the date upon which it becomes known that the change of name will not be able to be implemented, or, after subsequent receipt of surrendered documents of title, whichever is the later) return the relevant documents of title to the shareholders concerned, at their risk, by registered post.
5. Part B must be completed by all emigrants from and non-residents of the common monetary area who are recorded in the share register of Sandown Capital and who have not yet dematerialised their documents of title.
6. A separate form of surrender is required for each shareholder.
7. Please refer to the instructions above and the notes overleaf before completing this form of surrender.

To: Sandown Capital Limited

Care of: Computershare Investor Services Proprietary Limited

Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
(PO Box 61763, Marshalltown, 2107)

Dear Sirs,

I/We, the undersigned, being the registered holder of the number of shares specified below, which are free of encumbrances, hereby surrender the enclosed documents of title identified below in respect of the shares held by me/us in Sandown Capital, conditional upon the special resolution in respect of the change of name being passed (and the subsequent registration of the relevant special resolution with the CIPC) at the general meeting of shareholders to be held on Thursday, 15 November 2018.

I/We hereby instruct you to post a replacement certificate in respect of the shares surrendered to me, by registered post, at my/our risk, to the address given below, on the terms set out in the document dispatched to shareholders to which this form of surrender was attached. I/We acknowledge that if no address is stated below, the replacement certificate will be sent to my/our address recorded on the relevant sub-register.

My/Our signature(s) on this form of surrender constitutes my/our execution of this instruction.

Signature of shareholder

Date

2018

Stamp and address of agent lodging this form (if any)	
Surname/Name of corporate body	
First names (in full) (if applicable)	
Title (Dr, Prof, Mr, Mrs, Miss, Ms, etc)	
Telephone number ()	
Cell phone number ()	
Assisted by me (if applicable)	
Date	
State full name and capacity	
Postal address (preferably PO Box address) to which replacement certificates should be sent, if other than the address contained in the register of shareholders:	
Postal code:	

Lost share certificates and/or documents of title

If a share certificate or other document of title relating to any share in Sandown Capital has been lost or destroyed, the relevant replacement certificate will only be issued upon production of satisfactory evidence that the relevant share certificate or document of title has been lost or destroyed and upon delivery of an indemnity, in a form and on terms and conditions approved by Sandown Capital. Indemnity forms may be requested from the transfer secretaries.

Dematerialised shareholders

This form is not intended for dematerialised shareholders and such shareholders must not complete this form. Where dematerialised shareholders wish to provide a new address to which share statements are to be posted, such shareholders should contact their CSDP or broker.

South African Exchange Control Regulations

1. Shareholders who are emigrants from or non-residents of the common monetary area, whose addresses are recorded in the shareholder register as outside the common monetary area and whose documents of title have been restrictively endorsed under the South African Exchange Control Regulations should nominate an authorised dealer in Part B of this form as required in terms of the document to which this form is attached. A replacement share certificate will be forwarded to the authorised dealer nominated above for its control. Failing such nomination, any replacement certificate due to such a shareholder will be retained in trust by the transfer secretaries pending instructions from the shareholder concerned and such shareholder shall be responsible for any costs associated with such trust account.
2. A non-resident shareholder whose documents of title have not been restrictively endorsed should submit such documents of title to the transfer secretaries. The replacement share certificate will be sent to the address provided on the face of this form, or, failing that, the registered address of the non-resident shareholder concerned as recorded in the sub-register of Sandown Capital.
3. Replacement share certificates issued will duplicate any restrictive endorsement in terms of the South African Exchange Control Regulations appearing on current documents of title.

