

## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 9 of this circular have, where appropriate, been used on 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 of your Zarclear shares, then this circular, together with the attached notice of general meeting, form of proxy (*green*) and form of surrender and transfer (*blue*), should be handed to the purchaser of such Zarclear shares or to the broker, CSDP, banker or other agent through whom the disposal was effected.

Beneficial shareholders who hold dematerialised shares through a CSDP or broker but who have not elected own name registration 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 agreement with their CSDP or broker.

Shareholders are referred to page 2 of this circular, which sets out the detailed action required of them in respect of the transaction and ancillary matters set out in this circular.

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.

**Zarclear 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 shares to notify such shareholder of the action required of them in respect of the transaction and ancillary matters set out in this circular.**



### ZARCLEAR HOLDINGS LIMITED

(Incorporated in South Africa)

(Registration number 2000/013674/06)

Share code: ZCL ISIN: ZAE000262820

("Zarclear" or the "company")

## CIRCULAR TO ZARCLEAR SHAREHOLDERS

relating to:

- an offer by Zarclear to all Zarclear shareholders to voluntarily tender for repurchase all, or only a portion, of their existing shareholding in the company at an offer price of R4.60 per share in terms of sections 48(8), 114(1)(e) and 115(2)(a) of the Companies Act;
- the delisting of all Zarclear shares from the Main Board of the JSE and the securities exchange operated by A2X following the passing of the delisting resolution by Zarclear shareholders and the implementation of the share repurchase offer; and
- the adoption of a new memorandum of incorporation to take into account the delisting,

and incorporating:

- a report prepared by the independent expert in terms of sections 114(2) and 114(3) of the Companies Act (read with Regulation 90 of the Regulations), the JSE Listings Requirements and the A2X Listings Requirements;
- a notice of general meeting of Zarclear shareholders;
- a form of proxy (*green*) to attend and vote at the general meeting of Zarclear shareholders for use by certificated shareholders and dematerialised shareholders who have elected own-name registration only;
- a form of surrender and transfer (*blue*) for use by certificated shareholders only; and
- extracts of section 115 of the Companies Act dealing with the approval requirements for fundamental transactions and section 164 of the Companies Act dealing with dissenting shareholders' appraisal rights.

Corporate advisor and sponsor to Zarclear

JAVACAPITAL

Independent expert to Zarclear

nodus

Date of issue: Thursday, 26 August 2021

Due to the COVID-19 pandemic and the resultant lockdown regulations, hard copies of this circular will not be available at the registered address of the company. The circular will only be available on Zarclear's website ([www.zarclear.com](http://www.zarclear.com)) from Thursday, 26 August 2021.

---

## CORPORATE INFORMATION

---

### **Registered office of Zarclear**

Zarclear Holdings Limited  
(Registration number 2000/013674/06)  
9th Floor, Katherine Towers  
(Bidvest Bank Building)  
1 Park Lane  
Wierda Valley  
Sandton, 2196  
(PO Box 650361, Benmore, 2010)

### **Corporate advisor to Zarclear**

Java Capital Proprietary Limited  
(Registration number 2012/089864/07)  
6th Floor, Katherine Towers  
1 Park Lane  
Wierda Valley  
Sandton, 2196  
(PO Box 522606, Saxonwold, 2132)

### **Independent expert to Zarclear**

Nodus Capital TS Proprietary Limited  
(Registration number 2014/226782/07)  
Building 2, Commerce Square Office Park  
39 Rivonia Road  
Sandhurst, 2196  
(PO Box 553696, Northlands, 2116)

### **Date and place of incorporation of Zarclear**

Incorporated on 28 June 2000 in the Republic of South Africa

### **Company secretary to Zarclear**

CIS Company Secretaries Proprietary Limited  
(Registration number 2006/024994/07)  
Rosebank Towers  
15 Biermann Avenue  
Rosebank, 2196  
(PO Box 61763, Marshalltown, 2107)

### **Sponsor to Zarclear**

Java Capital Trustees & Sponsors Proprietary Limited  
(Registration Number 2006/005780/07)  
6<sup>th</sup> Floor, Katherine Towers  
1 Park Lane  
Wierda Valley  
Sandton, 2196  
(PO Box 522606, Saxonwold, 2132)

### **Transfer secretaries to Zarclear**

Computershare Investor Services Proprietary Limited  
(Registration number 2004/003647/07)  
Rosebank Towers, 15 Biermann Avenue  
Rosebank, 2196  
(Private Bag X9000, Saxonwold, 2132)

---

## TABLE OF CONTENTS

---

The definitions and interpretations commencing on page 9 of this circular apply to this table of contents.

	<i>Page</i>
<b>Corporate information</b>	Inside front cover
<b>Action required by Zarclear shareholders</b>	2
<b>Salient dates and times</b>	7
<b>Definitions and interpretations</b>	9
<b>Part I – The delisting and share repurchase offer</b>	
1. Introduction	14
2. Information on Zarclear and rationale for the delisting and share repurchase offer	15
3. JSE, A2X and Companies Act requirements for the delisting and share repurchase offer	15
4. The delisting	15
5. Details of the share repurchase offer	16
6. General meeting	21
<b>Part II – Financial information</b>	
7. Historical financial information of Zarclear	22
8. Solvency, liquidity and working capital	22
<b>Part III – General</b>	
9. Major shareholders	23
10. Directors' interests	23
11. Zarclear shareholder support	25
12. Arrangements in relation to the share repurchase offer	25
13. Opinions and recommendations	25
14. New MOI	26
15. Material changes	26
16. Litigation	26
17. Price and volume history of Zarclear shares	26
18. Directors' responsibility statements	27
19. Consents	27
20. Conflicts of interest	27
21. Preliminary and issue expenses	27
22. Documents available for inspection	28
<b>Annexure 1</b> Independent expert's opinion regarding the share repurchase offer	29
<b>Annexure 2</b> Historical financial information of Zarclear for the fifteen months ended 30 June 2020 and the years ended 31 March 2019 and 31 March 2018	39
<b>Annexure 3</b> Unaudited financial information of Zarclear for the six months ended 31 December 2020	42
<b>Annexure 4</b> Extracts from the new MOI	45
<b>Annexure 5</b> Trading history of Zarclear shares	56
<b>Annexure 6</b> Exchange control regulations	57
<b>Annexure 7</b> Dealings in Zarclear shares by persons who provided irrevocable undertakings	59
<b>Annexure 8</b> Zarclear group structure	60
<b>Notice of general meeting</b>	<b>61</b>
<b>Form of proxy</b>	<b>Attached</b>
<b>Form of surrender and transfer for use by certificated shareholders only</b>	<b>Attached</b>

---

## ACTION REQUIRED BY ZARCLEAR SHAREHOLDERS

---

The definitions and interpretations commencing on page 9 of this circular have, where appropriate, been used in this section.

If you have disposed of all your Zarclear shares, then this circular, together with the attached notice of general meeting, form of proxy (*green*) and form of surrender and transfer (*blue*), should be handed to the purchaser of such shares or to the broker, CSDP, banker or other agent through whom the disposal was effected.

Please take careful note of the following provisions regarding the action to be taken by Zarclear shareholders in relation to the share repurchase offer.

In light of the regulations, directives and/or preventative measures required to be adhered to relating to the COVID-19 pandemic as published or issued by the relevant South African authorities from time to time, and the guidance from the South African Government regarding the need for social distancing, as a result of the COVID-19 pandemic (the “**COVID-19 Restrictions**”), the general meeting of Zarclear shareholders will be held virtually via a remote interactive electronic platform, Microsoft Teams at 10:00 on Monday, 27 September 2021 for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions required to approve, *inter alia*, the share repurchase offer in terms of sections 48(8), 114(1)(e) and 115(2)(a) of the Companies Act (read with section 115 of the Companies Act) and the delisting of all Zarclear shares from the Main Board of the JSE and A2X. A notice convening the general meeting is attached to and forms part of this circular.

Shareholders should take note that the independent board recommend that shareholders vote in favour of the resolutions to be proposed at the general meeting.

Should the share repurchase offer not be approved at the general meeting, or should it be approved but for whatever reason not come into force or effect, the share repurchase offer will not be made to Zarclear shareholders.

Share repurchase offer participants are advised to consult their professional advisors about their personal tax positions regarding the share repurchase offer.

### 1. DEMATERIALIZED SHAREHOLDERS WHO DO NOT HAVE OWN NAME REGISTRATION

#### 1.1 Participation in the general meeting

Dematerialised shareholders wishing to participate in the general meeting are requested, for administrative purposes, to submit notification of their intent (the “**electronic notice**”) by email to the transfer secretaries, Computershare Investor Services Proprietary Limited, at proxy@computershare.co.za as soon as possible and by no later than 10:00 on Wednesday, 22 September 2021. The electronic notice should include relevant contact details including email address, cellular number and landline, as well as full details of the shareholder’s title to the shares and proof of identity, in the form of copies of identity documents and written confirmation from the shareholder’s CSDP confirming the shareholder’s title to the dematerialised shares. The shareholder should also indicate whether the shareholder wishes to vote by proxy or wishes to exercise votes during the general meeting. Upon receipt of the required information, the shareholder concerned will be provided with a link to access the general meeting together with any further instructions. The fact that shareholders are requested to submit an electronic notice to the transfer secretaries before 10:00 on Wednesday, 22 September 2021 will not in any way affect the rights of shareholders who submit an electronic notice after this date and who have been fully verified (as required in terms of section 63(1) of the Companies Act) to participate in and/or vote at the general meeting.

#### 1.2 Voting at the general meeting

1.2.1 Shareholders are encouraged to make use of proxies for purposes of voting at the general meeting. Shareholders who wish to vote during the general meeting are requested to advise the transfer secretaries thereof when submitting the electronic notice to the transfer secretaries, who will provide such shareholders with instructions as to how to submit their ballot forms to the transfer secretaries during the general meeting.

1.2.2 Dematerialised shareholders who have not elected own name registration in the share register of Zarclear and who wish to attend the general meeting must instruct their CSDP or broker timeously in order that such CSDP or broker issues them with the necessary letter of representation.

1.2.3 Dematerialised shareholders who have not elected own name registration in the share register of Zarclear and who do not wish to attend the general meeting but wish to vote thereat, must provide their CSDP or broker with their instruction for voting at the general meeting in the manner stipulated in the agreement governing the relationship between such shareholders 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.

1.2.4 You must **not** complete the attached form of proxy (*green*).

1.2.5 **Zarclear does not accept responsibility and will not be held liable for any failure on the part of the CSDP of a dematerialised shareholder to notify such shareholder of the general meeting or any business to be conducted thereat.**

### 1.3 Surrender of documents of title

- 1.3.1 You do not have to surrender any documents of title.
- 1.3.2 You must **not** complete the attached form of surrender and transfer (*blue*).

### 1.4 Settlement of share repurchase offer consideration

- 1.4.1 Subject to the implementation of the share repurchase offer, dematerialised shareholders who accept the share repurchase offer will have their accounts at their CSDP or broker updated with the share repurchase offer consideration by no later than the share repurchase offer payment date, being within 6 business days after the date on which the CSDPs or brokers of such Zarclear shareholders notify the transfer secretaries of their acceptance of the share repurchase offer, unless such notification is received on the share repurchase offer closing date, in which case the share repurchase offer consideration will be paid on the first business day following the record date.
- 1.4.2 The delisting resolution and share repurchase offer resolution are inter-conditional and as such, if either resolution is not passed at the general meeting, then neither the delisting nor the share repurchase offer will proceed.

## 2. DEMATERIALISED SHAREHOLDERS WHO HAVE OWN NAME REGISTRATION

### 2.1 Participation in the general meeting

Dematerialised shareholders who have own name registration wishing to participate in the general meeting are requested, for administrative purposes, to submit an electronic notice by email to the transfer secretaries, Computershare Investor Services Proprietary Limited, at proxy@computershare.co.za as soon as possible and by no later than 10:00 on Wednesday, 22 September 2021. The electronic notice should include relevant contact details including email address, cellular number and landline, as well as full details of the shareholder's title to the shares and proof of identity, in the form of copies of identity documents and written confirmation from the shareholder's CSDP confirming the shareholder's title to the dematerialised shares. The shareholder should also indicate whether the shareholder wishes to vote by proxy or wishes to exercise votes during the general meeting. Upon receipt of the required information, the shareholder concerned will be provided with a link to access the general meeting together with any further instructions. The fact that shareholders are requested to submit an electronic notice to the transfer secretaries before 10:00 on Wednesday, 22 September 2021 will not in any way affect the rights of shareholders who submit an electronic notice after this date and who have been fully verified (as required in terms of section 63(1) of the Companies Act) to participate in and/or vote at the general meeting.

### 2.2 Voting at the general meeting

- 2.2.1 Shareholders are encouraged to make use of proxies for purposes of voting at the general meeting. Shareholders who wish to vote during the general meeting are requested to advise the transfer secretaries thereof when submitting the electronic notice to the transfer secretaries, who will provide such shareholders with instructions as to how to submit their ballot forms to the transfer secretaries during the general meeting.
- 2.2.2 Own name dematerialised shareholders 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 (*green*) in accordance with the instructions contained therein. The duly completed forms of proxy are requested to be received by the transfer secretaries by no later than 10:00 on Wednesday, 22 September 2021. Forms of proxy not lodged with the transfer secretaries in time 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 to be proposed at the general meeting.

### 2.3 Surrender of documents of title

- 2.3.1 You do not have to surrender any documents of title.
- 2.3.2 You must **not** complete the attached form of surrender and transfer (*blue*).
- 2.3.3 If you wish to participate in the share repurchase offer, it will incumbent upon you to contact your CSDP or broker to provide them with your instructions as to acceptance and participation in the share repurchase offer.

### 2.4 Settlement of share repurchase offer consideration

- 2.4.1 Subject to the implementation of the share repurchase offer, dematerialised shareholders who accept the share repurchase offer will have their accounts at their CSDP or broker updated with the share repurchase offer consideration by no later than the share repurchase offer payment date, being within 6 business days after the date on which the CSDPs or brokers of such Zarclear shareholders notify the transfer secretaries of their acceptance of the share repurchase offer, unless such notification is received on the share repurchase offer closing date, in which case the share repurchase offer consideration will be paid on the first business day following the record date.
- 2.4.2 The delisting resolution and share repurchase offer resolution are inter-conditional and as such, if either resolution is not passed at the general meeting, then neither the delisting nor the share repurchase offer will proceed.

### 3. CERTIFICATED SHAREHOLDERS

#### 3.1 Participation in the general meeting

Certificated shareholders wishing to participate in the general meeting are requested, for administrative purposes, to submit an electronic notice by email to the transfer secretaries, Computershare Investor Services Proprietary Limited, at proxy@computershare.co.za as soon as possible and by no later than 10:00 on Wednesday, 22 September 2021. The electronic notice should include relevant contact details including email address, cellular number and landline, as well as full details of the shareholder's title to the shares and proof of identity, in the form of copies of identity documents and share certificates. The shareholder should also indicate whether the shareholder wishes to vote by proxy or wishes to exercise votes during the general meeting. Upon receipt of the required information, the shareholder concerned will be provided with a link to access the general meeting together with any further instructions. The fact that shareholders are requested to submit an electronic notice to the transfer secretaries before 10:00 on Wednesday, 22 September 2021 will not in any way affect the rights of shareholders who submit an electronic notice after this date and who have been fully verified (as required in terms of section 63(1) of the Companies Act) to participate in and/or vote at the general meeting.

#### 3.2 Voting at the general meeting

3.2.1 Shareholders are encouraged to make use of proxies for purposes of voting at the general meeting. Shareholders who wish to vote during the general meeting are requested to advise the transfer secretaries thereof when submitting the electronic notice to the transfer secretaries, who will provide such shareholders with instructions as to how to submit their ballot forms to the transfer secretaries during the general meeting.

3.2.2 Certificated shareholders 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 (*green*) in accordance with the instructions contained therein. The duly completed forms of proxy are requested to be received by the transfer secretaries by no later than 10:00 on Wednesday, 22 September 2021. Forms of proxy not lodged with the transfer secretaries in time 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 to be proposed at the general meeting.

#### 3.3 Surrender of documents of title

3.3.1 Certificated shareholders will, subject to the implementation of the share repurchase offer, only be entitled to receive the share repurchase consideration in respect of their repurchase shares once they have surrendered their documents of title.

3.3.2 In order to surrender your document of title, you must complete the attached form of surrender and transfer (*blue*) in accordance with the instructions contained therein, and return it, together with your documents of title, to the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 (PO Box 61763, Marshalltown, 2107) to be received by them by no later than 12:00 on the share repurchase record date.

3.3.3 You may surrender your documents of title in anticipation of the share repurchase offer being implemented. No receipts or proof of receipt will be issued unless specifically requested. Documents of title surrendered in anticipation of the share repurchase offer being implemented will be held in trust by the transfer secretaries, at the relevant shareholder's risk, pending the implementation of the share repurchase offer.

3.3.4 Your attention is drawn to the fact that if you surrender your documents of title in advance, you will be unable to dematerialise and/or trade in those shares on the JSE and A2X from the date of surrender. However, your right to attend and vote at the general meeting will remain unaffected.

3.3.5 The form of surrender and transfer (*blue*) should be retained as no further copies will be circulated. Additional copies may be requested from the transfer secretaries.

3.3.6 If documents of title relating to any repurchase shares to be surrendered are lost or destroyed, Zarclear may dispense with the surrender of such documents of title upon production of evidence satisfactory to Zarclear that the documents of title in question have been lost or destroyed, and upon provision of a suitable indemnity on terms satisfactory to the company. Accordingly, if the documents of title in respect of any of your repurchase shares have been lost or destroyed, you should nevertheless return the attached form of surrender and transfer (*blue*), duly signed and completed, together with a duly signed and completed indemnity form which is obtainable from the transfer secretaries.

3.3.7 Should you surrender your documents of title in anticipation of the share repurchase offer being approved, but for whatever reason it does not come into force or effect, the transfer secretaries shall, within five business days of either the date upon which it becomes known that the share repurchase offer will not be implemented or on receipt by the transfer secretaries of the relevant documents of title, whichever is the later, return the documents of title to you by post at your risk.

### **3.4 Settlement of the share repurchase offer consideration**

- 3.4.1 Should the share repurchase offer be implemented, documents of title held by certificated shareholders reflected in the register on the share repurchase offer record date will be exchanged for the share repurchase offer consideration to which you are entitled.
- 3.4.2 Subject to the implementation of the share repurchase offer, certificated shareholders who accept the share repurchase offer will have the share repurchase offer consideration transferred to them by way of EFT (depending on the election made by them in the form of acceptance) by no later than the share repurchase offer payment date, being within 6 business days after the date on which such shareholders deliver forms of acceptance and documents of title to the transfer secretaries, unless such forms of acceptance and documents of title are delivered on the share repurchase offer closing date, in which case the share repurchase offer consideration will be paid on the first business day following the share repurchase offer record date.

## **4. DEMATERIALISATION OF SHARES**

- 4.1 If you wish to dematerialise your Zarclear shares, please contact your CSDP or broker. Zarclear shareholders are advised that no dematerialisation or rematerialisation of Zarclear shares may take place after the last day to trade, which is expected to be Tuesday, 19 October 2021.
- 4.2 You are not required to dematerialise your shares in order to participate in the share repurchase offer or to receive the share repurchase offer consideration.

## **5. NON-RESIDENT SHAREHOLDERS**

Zarclear shareholders who are not resident in, or who have registered addresses outside South Africa, must satisfy themselves as to the full observance of any applicable law concerning the receipt of share repurchase offer consideration, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes due in such jurisdiction. Zarclear shareholders who are in any doubt as to their positions should consult their professional advisors immediately.

## **6. ADDITIONAL INFORMATION IN RELATION TO THE GENERAL MEETING**

### **6.1 Voting procedure and quorum for the general meeting**

- 6.1.1 The quorum requirement for the general meeting to begin or for a matter to be considered at the general meeting is at least three shareholders entitled to attend and vote and who are present or able to participate in the meeting by electronic communication, or represented by a proxy who is present in person or able to participate in the meeting by electronic communication. In addition:
  - 6.1.1.1 the general meeting may not begin until sufficient persons are present, or represented by proxy to exercise, in aggregate, at least 25% of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the general meeting; and
  - 6.1.1.2 a matter to be decided at the general meeting may not begin to be considered unless sufficient persons are present, or represented by proxy to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised in respect of that matter at the time the matter is called on the agenda.
- 6.1.2 Voting shall be conducted by way of a poll. The poll shall be conducted in such manner as the chairperson of the meeting directs.

### **6.2 Court approval**

- 6.2.1 Zarclear shareholders are advised that, in terms of section 115(3) of the Companies Act, Zarclear may, in certain circumstances, not proceed to implement the special resolution required to approve the share repurchase offer despite the fact that it has been adopted at the general meeting without the approval of the court.
- 6.2.2 A copy of section 115 of the Companies Act pertaining to the required approval for the share repurchase offer is set out in Appendix A to the independent expert's report and forms part of this circular.

### **6.3 Dissenting shareholders appraisal rights**

- 6.3.1 At any time before the share repurchase offer resolution is to be voted on at the general meeting, a shareholder may give Zarclear written notice objecting to the share repurchase offer resolution.
- 6.3.2 Within 10 business days after Zarclear has adopted the share repurchase offer resolution, Zarclear must send a notice that the share repurchase offer resolution has been adopted to each shareholder who gave Zarclear written notice of objection and has neither withdrawn that notice nor voted in favour of the share repurchase offer resolution.

- 6.3.3 A shareholder who has given Zarclear written notice in terms of section 164 of the Companies Act objecting to the share repurchase offer resolution and has complied with all of the procedural requirements set out in section 164 of the Companies Act may, if the share repurchase offer resolution has been adopted, make a demand in writing within:
- 6.3.3.1 20 business days after receipt of the notice referred to above; or
  - 6.3.3.2 if the shareholder does not receive the notice from Zarclear referred to above, 20 business days after learning that the share repurchase offer resolution has been adopted,
- demanding that Zarclear pay the shareholder the fair value (in terms of and subject to the requirements set out in section 164 of the Companies Act) for all the shares held by that shareholder.
- 6.3.4 If a shareholder exercises his appraisal rights in terms of section 164 of the Companies Act, such shareholder will have no further rights in respect of those shares other than to be paid their fair value.
- 6.3.5 If a shareholder has exercised his appraisal rights as set out above, but has subsequently withdrawn his demand in terms of section 164(9) of the Companies Act, such shareholder's rights in respect of his shares will be reinstated and he will participate in the implementation of the share repurchase offer as a share repurchase offer participant and will receive the share repurchase offer consideration as set out in paragraph 5.3 of the circular provided that such shareholder has either surrendered his documents of title or provided their instructions to the CSDP or broker, as the case may be, as set out above.
- 6.3.6 A copy of section 164 of the Companies Act pertaining to the dissenting shareholders' appraisal rights is set out in **Appendix B** to the independent expert's report and forms part of this circular.

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

#### **TRP APPROVALS**

Zarclear shareholders should take note that the TRP does not consider commercial advantages or disadvantages of affected transactions when it approves such transactions.

