
FIRM INTENTION BY LEGAE PERESEC CAPITAL PROPRIETARY LIMITED TO MAKE AN OFFER TO ACQUIRE ZARCLEAR SHARES

1. Introduction

Shareholders are referred to the update announcement released on SENS on 5 August 2020, wherein shareholders were advised that:

- 1.1. Legae Peresec Capital Proprietary Limited ("**Legae Peresec Capital**" or the "**Offeror**"), which currently holds c.30.08% of the Company's issued share capital, expressed its desire to the board of directors of Zarclear (the "**Board**") to further increase its strategic holding in the Company and informed the Board that Legae Peresec Capital will proceed with a general offer to Zarclear shareholders to purchase Zarclear's listed securities ("**ZCL shares**") at an offer price of R4.40 per ZCL share (the "**offer consideration**") (the "**general offer**"); and
- 1.2. the general offer will be made by Legae Peresec Capital in compliance with the relevant provisions of Chapter 5 of the Companies Act 71 of 2008 (the "**Companies Act**") and the Takeover Regulations promulgated thereunder (the "**Takeover Regulations**").

This announcement contains further details of the general offer and constitutes a firm intention announcement in terms of Regulation 101 of the Takeover Regulations.

2. Information about the Offeror

Legae Peresec Capital is an investment holding company.

3. Terms and conditions of the general offer

The general offer will be made in terms of section 117(1)(c)(v) of the Companies Act and Regulation 102 of the Takeover Regulations. The material terms of the offer to be made by the Offeror to all Zarclear shareholders are as follows:

3.1. Offer consideration

The general offer will be made for a cash consideration of R4.40 per ZCL share payable against delivery of ownership of the relevant ZCL shares into the Offeror's name.

3.2. Conditions precedent to the general offer

The general offer will not be subject to any conditions.

4. Ability to proceed with the general offer

The Offeror has confirmed to the Board that the Offeror has sufficient funds to fully satisfy the cash offer commitment. The Offeror has delivered an irrevocable unconditional guarantee issued by The Standard Bank of South Africa Limited in accordance with Regulations 111(4) and 111(5) of the Takeover Regulations and in favour of Zarclear shareholders for the sole purpose of fully satisfying the Offeror's cash offer commitment.

5. Legae Peresec Capital mandatory offer

The Offeror currently holds 68 000 000 shares, being 30.08% of the issued shares of Zarclear. The general offer, if accepted by shareholders holding at least 11 122 994 ZCL shares, will result in the Offeror acquiring ZCL shares equal to or exceeding 35% of the issued share capital of Zarclear. In consequence, a mandatory offer at a price of R4.40 per ZCL share will be triggered by the Offeror in favour of holders of Zarclear shares. The general offer will, accordingly, be in fulfilment of the mandatory offer provisions of Chapter 5 of the Companies Act and the Takeover Regulations.

6. Beneficial interest in Zarclear of the Offeror, persons related to the Offeror and/or persons acting in concert with the Offeror

The Offeror has disclosed the following beneficial interests in Zarclear held by the Offeror, persons related to the Offeror and/or persons acting in concert with the Offeror:

Shareholder	Number of shares	% of issued shares
Legae Peresec Capital	68 000 000	30.08
Total	68 000 000	30.08

7. Zarclear shareholder support

Irrevocable undertakings not to accept the general offer have been received by the Offeror from the following Zarclear shareholders holding in aggregate 89 988 122 ZCL shares, representing 39.81% of all ZCL shares and 56.93% of ZCL shares excluding ZCL shares held by the Offeror:

Shareholder / asset manager	Number of shares	% of issued shares	% of issued shares (excluding the shares held by the Offeror)
SBSA ITF SUI GENERIS LPFP H4 QHF	44 212 023	19.56	27.97
Hampden Capital Proprietary Limited	24 968 171	11.04	15.80
Zolospan Proprietary Limited	18 700 000	8.27	11.83
Ellerine Group Proprietary Limited	2 107 928	0.93	1.33
Total	89 988 122	39.81	56.93

8. Appointment of the independent board and an independent expert

In accordance with the provisions of the Companies Act and the Takeover Regulations, an independent sub-committee of the Zarclear Board, comprising Andrew Hannington, Amanda Smith and Kgosi Matthews (the "independent board") was appointed to advise Zarclear shareholders on the general offer.

The independent board appointed Nodus Capital TS Proprietary Limited (“**Nodus**”) to provide the independent board with its opinion as to whether the terms of the offer are fair and reasonable to Zarclear shareholders, in accordance with the Takeover Regulations.

Nodus’ full report, as well as the independent board’s opinion on the general offer and offer consideration, will be included in the circular to be posted to Zarclear shareholders.

9. Circular posting date

A combined offer circular (containing full details in respect of the general offer and incorporating the independent board’s view of the general offer and the offer consideration and the fair and reasonable opinion prepared by Nodus) is in the process of being prepared. The circular will be posted to Zarclear shareholders within 20 business days of the date of this announcement.

Shareholders will be advised of the posting of the circular and the opening date of the general offer by means of an announcement on SENS and ANS.

The general offer will remain open for acceptance for at least 30 business days after the opening date of the general offer.

10. The independent board and Zarclear Board responsibility statement

The independent board and Zarclear Board (to the extent that the information relates to Zarclear) collectively and individually accept responsibility for the information contained in this announcement and certify that, to the best of their knowledge and belief, the information contained in this announcement relating to Zarclear is true and this announcement does not omit anything that is likely to affect the import of such information.

11. Offeror responsibility statement

The Offeror and (to the extent that the information relates directly to the Offeror) accepts responsibility for the information contained in this announcement and certifies that, to the best of its knowledge and belief, the information contained in this announcement relating to the Offeror is true and this announcement does not omit anything that is likely to affect the import of such information.

31 August 2020

Corporate advisor and sponsor to Zarclear

JAVACAPITAL