---

## SALIENT DATES AND TIMES IN RESPECT OF THE DELISTING AND SHARE REPURCHASE OFFER

---

Set out below are the salient dates and times assuming the successful implementation of the delisting and share repurchase offer.

**2021**

Record date to determine which Zarclear shareholders are entitled to receive this circular	Friday, 20 August
Circular together with the accompanying notice convening the general meeting, form of proxy ( <i>green</i> ) and form of surrender and transfer ( <i>blue</i> ) posted to Zarclear shareholders on	Thursday, 26 August
Announcement relating to the issue of the circular (together with the notice of the general meeting) released on SENS and ANS on	Thursday, 26 August
Share repurchase offer opening date	Friday, 27 August
Announcement relating to the issue of the circular (together with the notice of the general meeting) published in the press on	Friday, 27 August
Zarclear results for the year ended 30 June 2021 released on SENS and ANS on	Thursday, 2 September
Last date to trade in Zarclear shares on the JSE and A2X in order to be recorded on the register to vote at the general meeting on	Tuesday, 14 September
Record date to be eligible to vote at the general meeting, being the voting record date, by the close of trade on	Friday, 17 September
Last date and time to lodge forms of proxy ( <i>green</i> ) in respect of the general meeting with the transfer secretaries by 10:00 on (alternatively, the form of proxy ( <i>green</i> ) 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 to be proposed at the general meeting)	Wednesday, 22 September
Last date and time shareholders wishing to participate in the general meeting are requested, for administrative purposes, to submit the electronic notice to the transfer secretaries by no later than 10:00 on	Wednesday, 22 September
Last date and time for Zarclear shareholders to give notice of their objections to the special resolution approving the share repurchase offer in terms of section 164(3) of the Companies Act by no later than 10:00 on	Monday, 27 September
General meeting held at 10:00 on	Monday, 27 September
Results of the general meeting released on SENS and ANS on	Monday, 27 September
Results of the general meeting published in the press on	Tuesday, 28 September

*If the share repurchase offer is approved by Zarclear shareholders at the general meeting with sufficient voting rights such that no shareholder may require the company to obtain court approval for the share repurchase offer as contemplated in section 115(3)(a) of the Companies Act:*

Last date for shareholders who voted against the share repurchase offer to require Zarclear to seek court approval for the share repurchase offer in terms of section 115(3)(a) of the Companies Act, if at least 15% of the total votes of shareholders at the general meeting were exercised against the share repurchase offer	Monday, 4 October
Last date on which Zarclear shareholders can make application to the court in terms of section 115(3)(b) of the Companies Act on	Monday, 11 October
Last date for Zarclear to give notice of adoption of the special resolution approving the share repurchase offer to Zarclear shareholders objecting to the special resolution on	Monday, 11 October

---

*If no Zarclear shareholders exercise their rights in terms of section 115(3)(a) or section 115(3)(b) of the Companies Act:*

Finalisation date expected to be on	Tuesday, 12 October
Finalisation announcement in respect of the share repurchase offer expected to be released on SENS and ANS by 11:00 on	Tuesday, 12 October
Finalisation date announcement in respect of the share repurchase offer expected to be published in the press on	Wednesday, 13 October
Expected last day to trade in Zarclear shares on the JSE and A2X in order to be recorded on the register on the share repurchase offer record date to receive the share repurchase offer consideration on	Tuesday, 19 October
Listing of Zarclear shares suspended on the JSE and A2X with effect from the commencement of trade on	Wednesday, 20 October
Expected date on which the share repurchase offer closes at 12:00 on	Friday, 22 October
Share repurchase offer record date on which Zarclear shareholders must be recorded in the register to receive the share repurchase offer consideration by close of trade on	Friday, 22 October
Results of the offer announced on SENS and ANS	Monday, 25 October
Share repurchase offer payment date, being the expected date for the settling of the share repurchase offer consideration on or about	Monday, 25 October
Results of the offer published in the press	Tuesday, 26 October
Termination of the listing of Zarclear shares at the commencement of trade on the JSE and A2X on	Tuesday, 26 October

**Notes:**

- All times given in this document are local times in South Africa.
- All dates and times may be changed by mutual agreement between Zarclear, the JSE, A2X and/or the TRP, if required. The dates have been determined based on certain assumptions regarding the date by which certain shareholder and regulatory approvals will be obtained and that no court approval or review of the share repurchase resolution will be required. Any change in the dates and times will be released on SENS and ANS and published in the press.
- Zarclear shareholders should note that as transactions in shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three business days after such trades. Therefore, Zarclear shareholders who acquire Zarclear shares after close of trade on Tuesday, 14 September 2021 will not be eligible to vote at the general meeting.
- In order to ensure an orderly arrangement of affairs at the general meeting, forms of proxy (*green*) should be lodged with the transfer secretaries by 10:00 on Wednesday, 22 September 2021, failing which forms of proxy may be handed to the chairman of the general meeting or 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 to be proposed at the general meeting.
- If the general meeting is adjourned or postponed, a form of proxy (*green*) submitted for the initial general meeting will remain valid in respect of any adjournment or postponement of the general meeting, unless it is withdrawn.
- If the general meeting is adjourned or postponed then forms of proxy (*green*) that have not yet been submitted should be lodged with the transfer secretaries by no later than two business days before the adjourned or postponed general meeting but may nonetheless be handed to the chairperson of the adjourned or postponed general meeting by no later than 10:00 on the date of the adjourned or postponed general meeting.
- No dematerialisation or rematerialisation of Zarclear shares may take place after Tuesday, 19 October 2021, being the last date to trade in Zarclear shares on the JSE and A2X in order to be recorded on the register on the share repurchase offer record date.
- Certificated shareholders who accept the share repurchase offer will have the share repurchase offer consideration transferred to them by way of EFT (depending on the election made by them in the form of acceptance) by no later than the share repurchase offer payment date, being within 6 business days after the date on which such shareholders deliver forms of acceptance and documents of title to the transfer secretaries, unless such forms of acceptance and documents of title are delivered on the share repurchase offer closing date, in which case the share repurchase offer consideration will be paid on the first business day following the share repurchase offer record date.
- Dematerialised shareholders who accept the share repurchase offer will have their accounts at their CSDP or broker updated with the share repurchase offer consideration by no later than the share repurchase offer payment date, being within 6 business days after the date on which the CSDPs or brokers of such Zarclear shareholders notify the transfer secretaries of their acceptance of the share repurchase offer, unless such notification is received on the share repurchase offer closing date, in which case the share repurchase offer consideration will be paid on the first business day following the record date.
- If the share repurchase offer is approved by an insufficient number of Zarclear shareholders at the general meeting so that a Zarclear shareholder may require Zarclear to obtain court approval of the share repurchase offer as contemplated in section 115(3)(a) of the Companies Act, and if a Zarclear shareholder in fact delivers such a request, the dates and times set out above will require amendment. Zarclear shareholders will be notified separately of the applicable dates and times under this process.
- If any Zarclear shareholder who votes against the share repurchase offer exercises its rights in terms of section 115(3)(b) of the Companies Act and applies to court for a review of the share repurchase offer, the dates and times set out above will require amendment. Zarclear shareholders will be notified separately of the applicable dates and times under this process.

---

## DEFINITIONS AND INTERPRETATIONS

---

In this circular and the annexures hereto, unless the context indicates otherwise, references to the singular include the plural and *vice versa*, words denoting one gender include the other, expressions denoting natural persons include juristic persons and associations of persons and *vice versa*, and the words in the first column have the meanings stated opposite them in the second column, as follows:

“A2X”	the exchange operated by A2X Proprietary Limited (Registration number 2014/147138/07), a private company incorporated and registered in accordance with the laws of South Africa, and licensed as an exchange under the Financial Markets Act, No. 19 of 2012, as amended from time to time;
“A2X Listings Requirements”	the Listings Requirements published by A2X from time to time;
“African Phoenix”	African Phoenix Investments Limited (Registration number 1946/021193/06), a public company incorporated and registered in accordance with the laws of South Africa. The shareholders of African Phoenix are: <ul style="list-style-type: none"><li>• Peresec Prime Brokers (as to 49.75%);</li><li>• Zarclear (as to 23.84%);</li><li>• Hampden Capital (as to 21.24%); and</li><li>• other unrelated minority shareholders (as to 5.17%);</li></ul>
“ANS”	A2X news service;
“appraisal rights”	the rights afforded to Zarclear shareholders under section 164 of the Companies Act, as set out in <b>Appendix B</b> to the fair and reasonable opinion set out in <b>Annexure 1</b> , which forms part of this circular;
“board” or “directors” or “board of directors”	the board of directors of Zarclear;
“broker”	any person registered as a broking member (equities) in terms of the JSE Listings Requirements made in accordance with the provisions of the Financial Markets Act;
“business day”	any day other than a Saturday, Sunday or official public holiday in South Africa;
“certificated shareholders”	shareholders who hold certificated shares;
“certificated shares”	shares which have not been dematerialised into the Strate system, title to which is represented by a share certificate or other physical documents of title;
“circular” or “this document”	this circular dated Thursday, 26 August 2021 including annexures thereto;
“Common Monetary Area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Companies Act”	the Companies Act, No. 71 of 2008, as amended from time to time;
“company secretary” or “CIS Company Secretaries”	CIS Company Secretaries Proprietary Limited (Registration number 2006/024994/07), full details of which are set out in the Corporate Information section;
“conditions precedent” or “share repurchase offer conditions”	the conditions precedent set out in paragraph 5.2 of this circular;
“corporate advisor”	Java Capital Proprietary Limited (Registration number 2012/089864/07), a private company incorporated and registered in South Africa, full details of which are set out in the “Corporate Information” section of this circular;
“Court”	any South African court with competent jurisdiction to approve the implementation of the share repurchase offer resolution set out in the notice convening the general meeting, pursuant to section 115 of the Companies Act and/or to determine the fair value of Zarclear shares and make an order pursuant to section 164(14) of the Companies Act;
“CSDP”	a Central Securities Depository Participant in South Africa, appointed to hold and administer dematerialised shares;
“custody agreement”	the agreement which regulates the relationship between the CSDP or broker and each beneficial holder of dematerialised shares;

<b>“delisting”</b>	the delisting of Zarclear from the Main Board of the JSE and the securities exchange operated by A2X in terms of sections 1.14 and 1.15 of the JSE Listings Requirements and section 4.14 of the A2X Listings Requirements;
<b>“delisting resolution”</b>	the ordinary resolution to be proposed at the general meeting for approval by shareholders of the delisting in terms of section 1.15 of the JSE Listings Requirements and section 4.14 of the A2X Listings Requirements, as set out in the notice of general meeting attached to and forming part of this circular;
<b>“dematerialised shareholders”</b>	shareholders who hold dematerialised shares;
<b>“dematerialised shares”</b>	shares which have been incorporated into the Strate system, title to which is not represented by share certificates or other physical documents of title;
<b>“dissenting shareholders”</b>	the Zarclear shareholders who (i) validly exercise their appraisal rights by, among other things, objecting to the share repurchase offer resolution by demanding, in terms of section 164(5) and 164(8) of the Companies Act, that the company pay to them their fair value of the Zarclear shares; (ii) do not withdraw that demand before the company makes an offer to them in accordance with the requirements of section 164(11) of the Companies Act; and (iii) do not, after an offer is made to them by Zarclear in accordance with the requirements of section 164(11) of the Companies Act, allow such offer to lapse;
<b>“documents of title”</b>	share certificates, certified transfer deeds, balance receipts and any other documents of title to shares acceptable to the Zarclear board;
<b>“Exchange Control Regulations”</b>	the South African Exchange Control Regulations, promulgated in terms of section 9 of the Currency and Exchanges Act, No. 9 of 1933, as amended from time to time;
<b>“excluded dissenting shareholders”</b>	dissenting shareholders who accept an offer made to them by the company in accordance with the requirements of section 164(11) of the Companies Act or, pursuant to an order of court, tender their Zarclear shares to the company in accordance with the requirements of section 164(15)(v) of the Companies Act;
<b>“excluded dissenting shareholders shares”</b>	the Zarclear shares held by the excluded dissenting shareholders;
<b>“existing MOI”</b>	the memorandum of incorporation of the company;
<b>“fair and reasonable opinion”</b>	the report to the independent board prepared by the independent expert in compliance with section 114(3) of the Companies Act (read with Regulation 90) in respect of the share repurchase offer which report is set out in <b>Annexure 1</b> of this circular;
<b>“finalisation date”</b>	the date on which all the conditions precedent shall have been fulfilled or waived, as the case may be;
<b>“Financial Markets Act”</b>	the Financial Markets Act, No. 19 of 2012, as amended from time to time;
<b>“firm intention announcement”</b>	the announcement published on SENS and ANS on Wednesday, 4 August 2021 relating to the share repurchase offer and the delisting of the company;
<b>“foreign shareholder”</b>	a Zarclear shareholder who is a non-resident of South Africa as contemplated in the Exchange Control Regulations;
<b>“form of proxy”</b>	the form of proxy ( <i>green</i> ) attached to this circular for use by certificated shareholders and dematerialised shareholders with own name registration only for appointment of a proxy to represent such shareholders at the general meeting;
<b>“form of surrender and transfer”</b>	the form of surrender and transfer of documents of title ( <i>blue</i> ) attached to this circular, to be completed by certificated shareholders (only) in the event of the share repurchase offer becoming unconditional;
<b>“general meeting”</b>	the meeting of Zarclear shareholders to be held at 10:00 on Monday, 27 September 2021 virtually via a remote interactive electronic platform, Microsoft Teams, or any other adjourned or postponed date and time, at the registered office of Zarclear, to be convened in connection with the share repurchase offer for the purposes of considering and, if deemed fit, approving, with or without modification, the share repurchase offer resolution as contained in the notice of general meeting attached to and forming part of this circular;
<b>“Hampden Capital”</b>	Hampden Capital Proprietary Limited (Registration number 2000/003703/07), a private company registered and incorporated in accordance with the laws of South Africa. Hampden Capital is wholly owned by a trust of which Warren Chapman and his immediate family are the sole beneficiaries;

<b>“IFRS”</b>	International Financial Reporting Standards;
<b>“Income Tax Act”</b>	the South African Income Tax Act, No. 58 of 1962, as amended from time to time;
<b>“independent board”</b>	a sub-committee of the Zarclear board comprising Andrew Hannington, Amanda Smith and Zolani Matthews, which has been specifically constituted to appraise the share repurchase offer on behalf of the Zarclear board;
<b>“independent expert”</b>	Nodus Capital TS Proprietary Limited (Registration number 2014/226782/07), the independent expert appointed to provide external advice to the independent board in relation to the share repurchase offer in terms of section 114 of the Companies Act and Regulation 110(1) of the Takeover Regulations and in relation to the delisting in terms of the JSE Listings requirements and A2X Listings Requirements, full details of which are set out in the Corporate Information section;
<b>“JSE”</b>	the exchange operated by the JSE Limited (Registration number 2005/022939/06), a public company incorporated and registered in accordance with the laws of South Africa, and licensed as an exchange under the Financial Markets Act, No. 19 of 2012, as amended from time to time;
<b>“JSE Listings Requirements”</b>	the Listings Requirements published by the JSE from time to time;
<b>“last practicable date”</b>	Friday, 13 August 2021, being the last practicable date prior to the finalisation of this circular;
<b>“MOI”</b>	the memorandum of incorporation of Zarclear;
<b>“NAV”</b>	net asset value;
<b>“new MOI”</b>	the new memorandum of incorporation which will replace the existing MOI in its entirety, to be filed with the CIPC pursuant to Zarclear shareholders having approved the new memorandum of incorporation. Extracts of the new memorandum of incorporation are set out in <b>Annexure 4</b> ;
<b>“own name registration”</b>	dematerialised shareholders who have instructed their CSDP to hold their Zarclear shares in their own name on the uncertificated securities register;
<b>“Nkholi”</b>	Nkholi Consolidated Investments Proprietary Limited (Registration number 2017/170748/07), a private company incorporated and registered in accordance with the laws of South Africa. The shareholders of Nkholi are: <ul style="list-style-type: none"> <li>• Waldotime (Pty) Ltd (as to 24.30%) (Warren Chapman has an effective 36% shareholding in this entity);</li> <li>• 27 Four Consolidated (Pty) Ltd (as to 21.40%) (100% owned by Fatima Vawda);</li> <li>• Crimson Harvest Holdings (Pty) Ltd (as to 10.40%) (100% owned by Paul Baloyi);</li> <li>• Tshupo Maseko (as to 10.22%); and</li> <li>• various other unrelated shareholders (as to 33.68%).</li> </ul>
<b>“Persec Prime Brokers”</b>	Persec Prime Brokers Proprietary Limited (Registration number 1999/010976/07), a private company incorporated and registered in accordance with the laws of South Africa. The shareholders of Persec Prime Brokers are: <ul style="list-style-type: none"> <li>• Zolospan (as to 35%); and</li> <li>• Nkholi (as to 65%);</li> </ul>
<b>“register”</b>	the securities register of Zarclear (including the relevant sub-registers of the CSDP (as contemplated in the Financial Markets Act) administering the sub-registers of Zarclear);
<b>“repurchase shares”</b>	all, or only a portion of, the Zarclear shares held by share repurchase offer participants on the share repurchase offer record date, as the case may be;
<b>“SARB”</b>	the South African Reserve Bank;
<b>“SENS”</b>	the Stock Exchange News Service of the JSE;
<b>“share” or “Zarclear share”</b>	an ordinary share of no par value in the share capital of Zarclear;
<b>“share repurchase offer”</b>	the <i>pro rata</i> offer by the company to all its shareholders to voluntarily tender for repurchase by Zarclear (or any subsidiary thereof) all, or only a portion, of their existing shareholdings in the company;

<b>“share repurchase offer closing date”</b>	the closing date of the share repurchase offer at 12:00 as announced on SENS and ANS, a minimum of 10 businesses days prior thereto, and if required, published in the press, and which closing date shall be (i) a Friday; and (ii) not be earlier than 30 business days after the opening date. The closing date is anticipated to be on Friday, 22 October 2021;
<b>“share repurchase offer consideration”</b>	a cash consideration of R4.60 per issued share in the share capital of Zarclear in terms of the share repurchase offer;
<b>“share repurchase offer participants”</b>	the Zarclear shareholders who are registered as the holders of Zarclear shares in the register on the share repurchase offer record date and are therefore entitled to receive the share repurchase offer consideration in terms of the share repurchase offer. Zarclear shareholders who become excluded dissenting shareholders after the share repurchase offer record date will not be regarded as share repurchase offer participants; and since dissenting shareholders may become excluded dissenting shareholders, dissenting shareholders will only be regarded as share repurchase offer participants once they cease to be dissenting shareholders as contemplated in paragraph 5.4 of the circular;
<b>“share repurchase offer payment date”</b>	means: <ul style="list-style-type: none"> <li>• certificated shareholders who accept the share repurchase offer will have the share repurchase offer consideration transferred to them by way of EFT (depending on the election made by them in the form of acceptance) by no later than the share repurchase offer payment date, being within 6 business days after the date on which such shareholders deliver forms of acceptance and documents of title to the transfer secretaries, unless such forms of acceptance and documents of title are delivered on the share repurchase offer closing date, in which case the share repurchase offer consideration will be paid on the first business day following the share repurchase offer record date; and</li> <li>• dematerialised shareholders who accept the share repurchase offer will have their accounts at their CSDP or broker updated with the share repurchase offer consideration by no later than the share repurchase offer payment date, being within 6 business days after the date on which the CSDPs or brokers of such Zarclear shareholders notify the transfer secretaries of their acceptance of the share repurchase offer, unless such notification is received on the share repurchase offer closing date, in which case the offer consideration will be paid on the first business day following the share repurchase offer record date;</li> </ul>
<b>“share repurchase offer record date”</b>	the date on which Zarclear shareholders are required to be reflected in the register in order to receive the share repurchase offer consideration in terms of the share repurchase offer which date is expected to be on or about Friday, 22 October 2021;
<b>“share repurchase offer resolution”</b>	the special resolution, as contemplated in terms of sections 48(8), 114(e) and 115(2) of the Companies Act, in terms of which Zarclear shareholders approve the share repurchase offer;
<b>“shareholders” or “Zarclear shareholders”</b>	the holders of a Zarclear share;
<b>“South Africa”</b>	the Republic of South Africa;
<b>“sponsor”</b>	Java Capital Trustees & Sponsors Proprietary Limited (Registration Number 2006/005780/07), a private company incorporated and registered in South Africa, full details of which are set out in the “Corporate Information” section of this circular;
<b>“Strate”</b>	Strate Proprietary Limited (Registration number 1998/022242/07), a private company registered and incorporated in accordance with the laws of South Africa, a registered central securities depository responsible for the electronic settlement system used by the JSE and A2X;
<b>“subsidiary/ies”</b>	shall have the meaning ascribed thereto as set out in the Companies Act;
<b>“Takeover Regulations”</b>	Chapter 5 of the Regulations to the Companies Act, 2011, published in terms of the Companies Act;
<b>“transfer secretaries” or “Computershare”</b>	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company incorporated and registered in South Africa, full details of which are set out in the “Corporate Information” section of this circular;
<b>“TRP”</b>	the Takeover Regulation Panel, established in terms of section 196 of the Companies Act;

<b>“voting record date”</b>	the date on which Zarclear shareholders are to be recorded in the register in order to be eligible to attend, speak and vote at the general meeting (or any adjournment thereof), being Friday, 17 September 2021
<b>“VAT”</b>	value added tax as defined in the Value Added Tax Act, 1991, as amended;
<b>“VWAP”</b>	volume weighted average traded price per Zarclear share;
<b>“Zarclear” or the “company”</b>	Zarclear Holdings Limited (Registration number 2000/013674/06), a public company incorporated and registered in accordance with the laws of South Africa and listed on the JSE and A2X; and
<b>“Zolospan”</b>	Zolospan Proprietary Limited (Registration number. 2010/007623/07), a private company registered and incorporated in accordance with the laws of South Africa. The shareholders of Zolospan are: <ul style="list-style-type: none"> <li>• Hampden Capital (as to 33.1%); and</li> <li>• various unrelated shareholders (as to 66.9%).</li> </ul>



## ZARCLEAR HOLDINGS LIMITED

(Incorporated in South Africa)  
(Registration number 2000/013674/06)  
Share code: ZCL ISIN: ZAE000262820  
("Zarclear" or the "company")

---

Paul Baloyi (*Chairman, independent non-executive director*)  
Warren Chapman (*Chief executive officer*)  
Andrew Hannington (*Chief financial officer*)  
Amanda Smith (*Executive director*)  
Fatima Vawda (*Independent non-executive director*)  
Zolani Matthews (*Independent non-executive director*)

---

### CIRCULAR TO ZARCLEAR SHAREHOLDERS PART I: THE DELISTING AND SHARE REPURCHASE OFFER

---

#### 1. INTRODUCTION

- 1.1 In the firm intention announcement released on SENS and ANS on Wednesday, 4 August 2021 and published in the press on Thursday, 5 August 2021, shareholders were advised that the Zarclear board had resolved that, subject to securing the requisite approval from its shareholders in a general meeting and the JSE and A2X approving the company's delisting application, it would be in the best interests of Zarclear and its shareholders to seek a delisting of the company's shares from the Main Board of the JSE and A2X.
- 1.2 In compliance with the JSE Listings Requirements and the A2X Listings Requirements, the delisting must be accompanied by an offer (that an independent expert has confirmed to be fair to shareholders) which is to be made to holders of all Zarclear's listed securities.
- 1.3 As such, subject to the delisting being approved in accordance with all regulatory requirements, Zarclear intends making an offer to all of its shareholders in terms of section 5.67(B) of the JSE Listings Requirements to voluntarily tender for repurchase all, or only a portion, of their existing shareholding in the company at an offer price of R4.60 per share, which offer will be made in compliance with the relevant provisions of the Companies Act and the Takeover Regulations promulgated thereunder.
- 1.4 The delisting and share repurchase offer will be implemented on the basis that shareholders are afforded an opportunity to either monetise their investment in Zarclear at a fair price or to continue to hold shares in Zarclear in an unlisted environment. All shareholders will be entitled to elect to remain invested in Zarclear and any shareholder who does not wish to accept the share repurchase offer may retain its shareholding in Zarclear post the delisting.
- 1.5 The delisting and share repurchase offer are conditional upon the fulfilment or waiver (where appropriate) of the conditions precedent set out in paragraph 5.2 of the circular. For the delisting to be implemented, more than 50% of the votes cast by shareholders present or represented by proxy at the general meeting, excluding any controlling shareholder, its associates and any party acting in concert, need to be in favour of the delisting. For the share repurchase offer to be implemented, at least 75% of the votes cast by Zarclear shareholders in respect of the share repurchase offer resolution need to be in favour of the share repurchase offer.
- 1.6 The delisting resolution and share repurchase offer resolution are inter-conditional and as such, if either resolution is not passed at the general meeting, then neither the delisting nor the share repurchase offer will proceed.
- 1.7 The board has further resolved, subject to the delisting being approved by the requisite majority of shareholders, that the company adopt a new MOI which would be more suitable to an unlisted public company.
- 1.8 The purpose of this circular is to:
  - 1.8.1 provide Zarclear shareholders with information regarding the delisting and the manner in which it will be implemented;

- 1.8.2 provide Zarclear shareholders with relevant information regarding the share repurchase offer including, *inter alia*:
  - 1.8.2.1 the report of the independent expert prepared in terms of section 114(3) of the Companies Act (read with Regulation 90 of the Takeover Regulations), the JSE Listings Requirements and the A2X Listings Requirements; and
  - 1.8.2.2 the opinion and recommendation of the independent board and the Zarclear board in respect of the share repurchase offer, and
- 1.8.3 give notice convening the general meeting in order to consider and, if deemed fit, to pass with or without modification the resolutions necessary to approve and implement the delisting and share repurchase offer in accordance with the Companies Act, the Takeover Regulations, the JSE Listings Requirements and the A2X Listings Requirements. The notice convening the general meeting is attached to, and forms part of this circular.

## 2. INFORMATION ON ZARCLEAR AND RATIONALE FOR THE DELISTING AND SHARE REPURCHASE OFFER

- 2.1 Zarclear is an investment holding company which seeks 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 the financial market infrastructure companies that would benefit from the listed governance structures, access to liquid and flexible capital, a broad shareholder base, sector expertise and networks that Zarclear's management and board offer. Zarclear's current portfolio consists of, *inter alia*, investments in Zarclear Securities Lending, Peregrine Capital High Growth Hedge Fund, Stenprop Limited shares, African Phoenix shares and unlisted property investments. The group structure is set out in **Annexure 8** to this circular.
- 2.2 The board is of the opinion that Zarclear's listing on the JSE and A2X no longer benefits the company due to:
  - 2.2.1 the significant costs and expenses associated with listings on the JSE and A2X;
  - 2.2.2 poor market ratings and lack of liquidity achieved by small capitalisation investment holding companies; and
  - 2.2.3 the company's investment strategy being best served in an unlisted environment as the Company's portfolio carries with it the inherent likelihood of a persistent discount to NAV, which would be difficult to overcome in a listed environment.
- 2.3 In terms of section 1.15 of the JSE Listings Requirements and section 4.14 of the A2X Listings Requirements, the delisting must be accompanied by an offer to all shareholders, which offer must be fair, and as such, Zarclear is making the share repurchase offer to all shareholders to voluntarily tender for repurchase all, or only a portion, of their existing shareholding in the company for the share repurchase offer consideration.
- 2.4 The share repurchase offer will allow those shareholders who wish to monetise their shareholding the opportunity to do so at a price that reflects a meaningful premium to the recently traded price of Zarclear shares and will also benefit those shareholders who are committed to the Company's strategy and who wish to remain invested in the company.

## 3. JSE, A2X AND COMPANIES ACT REQUIREMENTS FOR THE DELISTING AND SHARE REPURCHASE OFFER

- 3.1 The delisting will be conditional on securing the approval of more than 50% of the votes of all shareholders present or represented by proxy at a general meeting, excluding any controlling shareholder, its associates and any party acting in concert, and any other party which the JSE and/or A2X deem appropriate, being cast in favour of such delisting resolution.
- 3.2 The share repurchase offer, if accepted by shareholders holding at least 11 303 285 Zarclear shares, will result in Zarclear acquiring more than 5% of the Zarclear shares in issue. Accordingly, in terms of section 48(8)(b) of the Companies Act, the decision of the board to acquire the company's shares in terms of the share repurchase offer will be subject to the requirements of section 114 and 115 of the Companies Act which provide, *inter alia*, that the decision must be approved by a special resolution adopted by persons entitled to exercise voting rights on the matter. In addition, Zarclear is also required to obtain a fair and reasonable opinion from an independent expert in terms of the provisions of section 114(3) (as read with section 48(8)(b) and section 115) of the Companies Act. In terms of section 1.15(d) of the JSE Listings Requirements, the fair and reasonable opinion must also be prepared in accordance with Schedule 5 of the JSE Listings Requirements
- 3.3 As the share repurchase offer is a *pro rata* repurchase by Zarclear of its shares from all its shareholders, shareholder approval in terms of the JSE Listings Requirements is not required for the share repurchase offer (save to the extent as required in terms of section 48(8) of the Companies Act).

## 4. THE DELISTING

- 4.1 The JSE and A2X have granted approval for the delisting of Zarclear's shares from the Main Board of the JSE and A2X in terms of sections 1.14 and 1.15 of the JSE Listings Requirements and section 4.14 of the A2X Listings Requirements, resulting in the termination of the company's listings on the JSE and A2X with effect from the commencement of trade on Tuesday, 26 October 2021, subject to the delisting being approved by more than 50% of the votes of all shareholders present in person or represented by proxy at the general meeting excluding any controlling shareholder, its associates and any party acting in concert.

- 4.2 As a result of the various cross-shareholdings and common directorships amongst Persec Prime Brokers, Hampden Capital, African Phoenix and Zolospan, the JSE has exercised its general discretion in terms of section 1.16 of the JSE Listings Requirements such that any votes cast by Persec Prime Brokers, Hampden Capital, African Phoenix and Zolospan on the delisting resolution will not be taken into consideration when determining whether the delisting resolution is approved by the requisite majority of shareholders at the general meeting.
- 4.3 By virtue of the fact that Hampden Capital may, after the share repurchase offer hold more than 35% of the issued shares in Zarclear, and may, as a result acquire control of Zarclear pursuant to the share repurchase offer, the TRP considers it to be an acquiring party for purposes of section 115(4) of the Companies Act, with the result that the voting rights controlled by Hampden Capital will not be included in calculating the percentage of voting rights (i) required to be present in determining whether the quorum requirements are satisfied; and (ii) required to be voted in support of the share repurchase resolution. Additionally, Persec Prime Brokers, African Phoenix and Zolospan have voluntarily consented that the voting rights controlled by them will likewise not be included in calculating the percentage of voting rights (i) required to be present in determining whether the quorum requirements are satisfied; and (ii) required to be voted in support of the share repurchase resolution.

## 5. DETAILS OF THE SHARE REPURCHASE OFFER

In terms of section 114(1)(e) of the Companies Act, the independent board hereby proposes the share repurchase offer, on the terms set out below:

### 5.1 The share repurchase offer

- 5.1.1 Zarclear, by way of the share repurchase offer, will offer all Zarclear shareholders the opportunity to tender for repurchase all, or only a portion, of their existing shareholding in the company. Accordingly, shareholders are being invited to voluntarily tender to the company for repurchase, as many shares as they deem fit, or, not to tender any shares at all. On this basis, acceptance of the share repurchase offer is completely voluntary and free of any form of compulsory expropriation.
- 5.1.2 The offer will be made for a cash consideration of R4.60 per Zarclear share, payable against delivery of registered and beneficial ownership of the relevant shares into the name of Zarclear.
- 5.1.3 The offer consideration of R4.60 per Zarclear share represents:
- 5.1.3.1 a premium of 2.22% to the 5-day VWAP of R4.50000 per Zarclear share;
  - 5.1.3.2 a premium of 9.42% to the 10-day VWAP of R4.20396 per Zarclear share;
  - 5.1.3.3 a premium of 9.47% to the 20-day VWAP of R4.20193 per Zarclear share; and
  - 5.1.3.4 a premium of 9.62% to the 30-day VWAP of R4.19645 per Zarclear share,
- as at Wednesday, 4 August 2021, being the date of the firm intention announcement.
- 5.1.4 The independent board has procured a fair and reasonable opinion with regard to the share repurchase offer, which has been duly prepared by the independent expert in terms of the provisions of section 114(3) (as read with section 48(8)(b) and section 115) of the Companies Act and schedule 5 of the JSE Listings Requirements. The fair and reasonable opinion is set out in **Annexure 1** of this circular.
- 5.1.5 The share repurchase offer consideration will be paid, in full, in accordance with the terms of the share repurchase offer without regard to any lien, right of set-off, counterclaim or other analogous right to which Zarclear may otherwise be, or claim to be, entitled against any share repurchase offer participant.

### 5.2 Conditions precedent to the implementation of the delisting and share repurchase offer

The delisting and share repurchase offer remain subject to the fulfilment, or waiver (in whole or in part) of the following conditions:

- 5.2.1 the delisting and share repurchase offer being approved by the requisite majority of Zarclear shareholders in terms of the Companies Act, JSE Listings Requirements and A2X Listings Requirements;
- 5.2.2 to the extent necessary, the approval of the implementation of the share repurchase offer resolution by the Court in terms of section 115 of the Companies Act;
- 5.2.3 if applicable, Zarclear not treating the share repurchase offer resolution as a nullity, as contemplated in terms of section 115(5)(b) of the Companies Act; and
- 5.2.4 the receipt of unconditional approvals, consents or waivers from all regulatory bodies necessary to implement the transaction including, but not limited to the Takeover Regulation Panel (in terms of the compliance certificate to be issued in terms of the Companies Act in relation to the transaction).

The date/s and times for the fulfilment or waiver of any one or more of the conditions precedent may be extended by Zarclear.

### 5.3 Settlement of the share repurchase offer consideration

- 5.3.1 Subject to the share repurchase offer coming into effect:
- 5.3.1.1 certificated shareholders who accept the share repurchase offer will have the share repurchase offer consideration transferred to them by way of EFT (depending on the election made by them in the form of acceptance) by no later than the share repurchase offer payment date, being within 6 business days after the date on which such shareholders deliver forms of acceptance and documents of title to the transfer secretaries, unless such forms of acceptance and documents of title are delivered on the share repurchase offer closing date, in which case the share repurchase offer consideration will be paid on the first business day following the share repurchase offer record date; and
  - 5.3.1.2 dematerialised shareholders who accept the share repurchase offer will have their accounts at their CSDP or broker updated with the share repurchase offer consideration by no later than the share repurchase offer payment date, being within 6 business days after the date on which the CSDPs or brokers of such Zarclear shareholders notify the transfer secretaries of their acceptance of the share repurchase offer, unless such notification is received on the share repurchase offer closing date, in which case the share repurchase offer consideration will be paid on the first business day following the record date.
- 5.3.2 Zarclear or its agents will administer and effect the payment of the share repurchase offer consideration to the share repurchase offer participants.
- 5.3.3 Share repurchase offer participants who hold dematerialised shares will:
- 5.3.3.1 if they are not dissenting shareholders on the share repurchase offer record date, have their accounts held at their CSDPs credited with the total amount of the share repurchase offer consideration owing to them and debited with the repurchase shares that they are transferring to Zarclear pursuant to the share repurchase offer; or
  - 5.3.3.2 if they are still dissenting shareholders on the share repurchase offer record date, have their accounts held at their CSDPs credited with the total amount of the share repurchase offer consideration owing to them and debited with the repurchase shares that they are transferring to Zarclear pursuant to the share repurchase offer within five business days of the date on which they cease to be dissenting shareholders and become share repurchase offer participants.
- 5.3.4 Share repurchase offer participants who hold certificated shares, and who are not dissenting shareholders on the share repurchase offer record date, will have, if they have surrendered their documents of title and completed the form of surrender and transfer (*blue*) to the transfer secretaries on or before 12:00 on the share repurchase offer record date, the share repurchase offer consideration transferred electronically or posted to them on the share repurchase offer payment date.
- 5.3.5 Share repurchase offer participants who hold certificated shares and who are dissenting shareholders on the share repurchase offer record date, but who become share repurchase offer participants after the share repurchase offer record date, will need to surrender their documents of title, together with completed forms of surrender and transfer (*blue*), to the transfer secretaries, and will have their account at their CSDP or broker credited with the total amount of the share repurchase offer consideration owing to them and debited with the repurchase shares that they are transferring to Zarclear within five business days of the later of the date on which the transfer secretaries receive their documents of title and completed forms of surrender and transfer (*blue*) and the date on which they cease to be dissenting shareholders.

### 5.4 Dissenting shareholders

Zarclear shareholders are advised of their appraisal rights under section 164 of the Companies Act:

- 5.4.1 Zarclear shareholders who wish to exercise their rights in terms of the aforementioned section of the Companies Act are required, before the share repurchase offer resolution to approve the share repurchase offer is voted on at the general meeting, to give notice to the company in writing objecting to the share repurchase offer resolution in accordance with the requirements of section 164(3) of the Companies Act.
- 5.4.2 If the share repurchase offer resolution is adopted by the company, the company is required, in accordance with section 164(4) of the Companies Act, within 10 business days after the adoption of the share repurchase offer resolution, to send a notice to Zarclear shareholders who gave written notice to the company objecting to the share repurchase offer resolution and did not withdraw such written notice or vote in support of the share repurchase offer resolution, notifying them that the share repurchase offer resolution has been adopted.
- 5.4.3 Zarclear shareholders who gave written notice to the company in accordance with the requirements of section 164(3) of the Companies Act (and have not withdrawn that notice), who voted against the share repurchase offer resolution and who have complied with all the procedural requirements set out in section 164 may, in accordance with sections 164(5) to 164(8) of the Companies Act, demand that the company pay them the fair value of the Zarclear shares held by them and in respect of which they have given written notice.

- 5.4.4 If Zarclear receives a demand in terms of sections 164(5) to 164(8) of the Companies Act and such demand is not withdrawn by the share repurchase payment date, the company will, in accordance with section 164(11) of the Companies Act, within 5 business days of the share repurchase payment date, make an offer to those shareholders to purchase their Zarclear shares at fair value.
- 5.4.5 A dissenting shareholder who has sent a demand in accordance with the requirements of sections 164(5) to 164(8) may withdraw that demand before Zarclear makes an offer in accordance with section 164(11) of the Companies Act, or if Zarclear fails to make such an offer. If a dissenting shareholder voluntarily withdraws the demand made in accordance with the requirements of sections 164(5) to 164(8) of the Companies Act, such shareholder will cease to be a dissenting shareholder and will become a share repurchase offer participant whose repurchase shares will be repurchased in accordance with paragraph 5.3 above, with retrospective effect from the share repurchase payment date.
- 5.4.6 A dissenting shareholder who has sent a demand in accordance with the requirements of sections 164(5) to 164(8) has no further rights in respect of the Zarclear shares in respect of which it has made such demand, other than to be paid the fair value of such shares, unless:
- 5.4.6.1 that dissenting shareholder withdraws that demand before Zarclear makes an offer in accordance with section 164(11) of the Companies Act;
  - 5.4.6.2 Zarclear fails to make an offer in accordance with section 164(11) of the Companies Act and that dissenting shareholder withdraws its demand;
  - 5.4.6.3 Zarclear makes an offer in accordance with section 164(11) of the Companies Act below and the dissenting shareholder allows such offer to lapse; or
  - 5.4.6.4 Zarclear revokes the share repurchase offer resolution, by means of a subsequent special resolution, in which case that Zarclear shareholder's rights will, in accordance with section 164(10) of the Companies Act, be reinstated without interruption.
- 5.4.7 The offer made in accordance with section 164(11) of the Companies Act will, in accordance with the requirements of section 164(12)(b) of the Companies Act, lapse if it is not accepted by the dissenting shareholder within 30 business days after it was made. If the dissenting shareholder allows that offer to lapse, it will cease to be a dissenting shareholder and will become a share repurchase offer participant whose Zarclear shares will be repurchased, in accordance with paragraph 5.3 above.
- 5.4.8 A dissenting shareholder who accepts an offer made in accordance with the requirements of section 164(11) of the Companies Act will become an excluded dissenting shareholder and will not participate in the share repurchase offer. The excluded dissenting shareholder must thereafter, if it (i) holds certificated shares, tender the documents of title in respect of such certificated shares to Zarclear or the transfer secretaries; or (ii) holds dematerialised shares, instruct its CSDP or broker to transfer those Zarclear shares to Zarclear or the transfer secretaries. Zarclear must pay that excluded dissenting shareholder the agreed amount within 10 business days after the excluded dissenting shareholder has accepted the offer and tendered the documents of title or directed the transfer to Zarclear or the transfer secretaries of the dematerialised shares.
- 5.4.9 A dissenting shareholder who considers the offer made by Zarclear in accordance with section 164(11) of the Companies Act to be inadequate, may, in accordance with section 164(14) of the Companies Act, apply to a court to determine a fair value in respect of the Zarclear shares that were the subject of that demand, and an order requiring Zarclear to pay the dissenting shareholder the fair value so determined. The court will, in accordance with section 164(15)(v) of the Companies Act, be obliged to make an order requiring:
- 5.4.9.1 the dissenting shareholders to either withdraw their respective demands or to tender their Zarclear shares as contemplated in paragraph 5.4.8 above; or
  - 5.4.9.2 Zarclear to pay the fair value in respect of the Zarclear shares (as determined by the court) to each dissenting shareholder who tenders its Zarclear shares, subject to any conditions the court considers necessary to ensure that Zarclear fulfils its obligations under section 164 of the Companies Act.
- 5.4.10 If, pursuant to the order of the court, any dissenting shareholder withdraws its demand, the dissenting shareholder will cease to be a dissenting shareholder and will become a share repurchase offer participant whose repurchase shares will be acquired by Zarclear in accordance with paragraph 5.3 above, with retrospective effect from the share repurchase operative date.
- 5.4.11 If, pursuant to the order of the court, a dissenting shareholder tenders its Zarclear shares to Zarclear, such dissenting shareholder will become an excluded dissenting shareholder and will not participate in the share repurchase offer. The excluded dissenting shareholder must thereafter, if it (i) holds certificated shares, tender the documents of title in respect of such certificated shares to Zarclear or the transfer secretaries; or (ii) holds dematerialised shares, instruct its CSDP or broker to transfer those Zarclear shares to Zarclear or the transfer secretaries. Zarclear must pay that excluded dissenting shareholder the fair value determined by the court within 10 business days after the excluded dissenting shareholder has accepted the offer and tendered the documents of title or directed the transfer to Zarclear or the transfer secretaries of the dematerialised shares.

- 5.4.12 A copy of section 164 of the Companies Act, which sets out the appraisal rights, is included as **Appendix B** to the independent expert's report in **Annexure 1**, and forms part of this circular.
- 5.4.13 Any shareholder that is in doubt as to what action to take should consult their legal or professional advisor.
- 5.4.14 Before exercising their rights under section 164 of the Companies Act, shareholders should have regard to the following:
- 5.4.14.1 the report of the independent expert set out in **Annexure 1** to this circular concludes that the terms of the share repurchase offer are fair and reasonable to Zarclear shareholders; and
  - 5.4.14.2 the court is empowered to grant a costs order in favour of, or against, a dissenting shareholder, as may be applicable.
- 5.4.15 In the event that any of the circumstances contemplated in section 164(9) of the Companies Act occur, dissenting shareholders' rights in respect of their shares shall be reinstated without interruption.

## 5.5 **Remaining Zarclear shares**

Zarclear shareholders who do not accept the offer will remain Zarclear shareholders in respect of their unlisted shares.

## 5.6 **Ability to proceed with the share repurchase offer**

- 5.6.1 The share repurchase offer will be funded out of available cash resources. The Zarclear Board confirms that the company has sufficient resources available to it to fully settle the aggregate share repurchase offer consideration.
- 5.6.2 Zarclear has delivered an irrevocable unconditional guarantee from the Standard Bank of South Africa Limited in accordance with Regulations 111(4) and 11(5) of the Takeover Regulations in favour of Zarclear shareholders for the sole purpose of satisfying the share repurchase offer consideration.

## 5.7 **Approvals, consents and undertakings received**

- 5.7.1 Zarclear has obtained the necessary authorisations and approvals from its board, to the extent applicable, to proceed with the offer.
- 5.7.2 The TRP, JSE and A2X have all approved this circular.

## 5.8 **Acceptances irrevocable**

All acceptances of the share repurchase offer received by the transfer secretaries or the relevant CSDP or broker prior to the share repurchase offer record date will be irrevocable.

## 5.9 **Transaction receipts**

No receipts will be issued by Zarclear's transfer secretaries for forms of acceptance unless specifically requested to do so by the Zarclear shareholder in question. Lodging agents who require special transaction receipts are requested to prepare such receipts and to submit them for stamping by Zarclear's transfer secretaries together with the form of acceptance.

## 5.10 **Applicable Law**

- 5.10.1 The share repurchase offer is made in compliance with the requirements of the Takeover Regulations and is governed by and subject to the provisions of the laws of South Africa and will be subject to the exclusive jurisdiction of a South African Court.
- 5.10.2 Each share repurchase offer participant will be deemed by his acceptance to have consented and submitted to the jurisdiction of the courts of South Africa in relation to all matters arising out of or in connection with the offer and acceptance thereof.

## 5.11 **Share repurchase offer made where not legal**

- 5.11.1 The legality of the share repurchase offer to persons resident in jurisdictions outside of South Africa may be affected by the laws of the relevant jurisdiction.
- 5.11.2 Such persons should acquaint themselves with any applicable legal requirements which they are obligated to observe.
- 5.11.3 It is the responsibility of any shareholder wishing to accept the share repurchase offer to satisfy itself as to the full observance of the laws of the relevant jurisdiction in connection therewith.
- 5.11.4 In particular, the share repurchase offer is not being made, directly or indirectly, in or into any jurisdiction where it is illegal for the share repurchase offer to be made or accepted ("**affected jurisdictions**") or by the use of mail, or by means or instrumentality of inter-state or foreign commerce of, or any facility of a national securities exchange of any of the affected jurisdictions.

- 5.11.5 Persons wishing to accept the share repurchase offer should not use the mail of any of the affected jurisdictions or any such means, instrumentality or facility for any purpose, directly or indirectly, relating to the share repurchase offer.
- 5.11.6 Envelopes containing forms of acceptance, transfer and surrender or other documents relating to the share repurchase offer should not be post-marked in any of the affected jurisdictions or otherwise dispatched from any of the affected jurisdictions and all acceptors must provide addresses outside the affected jurisdictions for receipt of the share repurchase offer consideration to which they are entitled under the share repurchase offer.
- 5.11.7 If received in any jurisdiction where it is illegal for the share repurchase offer to be made or accepted, this document should be treated as being received for information purposes only.

## 5.12 Foreign shareholders and Exchange Control Regulations

- 5.12.1 **Annexure 6** to this circular contains a summary of the Exchange Control Regulations as they apply to share repurchase offer participants.
- 5.12.2 Share repurchase offer participants who are not resident in, or who have a registered address outside of South Africa, must satisfy themselves as to the full observance of the laws of any relevant territory concerning the receipt of the share repurchase offer consideration, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such jurisdiction. If in doubt, share repurchase offer participants should consult their professional advisers immediately.
- 5.12.3 The share repurchase offer consideration shall not be issued to share repurchase offer participants personally, but shall instead be retained by Zarclear or a third party in South Africa nominated by Zarclear, which shall in each case hold such share repurchase offer consideration on behalf of such share repurchase offer participants. Zarclear or such third party to whom the share repurchase offer consideration issued shall be obliged to dispose thereof and to remit the proceeds of such disposal (net of applicable fees, expenses, taxes and charges) to such share repurchase offer participants on receipt of instructions to do so.

## 5.13 Restricted jurisdictions

- 5.13.1 To the extent that the release, publication or distribution of this circular in certain jurisdictions outside of South Africa may be restricted or prohibited by the laws of such jurisdiction, then this circular is deemed to have been provided for information purposes only and the board does not accept any responsibility for any failure by foreign shareholders to inform themselves about, and to observe, any applicable legal requirements in any such relevant foreign jurisdiction.
- 5.13.2 Zarclear shareholders who are in doubt as to their position in this regard should consult their professional advisors immediately.

## 5.14 Tax implications for shareholders

The tax treatment of shareholders is dependent on the individual circumstances and the jurisdiction applicable to such shareholders. It is recommended that, if shareholders are uncertain about the tax treatment of the receipt of the share repurchase offer consideration, they should seek appropriate advice in this regard.

## 5.15 Other terms of the share repurchase offer

- 5.15.1 The share repurchase offer may be amended, varied or revised in such a manner as Zarclear in its sole discretion may determine, provided that no such amendment, variation or revision shall be made unless:
  - 5.15.1.1 the prior consent of the TRP, and to the extent required, the JSE, has been obtained;
  - 5.15.1.2 there is no diminution in the value of the share repurchase offer consideration offered; and
  - 5.15.1.3 an announcement on SENS and ANS or press release containing the amended, varied or revised share repurchase offer is made prior to the finalisation time and date of the share repurchase offer or such other date which is approved by the TRP.
- 5.15.2 In addition to the above, no amendment to, or variation of the share repurchase offer will be valid unless made in writing and signed by a duly authorised representative of the company. Without prejudice to its other rights, the company reserves the right to condone, in its sole discretion, the non-observance by any shareholder of any of the terms or conditions of the share repurchase offer. If the share repurchase offer is amended, varied or revised in a manner which makes it more favourable to shareholders, the benefit of such improved share repurchase offer will automatically accrue to any shareholder who has accepted the share repurchase offer prior to the amendment, variation or revision being made.

5.15.3 The acceptance by or on behalf of such shareholders of the share repurchase offer in its original or previous form shall be deemed to be an acceptance of any improved share repurchase offer pursuant to any such amendment, variation or revision and shall constitute an irrevocable authority and power of attorney in *rem suam* to any director or duly authorised representative of the company:

5.15.3.1 to accept such amended, varied or revised share repurchase offer on behalf of such shareholder; and

5.15.3.2 to execute on behalf of and in the name of such shareholder all such further documents (if any) as may be required to give effect to such acceptance.

## 6. GENERAL MEETING

6.1 In light of the regulations, directives and/or preventative measures required to be adhered to relating to the COVID-19 pandemic as published or issued by the relevant South African authorities from time to time, and the guidance from the South African Government regarding the need for social distancing, as a result of the COVID-19 pandemic (the “**COVID-19 Restrictions**”), the general meeting of Zarclear shareholders will be held virtually via a remote interactive electronic platform, Microsoft Teams at 10:00 on Monday, 27 September 2021 for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions required to approve, *inter alia*, the share repurchase offer in terms of sections 48(8), 114(1)(e) and 115(2)(a) of the Companies Act (read with section 115 of the Companies Act) and the delisting of all Zarclear shares from the Main Board of the JSE and A2X. A notice convening the general meeting is attached to and forms part of this circular.

6.2 Details of the actions required by Zarclear shareholders are set out on page 6 of this circular.

---

## PART II: FINANCIAL INFORMATION

---

### 7. HISTORICAL FINANCIAL INFORMATION OF ZARCLEAR

- 7.1 The audited historical financial information of Zarclear for the fifteen months ended 30 June 2020, as well as the years ended 31 March 2019 and 31 March 2018 is set out in **Annexure 2**.
- 7.2 The unaudited historical financial information of Zarclear for the six months ended 31 December 2020 is set out in **Annexure 3**.
- 7.3 The historical financial information of Zarclear is the responsibility of the directors of Zarclear.

### 8. SOLVENCY, LIQUIDITY AND WORKING CAPITAL

- 8.1 A resolution has been passed by the board of directors of the company in terms of section 46 of the Companies Act that having applied the solvency and liquidity test as set out in section 4 of the Companies Act (“**solvency and liquidity test**”), it has satisfied itself that at the date of the resolution being passed (being Tuesday, 17 August 2021) that it reasonably appears, and it has thus reasonably concluded, that the company will satisfy the solvency and liquidity test, immediately after implementation of the share repurchase offer.
- 8.2 In terms of paragraph 5.69(c) of the JSE Listings Requirements, the directors, having considered the effect of the share repurchase offer, confirm that the provisions of section 4 and section 48 of the Companies Act have been complied with, and consider that there are reasonable grounds for believing that:
  - 8.2.1 the company and the group will be able, in the ordinary course of business, to pay their debts for a period of 12 months after the date of issue of this circular;
  - 8.2.2 the assets of the company and the group will be in excess of the liabilities of the company and the group for a period of 12 months after the date of issue of this circular. For this purpose, the assets and liabilities have been recognised and measured in accordance with the accounting policies used in the latest audited group financial statements;
  - 8.2.3 the ordinary capital and reserves of the company and the group shall be adequate for ordinary business purposes for a period of 12 months after the date of issue of this circular; and
  - 8.2.4 the working capital of the company and the group shall be adequate for ordinary business purposes for a period of 12 months after the date of issue of this circular.

## PART III: GENERAL

### 9. MAJOR SHAREHOLDERS

- 9.1 As at the last practicable date, Zarclear did not have a controlling shareholder.
- 9.2 Set out below are the names of shareholders that, directly or indirectly, are beneficially interested in 5% or more of the issued shares of Zarclear as at the last practicable date.

Name	Number of shares	%
Hampden Capital	62 942 751	27.84
African Phoenix	46 827 775	20.71
Zolospan	46 500 000	20.57
SBSA ITF SUI GENERIS LPFP H4 QHF	31 389 428	13.89
Peresec Prime Brokers	17 995 690	7.96
SUI GENERIS OPPORTUNITIES SEGREGATESA ALPHA SPC OBO	13 750 000	6.08
<b>Total</b>	<b>219 405 644</b>	<b>97.05</b>

### 10. DIRECTORS' INTERESTS

#### 10.1 Directors' interests in Zarclear shares

The table below sets out the direct and indirect beneficial holdings of Zarclear shares by the directors in the share capital of the Company as at the last practicable date, including any directors who have resigned during the last 18 months.

Director	Direct Beneficial	Indirect Beneficial <sup>1</sup>	Total	% of issued share capital
P Baloyi	–	2 845 917	2 845 917	1.26
W Chapman	–	101 376 810	101 376 810	44.84
F Vawda	–	5 857 298	5 857 298	2.59
<b>Total</b>	<b>–</b>	<b>110 080 025</b>	<b>110 080 025</b>	<b>48.69</b>

<sup>1</sup> Denotes shares held via a trust, company and associates.

There have been no dealings in Zarclear shares by the directors of Zarclear in the period commencing six months before Monday, 12 April 2021 (being the date of the first cautionary announcement in respect of the share repurchase offer), and ending on the last practicable date, save for:

- 10.1.1 the purchase of 243 902 shares by African Phoenix at a price of R4.60 per share on 17 March 2021 for an aggregate consideration of R1 121 949.20 pursuant to an on-market transaction. Warren Chapman is a director of, and has a beneficial interest in African Phoenix. Andrew Hannington is a director of African Phoenix. Paul Baloyi and Fatima Vawda both have a beneficial interest in African Phoenix;
- 10.1.2 the purchase of 728 134 shares by African Phoenix at a price of R4.60 per share on 16 March 2021 for an aggregate consideration of R3 349 416.40 pursuant to an on-market transaction. Warren Chapman is a director of, and has a beneficial interest in African Phoenix. Andrew Hannington is a director of African Phoenix. Paul Baloyi and Fatima Vawda both have a beneficial interest in African Phoenix;
- 10.1.3 the purchase of 200 000 shares by African Phoenix at a price of R4.60 per share on 11 March 2021 for an aggregate consideration of R920 000.00 pursuant to an on-market transaction. Warren Chapman is a director of, and has a beneficial interest in African Phoenix. Andrew Hannington is a director of African Phoenix. Paul Baloyi and Fatima Vawda both have a beneficial interest in African Phoenix;
- 10.1.4 the purchase of 86 060 shares by African Phoenix at a price of R4.60 per share on 10 March 2021 for an aggregate consideration of R395 876.00 pursuant to an on-market transaction. Warren Chapman is a director of, and has a beneficial interest in African Phoenix. Andrew Hannington is a director of African Phoenix. Paul Baloyi and Fatima Vawda both have a beneficial interest in African Phoenix;
- 10.1.5 the purchase of 45 569 679 shares by African Phoenix at a weighted average price of R4.59816 per share on 8 March 2021 for an aggregate consideration of R209 536 500.40 pursuant to a series of on-market transactions. Warren Chapman is a director of, and has a beneficial interest in African Phoenix. Andrew Hannington is a director of African Phoenix. Paul Baloyi and Fatima Vawda both have a beneficial interest in African Phoenix;

- 10.1.6 the purchase of 18 000 000 shares by Peresec Prime Brokers at R4.60 per share on 8 March 2021 for an aggregate consideration of R82 800 000.00 pursuant to an on-market transaction. Warren Chapman, Paul Baloyi and Fatima Vawda all have a beneficial interest in Peresec Prime Brokers;
- 10.1.7 the sale of 44 009 177 shares by Ancilla Capital Proprietary Limited (“**Ancilla Capital**”) at R4.60 per share on 8 March 2021 for an aggregate consideration of R202 442 214.20 pursuant to an on-market transaction. Warren Chapman is a director of, and has a beneficial interest in Ancilla Capital;
- 10.1.8 the sale of 13 088 558 shares by Nkhohli at R4.60 per share on 8 March 2021 for an aggregate consideration of R60 207 366.80 pursuant to an on-market transaction. Paul Baloyi and Fatima Vawda are directors of, and have a beneficial interest in Nkhohli;
- 10.1.9 the sale of 5 528 542 shares by Zolospan at R4.60 per share on 8 March 2021 for an aggregate consideration of R25 431 293.20 pursuant to an on-market transaction. Warren Chapman has a beneficial interest in Zolospan;
- 10.1.10 the purchase of 16 709 177 shares by Ancilla Capital at R2.50 per share on 22 December 2020 for an aggregate consideration of R41 772 942.50 pursuant to an off-market transaction. Warren Chapman is a director of, and has a beneficial interest in Ancilla Capital;
- 10.1.11 the purchase of 13 088 558 shares by Nkhohli at R2.50 per share on 22 December 2020 for an aggregate consideration of R32 721 395.00 pursuant to an off-market transaction. Warren Chapman, Paul Baloyi and Fatima Vawda are directors of, and have a beneficial interest in Nkhohli;
- 10.1.12 the purchase of 33 328 542 shares by Zolospan at R2.50 per share on 22 December 2020 for an aggregate consideration of R83 321 355.00 pursuant to an off-market transaction. Warren Chapman has a beneficial interest in Zolospan;
- 10.1.13 the sale of 63 126 277 shares by Legae Peresec Capital Proprietary Limited (“**Legae Peresec Capital**”) at R2.50 per share on 22 December 2020 for an aggregate consideration of R157 815 692.50 pursuant to an off-market transaction. Warren Chapman is a director of, and has a beneficial interest in Legae Peresec Capital. Paul Baloyi and Fatima Vawda both have a beneficial interest in Legae Peresec Capital;
- 10.1.14 the purchase of 27 300 000 shares by Ancilla Capital at R2.50 per share on 21 December 2020 for an aggregate consideration of R68 250 000.00 pursuant to an off-market transaction. Warren Chapman is a director of, and has a beneficial interest in Ancilla Capital; and
- 10.1.15 the sale of 27 300 000 shares by Legae Peresec Capital at R2.50 per share on 21 December 2020 for an aggregate consideration of R68 250 000.00 pursuant to an off-market transaction. Warren Chapman is a director of, and has a beneficial interest in Legae Peresec Capital. Paul Baloyi and Fatima Vawda both have a beneficial interest in Legae Peresec Capital.

## 10.2 **Directors’ service contracts**

- 10.2.1 There will be no material change in the remuneration of directors of Zarclear as a consequence of the share repurchase offer.
- 10.2.2 No service contracts have been entered into or amended within six months before the date of the firm offer announcement.
- 10.2.3 It is anticipated that the board will be reconstituted upon implementation and as a consequence of the delisting and the share repurchase offer.

## 10.3 **Directors’ interests in the share repurchase offer**

Save as in relation to their holding of Zarclear shares set out in paragraph 10.1 above, no directors of Zarclear will benefit directly or indirectly, in any manner as a consequence of the implementation of the delisting or share repurchase offer.

## 10.4 **Directors’ interests in other transactions**

The directors of Zarclear have not had any material beneficial interests, whether direct or indirect, in transactions that were effected by Zarclear during the current or immediately preceding financial year or during an earlier financial year which remains in any respect outstanding or unperformed.

## 11. ZARCLEAR SHAREHOLDER SUPPORT

- 11.1 Irrevocable undertakings to not accept the share repurchase offer consideration from the company, subject to the delisting resolution and the share repurchase offer resolution both being passed by the requisite majority of shareholders at the general meeting, have been received from the following Zarclear shareholders holding in aggregate 174 266 216 Zarclear shares, representing 77.09% of all Zarclear shares in issue:

Shareholder	Number of shares	% of issued shares
Hampden Capital	62 942 751	27.84
African Phoenix	46 827 775	20.71
Zolospan	46 500 000	20.57
Peresec Prime Brokers	17 995 690	7.96
<b>Total</b>	<b>174 266 216</b>	<b>77.09</b>

- 11.2 Other than as disclosed in **Annexure 7**, there have been no dealings in Zarclear shares by the Zarclear shareholders set out in paragraph 11.1 above, for the period commencing six months before Monday, 12 April 2021, and ending on the last practicable date.

## 12. ARRANGEMENTS IN RELATION TO THE DELISTING AND SHARE REPURCHASE OFFER

As at the last practicable date, no arrangements, agreements or understandings which have any connection with or dependence on the delisting and share repurchase offer exist between Zarclear and any of the directors of Zarclear, or any persons who were directors of Zarclear within the 12 months preceding the last practicable date, the shareholders of Zarclear or any persons who were holders of Zarclear shares within the 12 months preceding the last practicable date.

## 13. OPINIONS AND RECOMMENDATIONS

### 13.1 Appointment of an independent expert

The independent board has appointed the independent expert, an independent adviser acceptable to the JSE, A2X and the TRP, to provide an independent professional expert's opinion regarding the share repurchase offer, and to make appropriate recommendations to the independent board in the form of a fair and reasonable opinion in respect of the share repurchase offer.

### 13.2 Report of the independent expert in respect of the share repurchase offer

- 13.2.1 The independent expert has performed a valuation on the Zarclear shares, as contemplated in Regulation 110(10) of the Takeover Regulations, section 1.15(d) of the JSE Listings Requirements and section 4.14 of the A2X Listings Requirements.
- 13.2.2 The report of the independent expert also includes the items required by section 114(3) of the Companies Act and schedule 5 of the JSE Listings Requirements.
- 13.2.3 Taking into consideration the terms and conditions of the share repurchase offer, the independent expert is of the opinion that such terms and conditions are fair and reasonable to Zarclear shareholders. Zarclear shareholders are referred to **Annexure 1** which sets out the full text of the report of the independent expert regarding the share repurchase offer.
- 13.2.4 The independent expert has determined a fair value range of between R4.37 and R4.50 per Zarclear share.

### 13.3 Opinion and recommendation of the independent board in respect of the share repurchase offer

- 13.3.1 The independent board, after due consideration of the report of the independent expert regarding the share repurchase offer, and in accordance with its responsibilities in terms of Regulation 110 of the Takeover Regulations, has formed a view of the range of the fair value of the Zarclear shares, which accords with the valuation range contained in the independent expert's opinion. The independent board has not received any other offers during the offer period or within six months before the offer period. The share repurchase offer consideration falls within the fair value range per Zarclear share set out in the report of the independent expert regarding share repurchase offer, set out in **Annexure 1**.

13.3.2 The independent board, after due consideration of the report of the independent expert, has determined that it will place reliance on the valuation performed by the independent expert for the purposes of reaching its own opinion regarding the share repurchase offer and the share repurchase offer consideration as contemplated in Regulation 110(3)(b) of the Takeover Regulations. The independent board has formed a view of the range of the fair value of the company's shares, which accords with the valuation range contained in the independent expert's report, in considering its opinion and recommendation. In addition, the independent board has considered the following factors, which are difficult to quantify or are unquantifiable (as contemplated in Regulation 110(6) of the Takeover Regulations) to form its opinion:

13.3.2.1 any unusual factors to be considered;

13.3.2.2 the factors identified in the independent expert's report; and

13.3.2.3 the likelihood of the conditions precedent being timeously fulfilled and the share repurchase offer being implemented.

13.3.3 The independent board, taking into account, *inter alia*, the report of the independent expert regarding the share repurchase offer, has considered the terms and conditions thereof, and is unanimously of the opinion that the terms and conditions of the share repurchase offer are fair and reasonable to Zarclear shareholders and, accordingly, recommends that Zarclear shareholders vote in favour of the resolutions to be proposed at the general meeting.

#### 13.4 Directors' voting rights

Any votes cast by Persec Prime Brokers, Hampden Capital, African Phoenix and Zolospan on the delisting resolution and the share repurchase resolution will not be taken into consideration in determining whether these resolutions are approved by the requisite majority of shareholders at the general meeting. As set out in paragraph 11 above, Persec Prime Brokers, Hampden Capital, African Phoenix and Zolospan have given irrevocable undertakings to Zarclear not to accept the share repurchase offer. Save for the shares held by Persec Prime Brokers, Hampden Capital, African Phoenix and Zolospan none of the directors of Zarclear hold or control Zarclear shares.

#### 14. NEW MOI

14.1 Subject to the delisting being approved by the requisite majority of shareholders, the board proposes that the existing MOI will be abrogated in its entirety and replaced by the new MOI.

14.2 The principles contained in the new MOI are more suitable to Zarclear operating in an unlisted environment. The salient features of the new MOI are set out in **Annexure 4**.

#### 15. MATERIAL CHANGES

15.1 There have been no material changes in the financial or trading position of Zarclear for the period since Zarclear published its unaudited results for the six months ended 31 December 2020 to the date of this circular.

15.2 There has been no change in the business or trading objects of the Zarclear group during the past five years, save for:

15.2.1 an amendment to the company's investment policy, which was approved by the requisite majority of Zarclear shareholders at a general meeting held on 15 November 2018.

15.3 There has been no material change in the nature of business of Zarclear.

15.4 There has been no material fact or circumstance that has occurred between the six months ended 31 December 2020, being the latest reported period, and the date of this circular, save for:

15.4.1 the impact that the COVID-19 pandemic and resultant national lockdown has had, and is anticipated to continue to have on equity capital markets for an extended period. Zarclear anticipates that, over the ensuing months, the impact of the pandemic and the associated lockdown will become more determinable.

#### 16. LITIGATION

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 group. Zarclear is not aware of any other proceedings that would have a material effect on the financial position of the group or which are pending or threatened against the group.

#### 17. PRICE AND VOLUME HISTORY OF ZARCLEAR SHARES

A table of the aggregate volumes and values traded and the highest and lowest prices traded in Zarclear shares for each month over the 12 months prior to the date of issue of the circular and for each day over the 30 days preceding the last practicable date is set out in **Annexure 5**.

## 18. DIRECTORS' RESPONSIBILITY STATEMENTS

### 18.1 The board of directors of the company

18.1.1 The directors, whose names are set out in this circular, collectively and individually, accept full responsibility for the accuracy of the information given in this circular and certify that, to the best of their knowledge and belief, no facts have been omitted which would make any statement in this circular false or misleading, that all reasonable enquiries to ascertain such facts have been made and that the circular contains all information required by law and the JSE Listings Requirements.

18.1.2 The Zarclear board collectively and individually accepts responsibility for the accuracy of the information contained in this circular and certifies that, to the best of its knowledge and belief, the information contained in this circular relating to Zarclear is true, this circular does not omit anything that is likely to affect the import of such information, and that all reasonable enquiries to ascertain such information has been made.

### 18.2 Independent board responsibility statement

The independent board collectively and individually accepts responsibility for the accuracy of the information contained in this circular and certifies that, to the best of its knowledge and belief, the information contained in this circular relating to Zarclear is true, this circular does not omit anything that is likely to affect the import of such information, and that all reasonable enquiries to ascertain such information has been made.

## 19. CONSENTS

19.1 The corporate advisor, sponsor, independent expert, company secretary and transfer secretaries have each consented in writing to act in the capacities stated and to their names appearing in this circular, which consent has not been withdrawn prior to the issue of this circular.

19.2 The independent expert has consented to the inclusion of their report in this circular in the form and context in which it appears, which consent has not been withdrawn prior to the issue of this circular. The independent expert has confirmed that the contents of the circular are not contradictory to the information contained in their report.

## 20. CONFLICTS OF INTEREST

Java Capital is acting in the capacities of corporate advisor and sponsor to Zarclear. As required in terms of the JSE Listings Requirements, it is confirmed that in order to manage any potential or perceived conflicts of interest that might arise as a result of Java Capital acting in these roles, Java Capital has in place appropriate checks and balances, including procedures to assess the independence of Java Capital in respect of the share repurchase offer and the delisting and divisions of the responsibility amongst the persons involved in fulfilling these various functions. Neither the corporate advisor nor the sponsor has an interest in the success of the share repurchase offer and/or the delisting.

## 21. PRELIMINARY AND ISSUE EXPENSES

The following expenses and provisions are expected, or have been provided for, by Zarclear in connection with the share repurchase offer. All the fees payable to the parties below are exclusive of VAT:

	<b>Payable to</b>	<b>Rand</b>
Corporate advisor and sponsor fees	Java Capital	1 500 000
Independent expert fees	Nodus Capital	170 000
TRP documentation fee	TRP	100 000
JSE documentation fees	JSE	50 000
Printing and other costs	Ince	60 000
Contingency		25 000
<b>Total</b>		<b>1 905 000</b>

## 22. DOCUMENTS AVAILABLE FOR INSPECTION

Due to the COVID-19 pandemic and the resultant lockdown regulations, hard copies of the following documents will not be available for inspection at the registered address of the company. However, copies of these documents will be available for inspection electronically and may be obtained from the company by sending a request to [mandym@zarclear.com](mailto:mandym@zarclear.com):

- 22.1 this circular;
- 22.2 the MOI of Zarclear and its major subsidiaries;
- 22.3 the new MOI;
- 22.4 the audited consolidated financial statements of Zarclear for the fifteen months ended 30 June 2020, as well as the years ended 31 March 2019 and 31 March 2018;
- 22.5 the unaudited results of Zarclear for the six months ended 31 December 2020;
- 22.6 the fair and reasonable opinion of the independent expert in respect of the share repurchase offer, set out in **Annexure 1**, as well sections 115 and 164 of the Companies Act set out in **Appendix A and Appendix B to Annexure 1**, respectively;
- 22.7 the letter issued by the TRP approving this circular in terms of Regulation 117 of the Takeover Regulations;
- 22.8 the consent letters referred to in paragraph 19 above; and
- 22.9 a signed copy of this circular.

**Signed in Johannesburg on behalf of the Zarclear board and independent board in terms of the written resolution passed by each of the directors on 17 August 2021.**

By order of the board

**Zarclear Holdings Limited**

**Andrew Hannington**  
*Chief financial officer*  
26 August 2021

---

## INDEPENDENT EXPERT'S OPINION REGARDING THE SHARE REPURCHASE OFFER

---

**The Independent Board**

Zarclear Holdings Limited  
 9th floor, Katherine Towers  
 1 Park Lane  
 Wierda Valley  
 Sandton  
 2196

18 August 2021

Dear Sirs and Mesdames

### INDEPENDENT EXPERT OPINION TO ZARCLEAR HOLDINGS LIMITED (“Zarclear” or the “Company”) REGARDING AN OFFER BY THE COMPANY TO REPURCHASE PART OR ALL OF THE ORDINARY ISSUED SHARE CAPITAL OF ZARCLEAR

**Introduction**

In the firm intention announcement (the “**Firm Intention Announcement**”) released on the Stock Exchange News Service of the JSE Limited (“**JSE**”) (“**SENS**”) and the news service of the exchange operated by A2X Proprietary Limited (“**A2X**”) on Wednesday, 4 August 2021 and published in the press on Thursday, 5 August 2021, shareholders were advised that the Zarclear board had resolved that, subject to securing the requisite approval from its shareholders in a general meeting and the JSE and A2X approving the Company’s delisting application, it would be in the best interests of Zarclear and its shareholders to seek a delisting of the Company’s shares from the Main Board of the JSE and A2X under the voluntary delisting regime provided for under the JSE Listings Requirements and the A2X Listings Requirements (the “**Delisting**”).

In compliance with sections 1.14 and 1.15 of the JSE Listings Requirements and section 4.14 of the A2X Listings Requirements, the Delisting must be accompanied by an offer (that an independent expert has confirmed to be fair to shareholders) which is to be made to holders of all Zarclear’s listed securities (“**Zarclear Shares**”).

As such, subject to the Delisting being approved in accordance with all regulatory requirements, Zarclear intends making an offer to all of its shareholders in terms of section 5.67(B) of the JSE Listings Requirements to voluntarily tender for repurchase all, or only a portion, of their existing shareholding in the Company (the “**Share Repurchase Offer**”) at an offer price of R4.60 (the “**Offer Price**” or “**Offer Consideration**”) per share. The Share Repurchase Offer will be made in compliance with the relevant provisions of the Companies Act 71 of 2008 (the “**Companies Act**”), the Takeover Regulations promulgated thereunder (the “**Takeover Regulations**”), the JSE Listings Requirements and the A2X Listings Requirements. The Delisting and the Share Repurchase Offer will be implemented on the basis that shareholders will be afforded an opportunity either to elect to monetise their investment in Zarclear at a fair price or to continue to hold shares in Zarclear in an unlisted environment. All shareholders will be entitled to elect to remain invested in Zarclear and any shareholder who does not wish to accept the share repurchase offer may retain its shareholding in Zarclear post the Delisting.

The Share Repurchase Offer, if accepted by shareholders holding at least 11 303 285 Zarclear Shares, will result in Zarclear acquiring more than 5% of the Zarclear shares in issue (the “**Share Repurchase Offer Transaction**”). The Delisting and the Share Repurchase Offer Transaction are inter-conditional and must both be approved by the requisite majority of Zarclear shareholders.

As at the date of this opinion, the share capital of the Company comprises the following:

- Authorised share capital comprising 500 000 000 no par value shares; and
- Issued share capital comprising 226 065 696 Zarclear Shares.

Full details of the Share Repurchase Offer Transaction are contained in the circular to shareholders (the “**Circular**”), which will be posted to shareholders on or about 26 August 2021 and includes a copy of this letter.

The material interests of the Zarclear directors are set out in paragraph 10 of Part III of the Circular.

The Offer provides Zarclear Shareholders with an opportunity to realise their investment in Zarclear at the following premiums to the share price as at the Firm Intention Announcement date:

	<b>Firm Intention Announcement</b>
Closing price	2.2%
30-day VWAP*	11.6%
60-day VWAP	3.1%
90-day VWAP	3.5%

\* volume weighted average price (“**VWAP**”)

## Scope

The Share Repurchase Offer Transaction may result in Zarclear acquiring more than 5% of the Zarclear shares in issue and, accordingly, in terms of section 48(8)(b) of the Companies Act, the decision of the Board to acquire the Company's shares in terms of the Share Repurchase Offer will be subject to the requirements of section 114 and 115 of the Companies Act. Zarclear and the independent board of directors of Zarclear (the "**Independent Board**") is required to obtain a fair and reasonable opinion from an independent expert in terms of the provisions of section 114(3) (as read with section 48(8)(b) and section 115) of the Companies Act and Regulation 110(1) of the Takeover Regulations, on whether the terms and conditions of the Share Repurchase Offer are fair and reasonable to the Zarclear Shareholders (the "**Opinion**" or "**Fair and Reasonable Opinion**").

As the Share Repurchase Offer is a *pro rata* repurchase by Zarclear of its shares from all its shareholders, shareholder approval in terms of the JSE Listings Requirements is not required for the Share Repurchase Offer (save to the extent as required in terms of section 48(8) of the Companies Act).

The Delisting will be conditional on securing the approval of more than 50% of the votes of all shareholders present or represented by proxy at a general meeting, excluding any controlling shareholder, its associates and any party acting in concert, and any other party which the JSE or A2X deems appropriate, being cast in favour of such delisting resolution.

Nodus Capital TS Proprietary Limited ("**Nodus**") has been appointed by the Independent Board as the Independent Expert to advise on whether the terms and conditions of the Share Repurchase Offer Transaction, are fair and reasonable to the Shareholders of Zarclear.

Copies of Sections 115 and 164 of the Companies Act are included as an Annexure to this Opinion.

## Responsibility

Compliance with the Companies Act, the Takeover Regulations, the JSE Listings Requirements and the A2X Listings Requirements is the responsibility of the Independent Board. Our responsibility is to report on the terms and conditions of the Share Repurchase Offer in compliance with the related provisions of the Companies Act, the Takeover Regulations, the JSE Listings Requirements and the A2X Listings Requirements.

We confirm that our Fair and Reasonable Opinion has been provided to the Independent Board for the sole purpose of assisting them in forming and expressing an opinion for the benefit of Zarclear Shareholders in relation to the Share Repurchase Offer. This opinion is prepared solely for the Independent Board and therefore should not be regarded as suitable for use by any other party or give rise to third party rights.

## Definition of the terms "fair" and "reasonable"

The "fairness" of a transaction is based on quantitative issues. A transaction may be said to be fair if the benefits received by the shareholders, as a result of the transaction, are equal to or greater than the value surrendered by the shareholders.

The Share Repurchase Offer Transaction may be said to be fair if the Offer Consideration is greater than or equal to the value of one Zarclear Share or unfair if the Offer Consideration is less than the value of one Zarclear Share. Furthermore, in terms of Regulation 110(8) of the Takeover Regulations, an offer with a consideration per offeree regulated company security within the fair-value range is generally considered to be fair.

In terms of the Takeover Regulations, a transaction will be considered reasonable if the offer consideration received by shareholders in terms of the corporate action is higher than the market price of the company's securities at the time that the corporate action was announced, or at some other more appropriate identifiable time. In addition, other qualitative considerations may be taken into account when considering the reasonableness of the corporate action. Even though the consideration may differ from the market value of the assets being acquired, a transaction may still be reasonable after considering other significant qualitative factors.

## Our approach in considering the Share Repurchase Offer Transaction

In considering the Share Repurchase Offer Transaction, we have independently calculated the fair value of one Zarclear Share and compared our fair value of one Zarclear Share to the Offer Consideration.

## Details and sources of information

The principal sources of information used in performing our work include:

- The Firm Intention Announcement;
- The terms and conditions of the Share Repurchase Offer Transaction, as set out in the Circular;
- Representations and assumptions made available by, and discussions held with, the management of Zarclear and the Independent Board;
- Publicly available information relating to the industries in which Zarclear operates;
- Publicly available information relating to Zarclear that we deemed to be relevant, including Company announcements, media articles and analyst presentations, where applicable;
- Share price information of Zarclear over the last 12 months to assess the relative liquidity and relative volatility of Zarclear Shares;
- Published market data on Zarclear;
- SENS announcement by Zarclear on 24 November 2020 relating to a distribution to shareholders of R1.90 per Zarclear Share (the "**Distribution Announcement**");
- Audited annual financial statements of Zarclear for the fifteen months ended 30 June 2020;
- Interim financial results of Zarclear for the 6 months ended 31 December 2020;

- Unaudited management accounts of Zarclear, for the period ended 28 February 2021;
- Unaudited management accounts of Zarclear, for the period ended 31 March 2021;
- Unaudited management accounts of Zarclear for the 12 months ended 30 June 2021;
- Share price information of Stenprop Limited (“**Stenprop**”), a listed share owned by Zarclear (the “**Zarclear Listed Portfolio**”) over the last 12 months to assess the relative liquidity and relative volatility of the shares **comprising** the Zarclear Listed Portfolio;
- SENS announcement by Zarclear on 3 August 2021 relating to the disposal of 3.4 million Stenprop shares for a gross consideration of R115.5 million (the “**Stenprop Announcement**”); and
- The 30-day, 60-day and 90-day VWAP as at date preceding the date of the Firm Intention Announcement.

The information above was obtained from:

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

### **Procedures performed**

In arriving at our Opinion we have undertaken the following procedures in evaluating the fairness of the Share Repurchase Offer Transaction:

- Considered the rationale for the Share Repurchase Offer Transaction as represented by Zarclear management and the Independent Board;
- Reviewed the terms and conditions of the Share Repurchase Offer Transaction;
- Supplemented our knowledge and understanding Zarclear as well as the industries in which it operates;
- Held discussions with management on the prospects of the underlying businesses within Zarclear, as applicable;
- Reviewed and analysed the historical financial information of Zarclear;
- Considered the value of Zarclear using a sum of the parts (“**SOTP**”) valuation, as described in more detail in the Valuation section of this Opinion;
- Reviewed Zarclear’s historic traded share prices and trading volumes on the JSE and A2X to ascertain the relative trading activities, liquidity and volatility of the Zarclear Shares;
- Reviewed certain publicly available information relating to Zarclear and the industries in which it operates that we deemed to be relevant, including Company announcements and media articles;
- Reviewed the Distribution Announcement;
- Reviewed the Stenprop Announcement;
- Performed an analysis of other information considered pertinent to our valuation and Opinion;
- Considered the fact that Zarclear’s Shares are tightly held, minimal capital has been raised from the market and that trading in Zarclear Shares are low;
- Considered the prevailing economic and market conditions, including the impact of the COVID-19 pandemic as far as practically possible, on Zarclear;
- Considered the fact that the Offer Consideration is settled in cash; and
- Obtained from the management of Zarclear a letter of representation in respect of amongst other things the information shared and/or statements made to us and upon which we have relied.

We have not interviewed any of the Zarclear Shareholders to obtain their views on the Share Repurchase Offer Transaction.

Based on the results of the procedures mentioned above, we determined the fairness and reasonableness of the Offer to Zarclear Shareholders. We believe that the above considerations justify the opinion outlined below.

### **Limiting conditions**

This Opinion of the Independent Expert is provided to the Independent Board in connection with and for the purposes of the Share Repurchase Offer Transaction. The Opinion of the Independent Expert does not purport to cater for each individual Zarclear Shareholder’s perspective, but rather that of the general body of Zarclear Shareholders.

We have relied upon and assumed the accuracy of the information provided to and obtained by us in deriving our Opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our Opinion, whether in writing or obtained in discussion with Zarclear management, by reference to publicly available or independently obtained information.

While our work has involved an analysis of, *inter alia*, the annual financial statements and other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

This Opinion of the Independent Expert is provided in terms of the Companies Act, the Takeover Regulations, JSE Listings Requirements and the A2X Listings Requirements. It does not constitute a recommendation to any Zarclear Shareholder as to how to vote at any Shareholders’ meeting relating to the Offer or on any matter relating to it. Therefore, it should not be relied upon for any other purpose. We assume no responsibility to anyone if this Opinion of the Independent Expert is used or relied upon for anything other than its intended purpose. Should an individual Zarclear Shareholder have any doubts as to what action to take, such Shareholder should consult an independent advisor.

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. We have assumed that all conditions precedent in the transaction agreements, including any material regulatory and other approvals, if any, will be properly fulfilled/obtained.

The valuation of companies and businesses is not a precise science and conclusions arrived at, will, in many cases, be subjective and dependent on the exercise of individual judgement.

## Valuation

Nodus performed an independent valuation of Zarclear to determine whether the Offer Consideration represents fair value to the Zarclear Shareholders.

For the purposes of our valuation of Zarclear we used a SOTP valuation. Zarclear’s value comprises a number of material assets, namely significant cash balances, cash investments and the Zarclear Listed Portfolio. Although Zarclear has limited liabilities, it does incur costs to maintain its operations and investments (the “**Head Office Costs**”). We performed a high-level income approach (discounted cash flow) valuation on the Head Office Costs and deducted this from the results of the SOTP valuation. Other assets were valued based on a market approach and a net asset value approach, where appropriate.

The valuation of the Head Office Costs was performed taking cognisance of risk and other market and industry factors affecting Zarclear. Additionally, sensitivity analyses were performed considering key assumptions. Prevailing market and industry conditions were also considered in assessing the risk profile of the Head Office Costs.

Key internal value drivers included the discount rate.

Key external value drivers including headline inflation rates and prevailing market and industry conditions in respect of the industry in which Zarclear operates were also considered in assessing the forecast costs of Zarclear.

The inflation rate utilised in the income approach valuation approximated 4.5%. A change of 0.5% in the discount rate would result in a -4% change in the value attributable to the Head Office Costs and have an insignificant impact on the overall value of Zarclear.

The Zarclear Listed Portfolio comprises of shares held in Stenprop and, until its delisting, African Phoenix. These investments represent minority interests and we performed a market valuation thereof as at the date preceding the Firm Intention Announcement, taking into account the Stenprop Announcement. In performing the analysis, we considered the individual share price closing values as at these dates, the 30-, 60- and 90-day VWAP prior to this date, applicable analyst coverage and share liquidity. In addition, we considered the offer price in terms of the African Phoenix delisting circular (issued in May 2020) – we note that Zarclear did not accept this offer. We also considered the latest net asset value (“**NAV**”) of African Phoenix, as accounted for in its latest management accounts. The value of the Zarclear Listed Portfolio has been impacted by the unprecedented volatility and uncertainty experienced in the current market due to, amongst other factors, the COVID-19 pandemic.

Lastly, we performed a NAV analysis of Zarclear. This analysis, dating back to 29 November 2017, revealed that Zarclear’s share price has historically traded at a substantial discount to NAV. This discount approximated ~ 5% at the date preceding the Firm Intention Announcement, 13% based on the 30-day VWAP preceding the Firm Intention Announcement and ~38% on average since 29 November 2017. The Offer Consideration reduces this discount to ~ 3%. In addition, the Head Office Costs are not reflected in the NAV.

Zarclear’s share price performance *viz a viz* its NAV since 29 November 2017 to the date preceding the Firm Intention Announcement is graphically represented below:



## Assumptions

Our Opinion is based on the following key assumptions:

- Any agreements that will or have been entered into in terms of the Share Repurchase Offer Transaction will be legally enforceable;
- The Share Repurchase Offer Transaction will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives and advisors of Zarclear;
- Reliance can be placed on the financial information of Zarclear;
- For the purposes of this Opinion of the Independent Expert, we assumed Zarclear’s existing businesses to be ongoing under current business plans and management;
- Global financial markets are currently faced with significant uncertainty as a result of the COVID-19 pandemic, with the full impact remaining uncertain at this stage. We have assumed economic, regulatory and market conditions remain stable over the forecast period after factoring in the impact of COVID-19, as far as practically possible. There is, however, uncertainty, which could persist for some time, as to the full impact of COVID-19 on Zarclear and, as a result, our work may not have identified or reliably quantified the impact of all such uncertainties; and

- Representations made by Zarclear management and their advisors during the course of forming this Opinion of the Independent Expert.

#### **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:

- Placing reliance on audit reports in the financial statements of Zarclear;
- Conducting analytical reviews on the historical financial results and the forecast financial information, such as key ratio and trend analyses, where applicable; and
- Determining the extent to which representations from management were confirmed by documentary and audited financial evidence, as well as our understanding of Zarclear and the economic environment in which it operates.

#### **Valuation results**

In undertaking the valuation exercise of Zarclear above, we determined a valuation range of the Zarclear Shares of R4.37 to R4.50 per share. In determining the valuation range, we considered the liquidity of the Zarclear Shares and applied a liquidity discount of 5%. This is justified due to the fact that less than 10% of the Zarclear Shares in issue has traded over the last 12 months. Prior to the application of the 5% liquidity discount, we determined a valuation range of the Zarclear Shares of between R4.60 and R4.74.

The Offer Consideration falls above our concluded valuation range of Zarclear.

The valuation above is provided solely in respect of this Opinion and should not be used for any other purposes.

#### **Qualitative considerations**

In arriving at our Opinion, we have also considered the following key qualitative considerations in evaluating the reasonableness of the Share Repurchase Offer Transaction:

- The rationale for the Share Repurchase Offer Transaction, as set out in the Circular;
- The trading liquidity of the Zarclear Shares;
- The Offer Price reduces the historic discount of the Zarclear share price to the Zarclear NAV;
- The fact that Zarclear shareholders may choose to remain as shareholders in an unlisted structure;
- The historic trading price of Zarclear Shares;
  - In evaluating the reasonableness of the Offer to arrive at our Opinion, we have considered that the Offer Consideration is at a premium to the traded price of the Zarclear Shares as well as the 30-, 60-, and 90-day VWAP price immediately prior to the Firm Intention Announcement; and
- The Offer provides Zarclear Shareholders, the opportunity to exit an illiquid share at a premium and for a cash consideration.

#### **Opinion**

Nodus has considered the terms and conditions of the Share Repurchase Offer Transaction and, based on and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Share Repurchase Offer Transaction based on quantitative considerations, are fair to the Zarclear Shareholders.

Based on qualitative factors, we are of the opinion that the terms and conditions of the Share Repurchase Offer Transaction are reasonable from the perspective of the Zarclear Shareholders.

Our Opinion is necessarily based upon the information available to us up to 17 August 2021, including in respect of the financial information as well as other conditions and circumstances existing and disclosed to us.

#### **Independence, competence and fees**

We confirm that we have no direct or indirect interest in Zarclear or the Share Repurchase Offer Transaction nor do we have any relationship with Zarclear or any person related to Zarclear such as would lead a reasonable and informed third party to conclude that our integrity, impartiality or objectivity has been compromised by such relationship. We also confirm that we have the necessary competence and experience to provide the Independent Expert Report.

Furthermore, we confirm that our professional fee of R170 000 (excluding VAT) is not contingent upon the success of the Offer.

#### **Consent**

We consent to the inclusion of this letter and the reference to our Opinion in the Circular to be issued to the Shareholders of Zarclear in the form and context in which it appears and in any required regulatory announcement or documentation.

Yours faithfully

#### **Johan le Roux CA(SA)**

Director: Nodus Capital TS (Proprietary) Limited  
 Building 2  
 Commerce Square Office Park  
 39 Rivonia Road  
 Sandhurst  
 2196

---

## APPENDIX A

---

### 115. Required approval for transactions contemplated in Part

- (1) Despite section 65, and any provision of a company's Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless –
- (a) The disposal, amalgamation or merger, or scheme of arrangement –
    - (i) has been approved in terms of this section; or
    - (ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and
  - (b) to the extent that Parts B and C of this Chapter, and the Takeover Regulations, apply to a company that proposes to –
    - (i) dispose of all or the greater part of its assets or undertaking;
    - (ii) amalgamate or merge with another company; or
    - (iii) implement a scheme of arrangement,the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119(4)(b), or exempted the transaction in terms of section 119(6).
- [Para. (b) substituted by s. 71 of Act 3/2011]
- (2) A proposed transaction contemplated in subsection (1) must be approved –
- (a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the company's Memorandum of Incorporation, as contemplated in section 64(2); and
- [Para. (a) substituted by s. 71 of Act 3/2011]
- (b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company's holding company if any, if –
    - (i) the holding company is a company or an external company;
    - (ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and
    - (iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and
- [Subpara. (iii) substituted by s. 71 of Act 3/2011]
- (c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).
- (3) Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if –
- (a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or
- [Para. (a) substituted by s. 71 of Act 3/2011]
- (b) the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).
- [Para. (b) substituted by s. 71 of Act 3/2011]

- (4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights –
- (a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or
  - (b) required to be voted in support of a resolution, or actually voted in support of the resolution.
- [Subs. (4) substituted by s. 71 of Act 3/2011]
- (4A) In subsection (4), “act in concert” has the meaning set out in section 117(1)(b).
- [Subs. (4A) inserted by s. 71 of Act 3/2011]
- (5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the company must either –
- (a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or
- [Para. (a) substituted by s. 71 of Act 3/2011]
- (b) treat the resolution as a nullity.
- (6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant –
- (a) is acting in good faith;
  - (b) appears prepared and able to sustain the proceedings; and
  - (c) has alleged facts which, if proved, would support an order in terms of subsection (7).
- (7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if –
- (a) the resolution is manifestly unfair to any class of holders of the company’s securities; or
  - (b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.
- (8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person –
- (a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and
  - (b) was present at the meeting and voted against that special resolution.
- (9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect –
- (a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;
  - (b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;
  - (c) the transfer of shares from one person to another;
  - (d) the dissolution, without winding-up, of a company, as contemplated in the transaction;
  - (e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or
  - (f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger.

---

## APPENDIX B

---

### 164. Dissenting shareholders appraisal rights

- (1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.
- (2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to –
  - (a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or
  - (b) enter into a transaction contemplated in section 112, 113, or 114, that notice must include a statement informing shareholders of their rights under this section.
- (3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.
- (4) Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who –
  - (a) gave the company a written notice of objection in terms of subsection (3); and
  - (b) has neither –
    - (i) withdrawn that notice; or
    - (ii) voted in support of the resolution.
- (5) A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if –
  - (a) the shareholder –
    - (i) sent the company a notice of objection, subject to subsection (6); and
    - (ii) in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;
  - (b) the company has adopted the resolution contemplated in subsection (2); and
  - (c) the shareholder –
    - (i) voted against that resolution; and
    - (ii) has complied with all of the procedural requirements of this section.
- (6) The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.
- (7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within –
  - (a) 20 business days after receiving a notice under subsection (4); or
  - (b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.
- (8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state -

[Words preceding para. (a) substituted by s. 103 of Act 3/2011]

  - (a) the shareholder's name and address;
  - (b) the number and class of shares in respect of which the shareholder seeks payment; and
  - (c) a demand for payment of the fair value of those shares.
- (9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless –
  - (a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);
  - (b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or
  - (c) the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.

[Para. (c) substituted by s. 103 of Act 3/2011]

- (10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.
- (11) Within five business days after the later of –
- (a) the day on which the action approved by the resolution is effective;
  - (b) the last day for the receipt of demands in terms of subsection (7)(a); or
  - (c) the day the company received a demand as contemplated in subsection (7)(b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.
- (12) Every offer made under subsection (11) –
- (a) in respect of shares of the same class or series must be on the same terms; and
  - (b) lapses if it has not been accepted within 30 business days after it was made.
- (13) If a shareholder accepts an offer made under subsection (12) –
- (a) the shareholder must either in the case of –
    - (i) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or
    - (ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and
  - (b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and –
    - (i) tendered the share certificates; or
    - (ii) directed the transfer to the company of uncertificated shares.
- (14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has –
- (a) failed to make an offer under subsection (11); or
  - (b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.
- (15) On an application to the court under subsection (14) –
- (a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;
  - (b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and
  - (c) the court –
    - (i) may determine whether any other person is a dissenting shareholder who should be joined as a party;
    - (ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);
    - (iii) in its discretion may –
      - (aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or
      - (bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;
    - (iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and
    - (v) must make an order requiring –
      - (aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and
- [Item (aa) substituted by s. 103 of Act 3/2011]
- (bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.
- (15A) At any time before the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case –
- (a) that shareholder must comply with the requirements of subsection 13(a); and
  - (b) the company must comply with the requirements of subsection 13(b).

[Subs. (15A) inserted by s. 103 of Act 3/2011]

- (16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.
- (17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 months –
- (a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and
  - (b) the court may make an order that –
    - (i) is just and equitable, having regard to the financial circumstances of the company; and
    - (ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.
- (18) If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.
- (19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to –
- (a) the provisions of that section; or
  - (b) the application by the company of the solvency and liquidity test set out in section 4.
- (20) Except to the extent –
- (a) expressly provided in this section; or
  - (b) that the Panel rules otherwise in a particular case, a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person.

[Subs. (20) inserted by s. 103 of Act 3/2011]

-----

## HISTORICAL FINANCIAL INFORMATION OF ZARCLEAR FOR THE FIFTEEN MONTHS ENDED 30 JUNE 2020 AND THE YEARS ENDED 31 MARCH 2019 AND 31 MARCH 2018

-----

The consolidated financial statements of Zarclear for the fifteen months ended 30 June 2020, as well as the years ended 31 March 2019 and 31 March 2018 are set out below. The notes to the consolidated financial statements of Zarclear for the fifteen months ended 30 June 2020, as well as the years ended 31 March 2019 and 31 March 2018 have been incorporated by reference and are available on Zarclear's website <https://www.zarclear.com/News/Category/2>.

No adjustments have been made to previously reported historical financial information used in the preparation of this **Annexure 2**.

### Statements of financial position

	<b>30 June 2020 R'000s</b>	31 March 2019 R'000s	31 March 2018 R'000s
<b>Assets</b>			
<i>Non-current assets</i>	<b>535 253</b>	497 577	632 747
Property, plant and equipment	<b>1 482</b>	435	–
Intangible assets	–	3 005	–
Goodwill	<b>14 944</b>	14 944	–
Financial investments	<b>382 202</b>	450 629	588 949
Investment in associates	<b>134 174</b>	28 517	22 949
Deferred tax	<b>2 451</b>	47	20 849
<i>Current assets</i>	<b>1 894 386</b>	777 644	590 358
Financial investments	<b>79 371</b>	160 732	507 094
Trade and other receivables	<b>1 069 774</b>	58 068	162
Taxation	<b>149</b>	550	6 672
Cash and cash equivalents	<b>745 092</b>	558 294	76 430
<b>Total assets</b>	<b>2 429 639</b>	1 275 221	1 223 105
<b>Equity and liabilities</b>			
<i>Equity and reserves</i>	<b>1 361 294</b>	1 214 213	1 101 687
Share capital	<b>474 400</b>	474 400	474 400
Foreign currency translation reserve	<b>147 728</b>	50 240	(34 961)
Accumulated profit	<b>734 808</b>	689 178	662 248
Total attributable to equity holders of the company	<b>1 356 936</b>	1 213 818	1 101 687
Non-controlling interests	<b>4 358</b>	395	–
<i>Non-current liabilities</i>			
Deferred taxation	<b>96</b>	3 512	–
<i>Current liabilities</i>	<b>1 068 249</b>	57 496	121 418
Loans and other payables	–	–	120 000
Taxation payable	<b>604</b>	168	–
Trade and other payables	<b>1 067 645</b>	57 328	1 418
<b>Total equity and liabilities</b>	<b>2 429 639</b>	1 275 221	1 223 105

## Statements of comprehensive income

	<b>30 June 2020 R'000s</b>	31 March 2019 R'000s	31 March 2018 R'000s
Income/(losses) from portfolio investments	<b>68 713</b>	133 926	(44 103)
Fee income	<b>52 087</b>	8 153	
<b>Total income</b>	<b>120 800</b>	142 079	(44 103)
Impairment charges	<b>(5 863)</b>	–	–
Operating expenses	<b>(85 420)</b>	(90 794)	(23 932)
<b>Profit/(loss) from operations</b>	<b>29 517</b>	51 285	(68 035)
Net interest received/(paid)	<b>18 149</b>	755	(5 636)
Interest received	<b>29 042</b>	3 304	736
Interest paid	<b>(10 893)</b>	(2 549)	(6 372)
<b>Profit/(loss) before taxation</b>	<b>47 666</b>	52 041	(73 671)
Taxation	<b>1 927</b>	(24 886)	22 236
<b>Profit/(loss) for the year</b>	<b>49 593</b>	27 155	(51 435)
Items that will be subsequently classified to profit and loss			
Currency translation differences	<b>97 488</b>	85 201	(34 961)
<b>Total comprehensive income/(loss) for the year</b>	<b>147 081</b>	112 356	(86 396)
<b>Profit/(loss) for the year attributable to:</b>			
Equity holders of the company	<b>45 630</b>	26 930	(51 435)
Non-controlling interests	<b>3 963</b>	225	–
	<b>49 593</b>	27 155	(51 435)
<b>Total comprehensive income/(loss) for the year attributable to:</b>			
Equity holders of the company	<b>143 118</b>	112 131	(86 396)
Non-controlling interests	<b>3 963</b>	225	–
	<b>147 081</b>	112 356	(86 396)
Basic and diluted earnings/(losses) per share (cents)	<b>20.18</b>	11.91	(26.56)
Headline earnings/(losses) per share*	<b>22.78</b>	11.91	(26.56)
Based on a weighted average of 226 065 696 ordinary shares in issue			

\*Zarclear has no dilutionary shares in issue

## Statements of changes in equity

	Share capital R'000	Foreign currency translation reserve R'000	Attributable to equity holders of the company R'000	Non- controlling interests R'000	Total equity R'000
<b>Balance at 31 March 2018</b>	<b>474 400</b>	<b>(34 961)</b>	<b>662 248</b>	<b>–</b>	<b>1 101 687</b>
Total comprehensive income for the year	–	85 201	26 930	225	112 356
Transactions with owners recorded directly in equity:					
– Non-controlling interest in subsidiary acquired	–	–	–	170	170
<b>Balance at 31 March 2019</b>	<b>474 400</b>	<b>50 240</b>	<b>689 178</b>	<b>395</b>	<b>1 214 213</b>
Total comprehensive income for the period	–	97 488	45 630	3 963	147 081
<b>Balance at 30 June 2020</b>	<b>474 400</b>	<b>147 728</b>	<b>734 808</b>	<b>4 358</b>	<b>1 361 294</b>

## Statements of cash flows

	<b>30 June 2020 R'000s</b>	31 March 2019 R'000s	31 March 2018 R'000s
<b>Cash flows from operating activities</b>	<b>177 055</b>	612 873	(15 949)
Cash utilised by operations	<b>(5 636)</b>	(76 631)	(25 760)
Interest received	<b>29 042</b>	3 304	736
Interest paid	<b>(10 893)</b>	(2 549)	(6 372)
Interest received from private equity investment	–	15	1 507
Dividend received from private equity investment	<b>23 705</b>	14 633	14 440
Investment in financial investments	<b>(2 669)</b>	–	–
Investment in associates	<b>(258 591)</b>	(4 933)	–
Dividend received from capital reduction distribution – associate	<b>130 719</b>	–	–
Proceeds from sale of financial investments	<b>132 804</b>	138 982	–
Proceeds from sale of financial investments (trading activity)	<b>101 803</b>	–	–
Proceeds on sale of financial investments (redemptions) – Hedge Funds	<b>39 903</b>	166 999	–
Proceeds from loans and receivables settled	–	98 622	–
Increase in loan receivables – associates	<b>(76)</b>	–	–
Cash reclassified in directly managed hedge fund (PNF Peregrine Fund)	–	268 659	–
Taxation refund received/(paid)	<b>(3 055)</b>	5 772	(500)
<b>Cash flows from investing activities</b>	<b>(4 202)</b>	(18 637)	(37 312)
Proceeds from sale of financial investments	–	–	87 965
Acquisition of property, plant, equipment and intangible assets	<b>(4 202)</b>	(3 464)	–
Investment in financial investments	–	–	(102 328)
Investments in subsidiaries	–	(15 173)	–
Investment in associates	–	–	(22 949)
<b>Cash flows from financing activities</b>	–	(120 000)	(26 056)
Cash dividends paid	–	–	(2 500)
Decrease in loans and other payables	–	(120 000)	(23 556)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>172 853</b>	474 236	(79 317)
Net cash acquired in the restructure	–	–	170 667
Effects of exchange rate changes on cash and cash equivalents	<b>13 945</b>	7 628	(15 263)
Cash and cash equivalents at beginning of period/year	<b>558 294</b>	76 430	443
<b>Cash and cash equivalents at end of period/year</b>	<b>745 092</b>	558 294	76 430

-----

## UNAUDITED FINANCIAL INFORMATION OF ZARCLEAR FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

-----

The unaudited financial information of Zarclear for the six months ended 31 December 2020 is set out below. The notes to the unaudited financial information of Zarclear for the six months ended 31 December 2020 have been incorporated by reference and are available on Zarclear's website <https://www.zarclear.com/News/Category/2>.

No adjustments have been made to previously reported unaudited financial information used in the preparation of this **Annexure 3**.

### Statement of financial position

for the six months ended 31 December 2020

	Unaudited as at 31 December 2020 R'000s	Unaudited as at 31 December 2019 R'000s
<b>Assets</b>		
<i>Non-current assets</i>	499 444	671 425
Property, plant and equipment	1 323	1 353
Intangible assets	–	5 570
Goodwill	14 944	14 944
Financial investments	329 012	523 612
Investment in associates	150 946	125 653
Deferred taxation	3 219	294
<i>Current assets</i>	3 436 268	1 420 636
Financial investments	81 606	113 886
Trade and other receivables	2 904 556	810 398
Taxation	149	698
Cash and cash equivalents	449 957	495 654
<b>Total assets</b>	<b>3 935 712</b>	<b>2 092 061</b>
<b>Equity and liabilities</b>		
<i>Equity and reserves</i>	1 003 353	1 266 254
Share capital	44 875	474 400
Foreign currency translation reserve	107 526	32 577
Accumulated profit	845 262	757 103
Total attributable to equity holders of the company	997 663	1 264 080
Non-controlling interests	5 690	2 174
<i>Non-current liabilities</i>	34 846	12 349
Deferred taxation	34 846	12 649
<i>Current liabilities</i>	2 897 513	813 158
Taxation payable	512	3 068
Trade and other payables	2 978 001	810 090
<b>Total equity and liabilities</b>	<b>3 935 712</b>	<b>2 092 061</b>
<b>NAV (cents per share)</b>	<b>441</b>	<b>559</b>

**Statement of comprehensive income**  
for the six months ended 31 December 2020

	Unaudited 6 month period to 31 December 2020 R'000s	Unaudited 9 month period to 31 December 2019 R'000s
Income from portfolio investments	165 194	88 528
Fee income	19 435	28 897
<b>Total income</b>	<b>184 629</b>	<b>117 515</b>
Operating expenses	(49 934)	(46 559)
<b>Profit from operations</b>	<b>135 695</b>	<b>70 956</b>
Net interest received	11 388	11 913
Interest received	11 390	20 039
Interest paid	(2)	(8 126)
<b>Profit before taxation</b>	<b>147 083</b>	<b>82 869</b>
Taxation	(35 297)	(13 165)
<b>Profit for the period</b>	<b>111 786</b>	<b>69 704</b>
Items that shall be subsequently classified to profit and loss:		
Currency translation differences	(40 202)	(17 663)
<b>Total comprehensive income for the period</b>	<b>71 584</b>	<b>52 041</b>
<b>Profit for the period attributable to:</b>		
Equity holders of the company	110 454	67 925
Non-controlling interests	1 332	1 779
	<b>111 786</b>	<b>69 704</b>
<b>Total comprehensive income for the period attributable to:</b>		
Equity holders of the company	70 252	50 262
Non-controlling interests	1 332	1 779
	<b>71 584</b>	<b>52 041</b>
<b>Basic and diluted earnings per share (cents)*</b>	<b>48.86</b>	<b>30.05</b>
<b>Headline earnings per share (cents)*</b>	<b>48.86</b>	<b>30.05</b>

Based on weighted average of 226 060 696 ordinary shares in issue

*\*Zarclear has no dilutionary shares in issue*

**Statement of changes in equity**  
for the six months ended 31 December 2020

	Share capital R'000	Foreign currency translation reserve R'000	Attributable to equity holders of the company R'000	Non-controlling interests R'000	Total equity R'000
<b>Balance at 31 March 2018</b>	474 400	(34 961)	662 248	–	1 101 687
Total comprehensive income for the period	–	85 201	26 930	225	112 356
Transactions with owners recorded directly in equity:					
– Non-controlling interest in business acquired	–	–	–	170	170
<b>Balance at 31 March 2019</b>	474 400	50 240	689 179	395	1 214 213
Total comprehensive income for the period	–	(17 663)	67 625	1 779	52 041
<b>Balance at 31 December 2019</b>	474 400	32 557	757 103	2 174	1 266 254
Total comprehensive income for the period	–	115 151	(22 295)	2 184	95 040
<b>Balance at 30 June 2020</b>	474 400	147 728	734 808	4 358	1 361 294
Total comprehensive income for the period	–	(40 202)	110 454	1 332	71 584
Transaction with owners recorded directly in equity:					
– Capital reduction distribution	(429 525)	–	–	–	(429 525)
<b>Balance at 30 June 2020</b>	44 875	107 526	845 262	5 690	1 003 353

**Statement of cash flows**  
for the six months ended 31 December 2020

	Unaudited 6 month period to 31 December 2020 R'000s	Unaudited 9 month period to 31 December 2019 R'000s
<b>Cash flows from operating activities</b>	137 612	(52 775)
Cash utilised by operations	(34 528)	(22 348)
Interest received	11 390	20 039
Interest paid	(2)	(8 126)
Dividend received from equity investment	10 356	12 044
Investment in financial investments	–	–
Investment in associates	–	(109 555)
Dividend received from capital reduction distribution – associate	–	–
Proceeds from sale of financial investments	82 707	–
Proceeds from sale of financial investments (trading activity)	69 097	56 747
Proceeds from sale of financial investments (redemptions) – Hedge Funds	–	–
Increase in loan receivables – associates	–	(53)
Taxation paid	(1 408)	(1 523)
<b>Cash flows from investing activities</b>	–	(3 629)
Acquisition of property, plant and equipment	–	(3 629)
<b>Cash flows from financing activities</b>	(429 525)	–
Capital reduction distribution to shareholders	(429 525)	–
<b>Net decrease in cash and cash equivalents</b>	(291 913)	(56 405)
Effects of exchange rate changes on cash and cash equivalents	(3 222)	(6 235)
Cash and cash equivalents at beginning of period	745 092	558 294
<b>Cash and cash equivalents at end of period</b>	449 957	495 654

---

## EXTRACTS FROM THE NEW MOI

---

Extracts of the salient features of the new MOI are set out below:

### “4 POWERS OF THE COMPANY

- 4.1 Subject to the provisions of clause 5 (to the extent applicable), the Company has all of the legal powers and capacity contemplated in the Act, and no provision contained in this Memorandum of Incorporation should be interpreted or construed as negating, limiting, or restricting those powers in any way whatsoever.
- 4.2 Except to the extent that clause 5 provides otherwise, the legal powers and capacity of the Company are not subject to any restrictions, limitations or qualifications, as contemplated in section 19(1)(b)(ii).

### 6 SHARES

- 6.1 The Company is authorised to issue –
  - 6.1.1 500 000 000 (five hundred million) ordinary Shares, of the same class, each of which entitles the holder to –
    - 6.1.1.1 vote on any matter to be decided by the Shareholders of the Company and to 1 vote in the case of a vote by means of a poll;
    - 6.1.1.2 participate proportionally in any distribution made by the Company; and
    - 6.1.1.3 receive proportionally the net assets of the Company upon its liquidation;
  - 6.1.2 such number of each of such further classes of Shares, if any, as are set out in Schedule 1 hereto subject to the preferences, rights, limitations and other terms associated with each such class set out therein.
- 6.2 Any issue of Shares, Securities convertible into Shares, or rights exercisable for Shares in a transaction, or a series of integrated transactions shall, in accordance with the provisions of section 41(3), require the approval of the Shareholders by special resolution if the voting power of the class of Shares that are issued or are issuable as a result of the transaction or series of integrated transactions will be equal to or exceed 30% of the voting power of all the Shares of that class held by Shareholders immediately before that transaction or series of integrated transactions.
- 6.3 The Board may, subject to clause 6.2, resolve to issue Shares of the Company at any time, but only within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation.
- 6.4 The authorisation and classification of Shares, the numbers of authorised Shares of each class, and the preferences, rights, limitations and other terms associated with each class of Shares as set out in this Memorandum of Incorporation may be changed only by –
  - 6.4.1 an amendment of this Memorandum of Incorporation by special resolution of the Shareholders; or
  - 6.4.2 the consent in writing of the holders of not less than three-fourths of the issued Shares of that class, or with the sanction of a resolution passed in the same manner as a special resolution of the Company but at a separate meeting of the holders of the Shares of that class; and
  - 6.4.3 if any such resolution is proposed at any general meeting of the Company, the holders of the Shares of such class shall be entitled to vote in respect of such resolution at such general meeting, provided that, the voting provisions in clause 18.5 shall be of application.
- 6.5 The Board shall not have the power to –
  - 6.5.1 increase or decrease the number of authorised Shares of any class of Shares; or
  - 6.5.2 consolidate and reduce the number of the Company's issued and authorised Shares of any class;
  - 6.5.3 subdivide its Shares of any class by increasing the number of its issued and authorised Shares of that class without an increase of its capital;
  - 6.5.4 reclassify any classified Shares that have been authorised but not issued; or
  - 6.5.5 classify any unclassified Shares that have been authorised but not issued; or
  - 6.5.6 determine the preferences, rights, limitations or other terms of any Shares,

and such powers shall only be capable of being exercised by the Shareholders by way of ordinary resolution of the Shareholders.

- 6.6 Each Share issued by the Company has associated with it an irrevocable right of the Shareholder to vote on any proposal to amend the preferences, rights, limitations and other terms associated with that Share.
- 6.7 Notwithstanding any other provision of this Memorandum of Incorporation, the Board may only issue unissued Shares if such Shares have first been offered to existing ordinary Shareholders in proportion to their shareholding on such terms and in accordance with such procedures as the Board may determine, unless such Shares are issued for the acquisition of assets by the Company, provided that the Shareholders may at a general meeting, by way of ordinary resolution, authorise the Directors to issue Shares of the Company at any time and/or grant options to subscribe for Shares as the Directors in their discretion think fit.
- 6.8 Except to the extent that any right is specifically included as one of the rights, preferences or other terms upon which any class of Shares is issued or as may otherwise be provided in this Memorandum of Incorporation, no Shareholder shall have any pre-emptive or other similar preferential right to be offered or to subscribe for any additional Shares issued by the Company.

#### **14 FINANCIAL ASSISTANCE**

The Board may authorise the Company to provide financial assistance by way of loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any Securities, issued or to be issued by the Company or a related or inter-related company, or for the purchase of any such Securities, as set out in section 44, and the authority of the Board in this regard is not limited or restricted by this Memorandum of Incorporation.

#### **15 ACQUISITION BY THE COMPANY OF ITS OWN SHARES**

- 15.1 In accordance with and subject to the provisions of section 48 and subject to the further provisions of this clause 15 –
  - 15.1.1 the Board may determine that the Company acquire a number of its own Shares; and
  - 15.1.2 the board of any subsidiary of the Company may determine that such subsidiary acquire Shares of the Company, but –
    - 15.1.2.1 not more than 10%, in aggregate, of the number of issued Shares of any class may be held by, or for the benefit of, all the subsidiaries of the Company, taken together; and
    - 15.1.2.2 no voting rights attached to those Shares may be exercised while the Shares are held by that subsidiary and it remains a subsidiary of the Company.
- 15.2 Any decision by the Company to acquire its own Shares must satisfy the requirements of section 46 and, accordingly, the Company may not acquire its own Shares unless –
  - 15.2.1 the acquisition –
    - 15.2.1.1 is pursuant to an existing legal obligation of the Company, or a court order; or
    - 15.2.1.2 the Board, by resolution, has authorised the acquisition;
  - 15.2.2 it reasonably appears that the Company will satisfy the Solvency and Liquidity Test immediately after completing the said acquisition; and
  - 15.2.3 the Board, by resolution, has acknowledged that it has applied the Solvency and Liquidity Test and reasonably concluded that the Company will satisfy the Solvency and Liquidity Test immediately after completing the said acquisition.
- 15.3 A decision of the Board referred to in clause 15.1.1 –
  - 15.3.1 must be approved by a special resolution of the Shareholders if any Shares are to be acquired by the Company from a Director or prescribed officer of the Company, or a person related to a Director or prescribed officer of the Company; and
  - 15.3.2 is subject to the requirements of sections 114 and 115 if considered alone, or together with other transactions in an integrated series of transactions, it involves the acquisition by the Company of more than 5% of the issued Shares of any particular class of the Company's Shares.
- 15.4 Notwithstanding any other provision of this Memorandum of Incorporation, the Company may not acquire its own Shares, and no subsidiary of the Company may acquire Shares of the Company if, as a result of that acquisition, there would no longer be any Shares of the Company in issue other than –
  - 15.4.1 Shares held by one or more subsidiaries of the Company; or
  - 15.4.2 convertible or redeemable Shares.

## 18 SHAREHOLDERS' MEETINGS

### 18.1 Calling of Shareholders' Meetings

- 18.1.1 The Board, or any prescribed officer of the Company authorised by the Board, is entitled to call a Shareholders' meeting at any time.
- 18.1.2 Subject to clause 16.1 and to the provisions of section 60 dealing with the passing of resolutions of Shareholders otherwise than at a meeting of Shareholders, the Company shall hold a Shareholders' meeting –
- 18.1.2.1 at any time that the Board is required by the Act or this Memorandum of Incorporation to refer a matter to Shareholders for decision; or
  - 18.1.2.2 whenever required in terms of the Act to fill a vacancy on the Board; or
  - 18.1.2.3 when required in terms of clause 18.1.3 or by any other provision of this Memorandum of Incorporation.
- 18.1.3 The Board shall call a meeting of Shareholders if 1 or more written and signed demands calling for such a meeting are delivered to the Company and –
- 18.1.3.1 each such demand describes the specific purpose for which the meeting is proposed; and
  - 18.1.3.2 in aggregate, demands for substantially the same purpose are made and signed by the holders, at the earliest time specified in any of those demands, of at least 10% of the voting rights entitled to be exercised in relation to the matter proposed to be considered at the meeting.
- 18.1.4 If at any time there shall not be within the Republic, sufficient Directors capable of acting to form a quorum, any Director or any two ordinary Shareholders of the Company may convene a general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

### 18.2 Annual General Meetings

- 18.2.1 Notwithstanding any provision of the Act to the contrary, and in addition to other meetings of the Company that may be convened from time to time, the Company shall convene an annual general meeting of its Shareholders –
- 18.2.1.1 initially, no more than 18 months after the date of its incorporation;
  - 18.2.1.2 thereafter, once in each calendar year, but no more than 15 months after the date of the previous annual general meeting,
- provided that any such annual general meeting shall be capable of being held by Electronic Communication in accordance with the further provisions of this Memorandum of Incorporation.
- 18.2.2 Each annual general meeting of the Company contemplated in clause 18.2.1 shall provide for at least the following business to be transacted –
- 18.2.2.1 the presentation of the directors' report, audited financial statements for the immediately preceding financial year of the Company and an audit committee report;
  - 18.2.2.2 the election of Directors, to the extent required by the Act or by this Memorandum of Incorporation;
  - 18.2.2.3 the appointment of an auditor and an audit committee for the following financial year; and
  - 18.2.2.4 any matters raised by the Shareholders, with or without advance notice to the Company.
- 18.2.3 Save as otherwise provided herein, the Company is not required to hold any other Shareholders' meetings other than those specifically required by the Act.

### 18.3 Location and Notices of Meetings

- 18.3.1 The Board may determine the location of any Shareholders' meeting, and the Company may hold any such meeting in the Republic, and the authority of the Board and the Company in this regard is not limited or restricted by this Memorandum of Incorporation.
- 18.3.2 All meetings (whether called for the passing of special or ordinary resolutions) shall be called on not less than 15 business days' notice.

### 18.4 Quorum and Adjournment of Meetings

- 18.4.1 The quorum requirement for a Shareholders' meeting to begin or for a matter to be considered are as set out in section 64(1) without variation and, accordingly –
- 18.4.1.1 a Shareholders' meeting may not begin until sufficient persons are present at the meeting to exercise, in aggregate, at least 25% of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the meeting; and

- 18.4.1.2 a matter to be decided at a Shareholders' meeting may not begin to be considered unless sufficient persons are present at the meeting to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised in respect of that matter at the time the matter is called on the agenda,  
provided that, if the Company has more than 2 Shareholders, a meeting may not begin, or a matter begin to be debated, unless –
- 18.4.1.3 at least 3 Shareholders are present at the meeting; and
- 18.4.1.4 the requirements of clauses 18.4.1.1 and 18.4.1.2 are satisfied.
- 18.4.2 The time periods allowed in sections 64(4) and (5) apply to the Company without variation and, accordingly, if within 1 hour after the appointed time for a meeting to begin, the requirements of clause 18.4.1 –
- 18.4.2.1 for that meeting to begin have not been satisfied, the meeting shall be postponed, without any motion, vote or further notice, for 1 week;
- 18.4.2.2 for consideration of a particular matter to begin have not been satisfied –
- 18.4.2.2.1 if there is other business on the agenda of the meeting, consideration of that matter may be postponed to a later time in the meeting without any motion or vote; or
- 18.4.2.2.2 if there is no other business on the agenda of the meeting, the meeting shall be adjourned, without any motion or vote, for 1 week,  
provided that the person intended to chair a meeting that cannot begin due to the operation of clause 18.4.1 may extend the 1 hour limit allowed in clause 18.4.2 for a reasonable period on the grounds that –
- 18.4.2.3 exceptional circumstances affecting weather, transportation or Electronic Communication have generally impeded or are generally impeding the ability of Shareholders to be present at the meeting; or
- 18.4.2.4 one or more particular Shareholders, having been delayed, have communicated an intention to attend the meeting, and those Shareholders, together with others in attendance, would satisfy the requirements of clause 18.4.1.
- 18.4.3 The accidental omission to give notice of any meeting to any particular Shareholder or Shareholders, or an immaterial defect in the manner or form of giving notice of any such meeting, shall not invalidate any resolution passed at any such meeting.
- 18.4.4 The Company shall not be required to give further notice of a meeting that has been postponed or adjourned in terms of clause 18.4.2 unless the location for the meeting is different from –
- 18.4.4.1 the location of the postponed or adjourned meeting; or
- 18.4.4.2 the location announced at the time of adjournment, in the case of an adjourned meeting.
- 18.4.5 If at the time appointed in terms of clause 18.4.2 for a postponed meeting to begin, or for an adjourned meeting to resume, the requirements of clause 18.4.1 have not been satisfied, the Shareholders present in person or by proxy will be deemed to constitute a quorum.
- 18.4.6 After a quorum has been established for a meeting, or for a matter to be considered at a meeting, the meeting may continue, or the matter may be considered, so long as at least 1 Shareholder with voting rights entitled to be exercised at the meeting, or on that matter, is present at the meeting, and the provisions of section 64(9) are not limited or restricted by this Memorandum of Incorporation.
- 18.4.7 The maximum period allowable for an adjournment of a Shareholders' meeting is as set out in section 64(12), without variation.

## 18.5 Conduct of Meetings

- 18.5.1 The chairperson, if any, of the Board shall preside as chairperson at every Shareholder's meeting.
- 18.5.2 If there is no such chairperson, or if at any meeting he or she is not present within 15 minutes after the time appointed for holding the meeting or is unwilling to act as chairperson, the Directors present shall choose 1 of their number to be chairperson. If no Director is willing to act as chairperson or if no Director is present within 15 minutes after the time appointed for holding the meeting, the Shareholders present shall choose one of their number to be chairperson of the meeting.
- 18.5.3 The chairperson may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

- 18.5.4 The chairperson of a Shareholders' meeting may –
  - 18.5.4.1 appoint any firm or persons to act as scrutineers for the purpose of checking any powers of attorney received and for counting the votes at the meeting;
  - 18.5.4.2 act on a certificate given by any such scrutineers without requiring production at the meeting of the forms of proxy or himself counting the votes.
- 18.5.5 If any votes were counted which ought not to have been counted or if any votes were not counted which ought to have been counted, the error shall not vitiate the resolution, unless –
  - 18.5.5.1 it is brought to the attention of the chairperson at the meeting; and
  - 18.5.5.2 in the opinion of the chairperson of the meeting, it is of sufficient magnitude to vitiate the resolution.
- 18.5.6 Any objection to the admissibility of any vote (whether on a show of hands or on a poll) shall be raised –
  - 18.5.6.1 at the meeting or adjourned meeting at which the vote objected to was recorded; or
  - 18.5.6.2 at the meeting or adjourned meeting at which the result of the poll was announced,
    - and every vote not then disallowed shall be valid for all purposes. Any objection made timeously shall be referred to the chairperson of the meeting, whose decision shall be final and conclusive.
- 18.5.7 Even if he is not a Shareholder –
  - 18.5.7.1 any Director; or
  - 18.5.7.2 the Company's attorney (or where the Company's attorneys are a firm, any partner or director thereof),
    - may attend and speak at any general meeting, but may not vote, unless he is a Shareholder or the proxy or representative of a Shareholder.

## 19 SHAREHOLDERS' MEETINGS BY ELECTRONIC COMMUNICATION

- 19.1 The Company may conduct a Shareholders' meeting entirely by Electronic Communication or provide for participation in a meeting by Electronic Communication, as set out in section 63, and the power of the Company to do so is not limited or restricted by this Memorandum of Incorporation. Accordingly –
  - 19.1.1 any Shareholders' meeting may be conducted entirely by Electronic Communication; or
  - 19.1.2 one or more Shareholders, or proxies for Shareholders, may participate by Electronic Communication in all or part of any Shareholders' meeting that is being held in person,
    - so long as the Electronic Communication employed ordinarily enables all persons participating in that meeting to communicate concurrently with each other and without an intermediary, and to participate reasonably effectively in the meeting.
- 19.2 Any notice of any meeting of Shareholders at which it will be possible for Shareholders to participate by way of Electronic Communication shall inform Shareholders of the ability to so participate and shall provide any necessary information to enable Shareholders or their proxies to access the available medium or means of Electronic Communication, provided that such access shall be at the expense of the Shareholder or proxy concerned.

## 20 VOTES OF SHAREHOLDERS

- 20.1 Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with this Memorandum of Incorporation, at a meeting of the Company –
  - 20.1.1 every person present and entitled to exercise voting rights shall be entitled to 1 vote on a show of hands, irrespective of the number of voting rights that person would otherwise be entitled to exercise; and
  - 20.1.2 on a poll any person who is present at the meeting, whether as a Shareholder or as proxy for a Shareholder, has the number of votes determined in accordance with the voting rights associated with the Securities held by that Shareholder.
- 20.2 Voting shall be conducted by means of a polled vote in respect of any matter to be voted on at a meeting of Shareholders if a demand is made for such a vote by –
  - 20.2.1 at least 5 persons having the right to vote on that matter, either as Shareholders or as proxies representing Shareholders; or
  - 20.2.2 a person who is, or persons who together are, entitled, as Shareholders or proxies representing Shareholders, to exercise at least 10% of the voting rights entitled to be voted on that matter; or
  - 20.2.3 the chairperson of the meeting.

- 20.3 At any meeting of the Company a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of clause 20.2, and unless a poll is so demanded, a declaration by the chairperson that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or defeated, and an entry to that effect in the book containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 20.4 If a poll is duly demanded, it shall be taken in such manner as the chairperson directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. In computing the majority on the poll, regard shall be had to the number of votes to which each Shareholder is entitled. The demand for a poll may be withdrawn.
- 20.5 In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson of the meeting at which the show of hands takes place, or at which the poll is demanded, shall not be entitled to a second or casting vote.
- 20.6 A poll demanded on the election of a chairperson (as contemplated in clause 18.5.2) or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairperson of the meeting directs. The demand for a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question upon which the poll has been demanded.
- 20.7 In case of any dispute as to the admission or rejection of a vote, the chairperson of the meeting shall determine the same, and the determination of the chairperson made in good faith shall be final and conclusive.
- 20.8 Where there are joint registered holders of any Share, any 1 of such persons may exercise all of the voting rights attached to that Share at any meeting, either personally or by proxy, as if he or she were solely entitled thereto. If more than 1 of such joint holders is present at any meeting, personally or by proxy, the person so present whose name stands first in the Securities Register in respect of such Share shall alone be entitled to vote in respect thereof.
- 20.9 The board of any Company or the controlling body of any other entity or person that holds any Securities of the Company may authorise any person to act as its representative at any meeting of Shareholders of the Company, in which event the following provisions will apply –
- 20.9.1 the person so authorised may exercise the same powers of the authorising Company, entity or person as it could have exercised if it were an individual holder of Shares; and
- 20.9.2 the authorising Company, entity or person shall lodge a resolution of the directors of such Company or controlling body of such other entity or person confirming the granting of such authority, and certified under the hand of the chairperson or secretary thereof, with the Company before the commencement of any Shareholders' meeting at which such person intends to exercise any rights of such Shareholder, unless excused from doing so by the chairperson of such meeting.

## **22 SHAREHOLDERS' RESOLUTIONS**

- 22.1 For an ordinary resolution to be approved it must be supported by more than 50% of the voting rights exercised on the resolution, as provided in section 65(7).
- 22.2 For a special resolution to be approved it must be supported by the holders of at least 75% of the voting rights exercised on the resolution, as provided in section 65(9).
- 22.3 No matters, except those matters set out in section 65(11) and any other matter required by the Act or by this Memorandum of Incorporation, or the shareholders agreement (if any), to be resolved by means of a special resolution, require a special resolution of the Company.
- 22.4 In the event that any Shareholder abstains from voting in respect of any resolution, such Shareholder will, for the purposes of determining the number of votes exercised in respect of that resolution, be deemed not to have exercised a vote in respect thereof.

## **24 COMPOSITION AND POWERS OF THE BOARD OF DIRECTORS**

### **24.1 Number of Directors**

In addition to the minimum number of Directors, if any, that the Company must have to satisfy any requirement in terms of the Act to appoint an audit committee, or a social and ethics committee, the Board must comprise at least 3 Directors and the Shareholders shall be entitled by ordinary resolution to determine such maximum number of Directors as they from time to time shall consider appropriate.

### **24.2 Election and Appointment of Directors**

- 24.2.1 The Directors shall be elected in terms of section 68(1) by the persons entitled to exercise voting rights in such an election, being the Shareholders of the Company and the holders of any other Securities of the Company to the extent that the terms on which such Securities were issued confer such rights.

24.2.2 In any election of Directors –

- 24.2.2.1 the election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, with the series of votes continuing until all vacancies on the Board have been filled; and
- 24.2.2.2 in each vote to fill a vacancy –
  - 24.2.2.2.1 each vote entitled to be exercised may be exercised once; and
  - 24.2.2.2.2 the vacancy is filled only if a majority of the votes exercised support the candidate, provided only that, in the event that the Company only has 1 Shareholder, the above provisions of this clause 24.2.1 will not apply and the election of Directors shall take place in such manner as the Shareholder shall determine.
- 24.2.3 The Company shall be entitled to have appointed or *ex officio* Directors as contemplated in section 66(4).
- 24.2.4 In addition to the Directors elected in accordance with the above provisions of this Memorandum of Incorporation, and provided that such elected Directors comprise at least 50% of the number of Directors -
  - 24.2.4.1 each Shareholder shall be entitled, for every 20% (twenty percent) of the voting rights of the Company held by such Shareholder, to appoint 1 director to the Board;
  - 24.2.4.2 a Shareholder who has appointed a Director in terms of this clause 24.2.4 may remove its nominee from the Board and replace such nominee so removed or who has otherwise ceased to be a Director; and
  - 24.2.4.3 the appointment or removal of a Director, by a Shareholder in terms of this clause 24.2.4 shall be effected by notice to the Company and will be operative immediately upon receipt by the Company of such notice; and where a Director has been so appointed, a written consent by such person to serve as a Director as contemplated in section 66(7)(b), provided that such notice and consent shall be accompanied by a written acknowledgement by such Director that he shall be deemed ipso facto to have resigned from office as such forthwith upon him being required to cease holding office as a Director in terms of clause 24.2.4.2 or 24.2.5, which written acknowledgement shall irrevocably appoint the Shareholder who appointed him as his agent to sign all such documents and to do all such things as are necessary or required to give effect to and implement his resignation, and shall further confirm that such Director shall have no claims against either the Company, or the Shareholders, arising from or relating to such resignation.
- 24.2.5 Notwithstanding the provisions of clause 24.2 and subject to the provisions of the Act, the Company may by ordinary resolution of its Shareholders, remove any Director, including a Director appointed by a Shareholder in terms of clause 24.2.4.1 before the expiration of his period of office by ordinary resolution.

24.3 **Eligibility and Rotation**

- 24.3.1 Apart from satisfying the qualification and eligibility requirements set out in section 69, a person need not satisfy any further eligibility requirements or qualifications to become or remain a Director or a prescribed officer of the Company, however this provision may from time to time be varied by the Company by an ordinary resolution taken by Shareholders.
- 24.3.2 The elected Directors shall rotate in accordance with the following provisions of this clause 24.3.2 –
  - 24.3.2.1 at the annual general meeting of the Company contemplated in clause 18.2.1.1 all the elected Directors shall retire from office, and at each subsequent general meeting referred to in clause 18.2.1.2 1/3 of the elected Directors for the time being, or if their number is not 3 or a multiple of 3, the number nearest to 1/3, but not less than 1/3, shall retire from office, provided that if an elected Director is appointed as managing Director or as an employee of the Company in any other capacity, the contract under which he is appointed may provide that he or she shall not, while he or she continues to hold that position or office, be subject to retirement by rotation and he or she shall not, in such case, be taken into account in determining the rotation or retirement of Directors;
  - 24.3.2.2 the elected Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who were elected as Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot;
  - 24.3.2.3 a retiring Director shall be eligible for re-election;
  - 24.3.2.4 the Board shall provide the Shareholders with a recommendation in the notice of the meeting at which the re-election of a retiring Director is proposed, as to which retiring Directors are eligible for re-election, taking into account that Director's past performance;

- 24.3.2.5 the Company, at the general meeting at which a Director retires in the above manner, or at any other general meeting, may fill the vacancy by electing a person thereto;
- 24.3.2.6 if at any meeting at which an election of Directors ought to take place the offices of the retiring Directors are not filled, unless it is expressly resolved not to fill such vacancies, the retiring Director shall, if willing continue in office until the dissolution of the general meeting in the next year, and so on from year to year until his place is filled, unless he is unwilling, whereupon the meeting shall stand adjourned and the further provisions of this Memorandum of Incorporation, including clauses 18.4.2 to 18.4.5 (inclusive) will apply mutatis mutandis to such adjournment, and if at such adjourned meeting the vacancies are not filled, the retiring Directors, or such of them as have not had their offices filled, shall be deemed to have been re-elected at such adjourned meeting.

#### 24.4 Certain Powers of the Directors

- 24.4.1 The Board has the power to –
  - 24.4.1.1 fill any vacancy on the Board on a temporary basis, as set out in section 68(3) (and subject to section 70); and
  - 24.4.1.2 exercise all powers and perform any of the functions of the Company, as set out in section 66(1), unless the powers of the Board in this regard are not limited or restricted by this Memorandum of Incorporation or the shareholders agreement (if any).
- 24.4.2 The Board shall implement its investment policy in accordance with the terms thereof and may make use of financial gearing in its underlying investments should its investment policy as amended from time to time, provide for the Company to do so.
- 24.4.3 The Directors may at any time and from time to time by power of attorney appoint any person or persons to be the attorney or attorneys and agent(s) of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors in terms of this Memorandum of Incorporation and the shareholders agreement (if any)) and for such period and subject to such conditions as the Directors may from time to time think fit. Any such appointment may, if the Directors think fit, be made in favour of any company, the shareholders, directors, nominees or managers of any company or firm, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys and agents as the Directors think fit. Any such attorneys or agents as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them. Any reference to a power of attorney herein shall include any other form of delegation including the right to sub-delegate.
- 24.4.4 Save as otherwise expressly provided herein, all cheques, promissory notes, bills of exchange and other negotiable or transferable instruments, and all documents to be executed by the Company, shall be signed, drawn, accepted, endorsed or executed, as the case may be, in such manner as the Directors shall from time to time determine.
- 24.4.5 The management of the Company shall be vested in the Directors who, in addition to the powers and authorities conferred upon them hereunder and in terms of the shareholders agreement (if any) and the Act, may exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not hereby or by the Act, expressly directed or required to be exercised or done by the Company in a general meeting (including without derogating from the generality of the foregoing or from the rights of the Shareholders), the power to resolve that the Company be wound up) but subject nevertheless to such management and control not being inconsistent with the provisions of this Memorandum of Incorporation or with any resolution passed at any general meeting of the Shareholders.
- 24.4.6 The Directors may authorize the payment of any donation by the Company to such religious, educational, charitable, public or other bodies, funds, associations or persons as may seem to them advisable or desirable in the interests of the Company and limited in aggregate to of net 1% profit after tax in any one financial year.
- 24.4.7 The Directors may delegate or allocate any of their powers to an executive officer or other committee consisting of such member or members of their body or any other person/s they think fit. Any committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Directors.
- 24.4.8 All acts performed by the Directors or by a committee of Directors or by any person acting as a Director or a member of a committee shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the Directors or persons acting as aforesaid, or that any of them were disqualified from or had vacated office, be valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.

24.4.9 The Directors in office may act notwithstanding any vacancy in their body, but the remaining Directors must as soon as possible, and in any event not later than three months from the date that the number of Directors falls below the minimum, fill the vacancy or call a general meeting for the purposes of filling the vacancy. After the expiry of the three month period, and so long as their number is reduced below the minimum number fixed in accordance with this Memorandum of Incorporation, the Directors may act only for the purpose of filling vacancies in their body in terms of section 68(3) or of summoning general meetings of the Company, but not for any other purpose.

#### 24.5 Directors' Interests

24.5.1 A Director may be employed or hold any other office or place of profit under the Company or any subsidiary of the Company in conjunction with the office of Director, (except that of auditor) for such period and on such terms as to appointment, remuneration (in addition to the remuneration to which he may be entitled as a Director) and otherwise, as a disinterested quorum of the Directors may determine.

24.5.2 A Director of the Company may be or become a director or other officer of, or otherwise interested in, any Company promoted by the Company or in which the Company may be interested as Shareholder or otherwise and (except insofar as otherwise decided by the Directors), provided that the appointment and remuneration in respect of such other office must be determined by a disinterested quorum of Directors.

24.5.3 Each Director and each alternate Director, prescribed officer and member of any committee of the Board (whether or not such latter persons are also members of the Board) shall, subject to the exemptions contained in section 75(2) and the qualifications contained in section 75(3), comply with all of the provisions of section 75 in the event that they (or any person who is a related person to them) has a personal financial interest in any matter to be considered by the Board.

### 27 DIRECTORS' COMPENSATION AND FINANCIAL ASSISTANCE

27.1 The Company may pay remuneration to the Directors for their services as directors in accordance with a special resolution approved by the Company's Shareholders within the previous 2 years, as set out in section 66(8) and (9), and the power of the Company in this regard is not limited or restricted by this Memorandum of Incorporation.

27.2 Any Director who –

27.2.1 serves on any executive or other committee; or

27.2.2 devotes special attention to the business of the Company; or

27.2.3 goes or resides outside South Africa for the purpose of the Company; or

27.2.4 otherwise performs or binds himself to perform services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director,

may be paid such extra remuneration or allowances in addition to or in substitution of the remuneration to which he may be entitled as a Director, as a disinterested quorum of the Directors may from time to time determine.

27.3 The Directors may also be paid all their travelling and other expenses properly and necessarily incurred by them in connection with –

27.3.1 the business of the Company; and

27.3.2 attending meetings of the Directors or of committees of the Directors of the Company.

27.4 The Board may, as set out in and subject to the requirements of section 45, authorise the Company to provide financial assistance to a Director, prescribed officer or other person referred to in section 45(2), and the power of the Board in this regard is not limited or restricted by this Memorandum of Incorporation.

### 31 BORROWING POWERS

31.1 Subject to the provisions of clause 31.2, the provisions of the shareholders agreement (if any) and the other provisions of this Memorandum of Incorporation, the Board may from time to time –

31.1.1 borrow for the purposes of the Company such sums as they think fit; and

31.1.2 secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of Securities, mortgage or charge upon all or any of the property or assets of the Company.

31.2 The Directors shall procure (but as regards subsidiaries of the Company only insofar as by the exercise of voting and other rights or powers of control exercisable by the Company they can so procure) that the aggregate principal amount at any one time outstanding in respect of moneys so borrowed or raised by –

31.2.1 the Company; and

31.2.2 all the subsidiaries for the time being of the Company (excluding moneys borrowed or raised by any of such companies from any other of such companies but including the principal amount secured by any outstanding guarantees or suretyships given by the Company or any of its subsidiaries for the time being for the indebtedness of any other Company or companies whatsoever and not already included in the aggregate amount of the moneys so borrowed or raised),

shall not exceed the aggregate amount at that time authorised to be borrowed or secured by the Company or the subsidiaries for the time being of the Company (as the case may be).

## **32 COMMITTEES OF THE BOARD**

32.1 The Board may –

32.1.1 appoint committees of Directors and delegate to any such committee any of the authority of the Board as set out in section 72(1); and/or

32.1.2 include in any such committee persons who are not Directors, as set out in section 72(2)(a), and the power of the Board in this regard is not limited or restricted by this Memorandum of Incorporation.

32.2 If and for as long as it is required to do so in terms of the Act, and unless the Company is exempted from doing so by the Tribunal in terms of section 72(5), the Board must appoint a social and ethics committee having the powers and functions prescribed in terms of section 72 and the Regulations.

32.3 The authority of a committee appointed by the Board as set out in section 72(2)(b) and (c) is not limited or restricted by this Memorandum of Incorporation.

## **35 DISTRIBUTIONS**

35.1 Subject to the provisions of the Act, and particularly section 46, the Company may make a proposed distribution if such distribution –

35.1.1 is pursuant to an existing legal obligation of the Company, or a court order; or

35.1.2 is authorised by resolution of the Board.

35.2 No distribution shall bear interest against the Company, except as otherwise provided under the conditions of issue of the Shares in respect of which such distribution is payable.

35.3 Distributions may be declared either free of or subject to the deduction of income tax and any other tax or duty in respect of which the Company may be chargeable.

35.4 The Board may from time to time declare and pay to the Shareholders such interim distributions as the Directors consider to be appropriate.

35.5 All unclaimed distributions may be invested or otherwise made use of by the Board for the benefit of the Company until claimed, provided that distributions unclaimed for a period of 3 years from the date on which they were declared may be declared forfeited by the Board for the benefit of the Company. The Board may at any time annul such forfeiture upon such conditions (if any) as they think fit.

35.6 Any distribution, interest or other sum payable in cash to the holder of a Share may be paid by electronic transfer for credit to an account nominated in writing by the Shareholder or by cheque or warrant sent by post and addressed to –

35.6.1 the holder at his registered address; or

35.6.2 in the case of joint holders, the holder whose name appears first in the Securities Register in respect of the Share, at his registered address; or

35.6.3 such person and at such address as the holder or joint holders may in writing direct.

35.7 Every such cheque or warrant shall –

35.7.1 be made payable to the order of the person to whom it is addressed; and

35.7.2 be sent at the risk of the holder or joint holders.

35.8 The Company shall not be responsible for the loss in transmission of any cheque or warrant or of any document (whether similar to a cheque or warrant or not) sent by post as aforesaid.

- 35.9 A holder or any one of two or more joint holders, or his or their agent duly appointed in writing, may give valid receipts for any distributions or other moneys paid in respect of a Share held by such holder or joint holders.
- 35.10 When such cheque or warrant is paid or the making of such electronic transfer to whomsoever effected, it shall discharge the Company of any further liability in respect of the amount concerned.
- 35.11 A distribution may also be paid in any other way determined by the Board, and if the directives of the Board in that regard are complied with, the Company shall not be liable for any loss or damage which a Shareholder may suffer as a result thereof.
- 35.12 Without detracting from the ability of the Company to issue capitalisation Shares, any distribution may be paid wholly or in part –
- 35.12.1 by the distribution of specific assets; or
  - 35.12.2 by the issue of Shares, debentures or securities of the Company or of any other Company; or
  - 35.12.3 in cash; or
  - 35.12.4 in any other way which the Board may at the time of declaring the distribution determine.
- 35.13 Where any difficulty arises in regard to such distribution, the Directors may settle that difficulty as they think expedient, and in particular may fix the value which shall be placed on such specific assets on distribution.
- 35.14 The Board may –
- 35.14.1 determine that cash payments shall be made to any Shareholder on the basis of the value so fixed in order to secure equality of distribution; and
  - 35.14.2 vest any such assets in trustees upon such trusts for the benefit of the persons entitled to the distribution as the Directors deem expedient.
- 35.15 The Board of the Company may hold in trust (or pay to another entity to hold in trust) small cash dividends or other cash distributions, due to any Shareholders of the Company who hold the Company's Securities in certificated form, without interest if, in the discretion of the Board, the payment of such dividends or other distributions would be uneconomical for any such Shareholders and/or for the Company. Such retained amounts shall be added to subsequent dividends payable to affected Shareholders and the accumulated amounts shall be released to an affected Shareholder where the aggregate of the accumulated amount due to such Shareholder exceeds a minimum amount of R25,00 or such other amount as proposed by the Board from time to time. Such retained amounts shall also be released to affected Shareholders who specifically request payment or where such affected Shareholders' shareholdings are transferred out of the Company's certificated Securities Register.
- 35.16 The Board may, before declaring or recommending any dividend or other distribution, set aside out of the amount available for dividends, such sums as they think proper as a reserve fund or an addition thereto. The Board may divide the reserve fund into such special funds as they think fit, with full power to employ the assets constituting such fund or funds in the business of the Company, or may invest the same upon such investments (other than Shares of the Company) as they may select without being liable for any depreciation of or loss in consequence of such investments whether the same be usual or authorised investments for trust funds or not.
- 35.17 The reserve fund shall, at the discretion of the Board, be applicable for the equalisation of dividends or other distributions or for making provision for exceptional losses, expenses or contingencies, or for the extension or development of the Company's business, or for writing down the value of any of the assets of the Company, or for repairing, improving and maintaining any buildings, plant, machinery or works connected with the business of the Company, or to cover the loss in wear and tear or other depreciation in value of any property of the Company or for any of the objects or powers of the Company, or for any other purpose to which the Profits of the Company may be properly applied, and the Board may at any time divide among the Shareholders by way of bonus, or special dividends, any part of the reserve funds which they in their discretion may determine not to be required for the purposes aforesaid."

---

**TRADING HISTORY OF ZARCLEAR SHARES**


---

<b>Period</b>	<b>High (cents)</b>	<b>Low (cents)</b>	<b>Close (cents)</b>	<b>Volume</b>	<b>Value (R)</b>
<b>Monthly</b>					
<b>2020</b>					
August	430	402	405	183 577	751 972
September	440	402	440	615 466	2 571 330
October	440	405	405	32 046	136 954
November	530	360	515	25 156 948	89 718 883
December	600	325	390	101 883 545	271 998 390
<b>2021</b>					
January	405	340	400	116 058	439 629
February	420	400	410	115 996	465 498
March	465	410	450	65 494 020	301 025 680
April	450	350	385	30 361	112 253
May	410	385	390	107 921	439 594
June	425	390	420	80 529	337 107
July	424	420	420	25 168	105 705
<b>Daily</b>					
<b>2021</b>					
2 July	420	420	420	12	50
5 July	420	420	420	–	–
6 July	420	420	420	784	3 292
7 July	420	420	420	–	–
8 July	420	420	420	–	–
9 July	420	420	420	2 000	8 400
12 July	420	420	420	778	3 267
13 July	420	420	420	–	–
14 July	420	420	420	1 000	4 200
15 July	420	420	420	–	–
16 July	424	420	420	7 500	31 502
19 July	420	420	420	–	–
20 July	420	420	420	1 419	5 959
21 July	420	420	420	–	–
22 July	420	420	420	11 675	49 035
23 July	420	420	420	–	–
26 July	420	420	420	–	–
27 July	420	420	420	–	–
28 July	420	420	420	–	–
29 July	420	420	420	–	–
30 July	420	420	420	–	–
2 August	420	420	420	–	–
3 August	450	450	450	156	702
4 August	420	420	420	80	336
5 August	420	420	420	–	–
6 August	437	437	437	1 625	7 101
10 August	437	437	437	9 386	41 016
11 August	437	437	437	–	–
12 August	437	437	437	–	–
13 August	437	437	437	–	–

Source: *TimBukOne*

---

## EXCHANGE CONTROL REGULATIONS

---

The following is a summary of the Exchange Control Regulations which apply to share repurchase offer participants. It is intended as a guide only and is not a comprehensive statement of all the Exchange Control Regulations which apply to share repurchase offer participants. Share repurchase offer participants who have any queries regarding the Exchange Control Regulations should contact their own professional advisers without delay.

### 1. RESIDENTS OF THE COMMON MONETARY AREA

In the case of share repurchase offer participants holding certificated Zarclear shares whose registered addresses in the register are within the Common Monetary Area and whose documents of title are not restrictively endorsed in terms of the Exchange Control Regulations, the share repurchase offer consideration will be posted or transferred to such share repurchase offer participants by electronic funds transfer (should this option have been selected on the form of surrender and transfer (*blue*)).

In the case of share repurchase offer participants holding dematerialised Zarclear shares whose registered addresses in the register are within the Common Monetary Area and whose accounts with their CSDP or broker have not been restrictively designated in terms of the Exchange Control Regulations, the share repurchase offer consideration will be credited directly to the accounts nominated by their duly appointed CSDP or broker in terms of the custody agreement with their CSDP or broker.

### 2. EMIGRANTS FROM THE COMMON MONETARY AREA

With effect from 1 March 2021, the concept of emigration for exchange control purposes has been phased out. In terms of the revised rules authorised dealers may, on confirmation that a private individual has cleared his/her tax residency status with the South African Revenue Service, allow the transfer of assets abroad, subject to tax compliance (i.e. a tax clearance PIN) and SARB approval (in the case of transfers in excess of R10 million). It is recommended that share repurchase offer participants who may be impacted by these changes consult their professional advisors.

Unless the Zarclear shares have been externalised and placed in a non-resident account the share repurchase offer consideration due to share repurchase offer participants who are Emigrants from the Common Monetary Area/private individuals who have ceased to be resident for tax purposes will be dealt with as follows:

- 2.1 in the case of Zarclear shareholders who hold their own documents of title and whose documents of title have been restrictively endorsed under the Exchange Control Regulations, the share repurchase offer consideration will be forwarded to the authorised dealer in foreign exchange in South Africa controlling such Zarclear shareholders' remaining/capital assets and held to the order of such authorised dealers. The attached form of acceptance, surrender and transfer (*blue*) makes provision for the details of authorised dealers; or
- 2.2 in the case of Zarclear shareholders whose Zarclear shares are held by their CSDPs or brokers as nominees, the share repurchase offer consideration will be credited to the account of the share repurchase offer participants' CSDP or broker which shall arrange for same to be credited directly to the share repurchase offer participants' remaining/capital asset accounts (see above) held by the share repurchase offer participants' authorised dealers and held to the order of the share repurchase offer participants' dealers in foreign exchange in South Africa.

### 3. ALL OTHER NON-RESIDENTS OF THE COMMON MONETARY AREA

- 3.1 The share repurchase offer consideration due to a certificated Zarclear shareholder who is a non-resident of South Africa and who has never resided in the Common Monetary Area, whose registered address is outside the Common Monetary Area and whose documents of title have been restrictively endorsed under the Exchange Control Regulations, will be deposited with the authorised dealer in foreign exchange in South Africa nominated by such share repurchase offer participant. It will be incumbent on the share repurchase offer participant concerned to instruct the nominated authorised dealer as to the disposal of the amounts concerned, against delivery of the relevant documents of title.
- 3.2 The form of surrender and transfer (*blue*) attached to this circular makes provision for the nomination required in terms of the paragraph 3.1 above. If the information regarding the authorised dealer is not given in terms of such paragraph 3.1, the share repurchase offer consideration will be held in trust by Zarclear for the share repurchase offer participants concerned pending receipt of the necessary information or instruction.

**4. IN TERMS OF THE EXCHANGE CONTROL REGULATIONS:**

- 4.1 any share certificate that might be issued to non-resident shareholders will be endorsed "Non-Resident";
- 4.2 any new share certificates, dividend and residual cash payments based on emigrants' shares controlled in terms of the Exchange Control Regulations will be forwarded to the authorised dealer controlling their blocked assets. The election by emigrants for the above purpose must be made through the authorised dealer controlling their blocked assets. Such share certificates will be endorsed "Non-Resident"; and
- 4.3 dividend and residual cash payments due to non-residents are freely transferable from South Africa.

-----

## DEALINGS IN ZARCLEAR SHARES BY PERSONS WHO PROVIDED IRREVOCABLE UNDERTAKINGS

-----

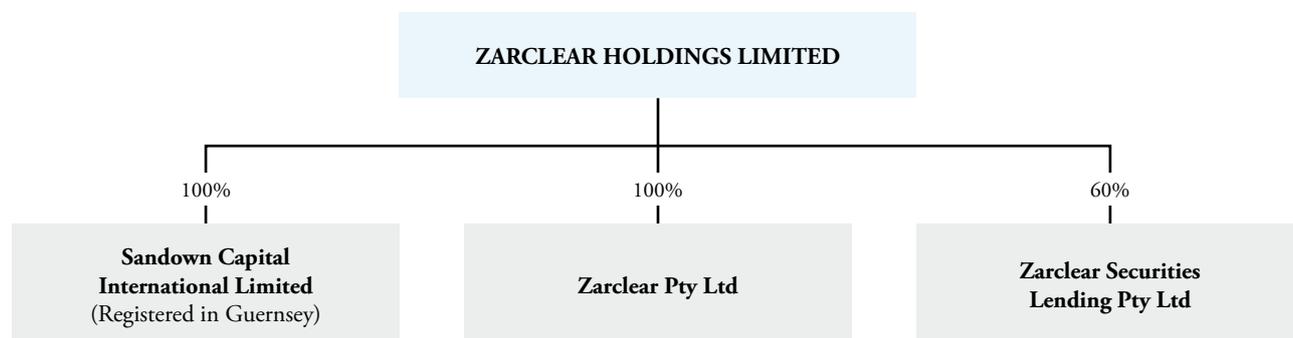
The parties who provided irrevocable undertakings to not accept the share repurchase offer consideration from the company, subject to the delisting resolution and the share repurchase offer resolution both being passed by the requisite majority of shareholders at the general meeting, have had the following dealings in Zarclear shares for the six months before Monday, 12 April 2021 (being the date of the first cautionary announcement in respect of the share repurchase offer).

<b>Zarclear shareholder</b>	<b>Date</b>	<b>Purchase/Sale</b>	<b>Number of shares bought/sold</b>	<b>Consideration per share (R)</b>	<b>Aggregate consideration (R)</b>
African Phoenix	8 March 2021	Purchase	45 569 679	4.59816	209 536 500.40
African Phoenix	10 March 2021	Purchase	86 060	4.60	395 876.00
African Phoenix	11 March 2021	Purchase	200 000	4.60	920 000.00
African Phoenix	16 March 2021	Purchase	728 314	4.60	3 349 416.40
African Phoenix	17 March 2021	Purchase	243 902	4.60	1 121 949.20
Peresec Prime Brokers	8 March 2021	Purchase	18 000 000	4.60	82 800 000.00
Zolospan	22 December 2020	Purchase	33 328 542	2.50	83 321 355.00
Zolospan	8 March 2021	Sale	5 528 542	4.60	25 431 293.20

---

**ZARCLEAR GROUP STRUCTURE**

---





**ZARCLEAR HOLDINGS LIMITED**

(Incorporated in South Africa)  
(Registration number 2000/013674/06)  
Share code: ZCL ISIN: ZAE000262820

---

## NOTICE OF GENERAL MEETING OF SHAREHOLDERS

---

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

Notice is hereby given that a general meeting of Zarclear shareholders will be held virtually via a remote interactive electronic platform, Microsoft Teams at 10:00 on Monday, 27 September 2021, for the purpose of considering and, if deemed fit, passing with or without modification, the resolutions set out below.

Shareholders are referred to the circular, which sets out the information and explanatory material that they may require in order to determine whether to participate in the general meeting and vote on 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 register 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 register on the voting record date will be required to provide identification satisfactory to the chairperson of the general meeting. Forms of identification include valid identity documents, drivers' licenses and passports.

The resolutions set out in this notice of general meeting are all inter-conditional and are further each subject to the fulfilment or, if applicable, waiver of the conditions precedent to the transaction, as set out in paragraph 5.2 of the circular, save for any such condition precedent relating to the passing of such resolution.

<b>Important dates to note</b>	<b>2021</b>
Record date to determine which Zarclear shareholders are entitled to receive this circular	Friday, 20 August
Circular together with the accompanying notice convening the general meeting, form of proxy ( <i>green</i> ) and form of surrender and transfer ( <i>blue</i> ) posted to Zarclear shareholders on	Thursday, 26 August
Announcement relating to the issue of the circular (together with the notice of the general meeting) released on SENS and ANS on	Thursday, 26 August
Announcement relating to the issue of the circular (together with the notice of the general meeting) published in the press on	Friday, 27 August
Zarclear results for the year ended 30 June 2021 released on SENS and ANS on	Thursday, 2 September
Last date to trade in Zarclear shares on the JSE and A2X in order to be recorded on the register to vote at the general meeting on	Tuesday, 14 September
Record date to be eligible to vote at the general meeting, being the voting record date, by the close of trade on	Friday, 17 September
Last date and time to lodge forms of proxy ( <i>green</i> ) in respect of the general meeting with the transfer secretaries by 10:00 on (alternatively, the form of proxy ( <i>green</i> ) 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 to be proposed at the general meeting)	Wednesday, 22 September
Last date and time shareholders wishing to participate in the general meeting are requested, for administrative purposes, to submit the electronic notice to the transfer secretaries by no later than 10:00 on	Wednesday, 22 September
Last date and time for Zarclear shareholders to give notice of their objections to the special resolution approving the share repurchase offer in terms of section 164(3) of the Companies Act by no later than 10:00 on	Monday, 27 September
General meeting held at 10:00 on	Monday, 27 September

Results of the general meeting released on SENS and ANS on	Monday, 27 September
Results of the general meeting published in the press on	Tuesday, 28 September

**Notes:**

1. All dates and times in this circular are local dates and times in South Africa and are subject to change. Any changes will be announced on SENS and ANS and published in the press.
2. Zarclear shareholders are referred to page 6 of the circular for information on the action required to be taken by them.

**SPECIAL RESOLUTION 1: APPROVAL OF THE ABROGATION OF THE EXISTING MOI IN ITS ENTIRETY AND THE ADOPTION OF THE NEW MOI**

**“IT IS RESOLVED THAT,** subject to the approval of ordinary resolution 1 and special resolution 2, the existing MOI be and is hereby abrogated and replaced in its entirety with the new MOI, extracts of which are included in **Annexure 4** of the circular and the full version of which can be accessed on the Company’s website, [www.zarclear.com](http://www.zarclear.com) with effect from the date on which the circular was issued, which new MOI will take effect from the date of termination of the listing of the Company’s shares on the Main Board of the JSE and the securities exchange operated by A2X.”

In order for special resolution 1 to be adopted, the resolution requires the support of more than 75% of the voting rights exercised on the resolution by Zarclear shareholders, present in person or by proxy.

**ORDINARY RESOLUTION 1 – AUTHORITY TO APPLY FOR THE COMPANY’S DELISTING ON THE JSE AND A2X**

**“IT IS RESOLVED THAT,** the directors be and are hereby authorised to apply for the delisting of all Zarclear shares from the Main Board of the JSE and the securities exchange operated by A2X in accordance with sections 1.14 and 1.15 of the JSE Listings Requirements and section 4.14 of the A2X Listings Requirements, which will result in the termination of the company’s listings on the Main Board of the JSE and the securities exchange operated by A2X, with effect from a date determined by the JSE and A2X.”

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 Zarclear shareholders, present in person or by proxy at the general meeting. As a result of the various cross-shareholdings and common directorships amongst Persec Prime Brokers, Hampden Capital, African Phoenix and Zolospan the JSE has exercised its general discretion such that any votes cast by Persec Prime Brokers, Hampden Capital, African Phoenix and Zolospan in respect of ordinary resolution number 1 will not be taken into consideration in determining whether ordinary resolution number 1 is approved by the requisite majority of shareholders.

**SPECIAL RESOLUTION NUMBER 2: APPROVAL OF THE SHARE REPURCHASE OFFER IN TERMS OF SECTIONS 48(8), 114(1)(e) AND 115 OF THE COMPANIES ACT**

**“IT IS RESOLVED THAT,** the scheme of arrangement proposed by the Zarclear board between Zarclear and its shareholders in terms of section 114(1)(e) of the Companies Act (as more fully described in paragraph 5 of the circular to which this notice is attached), whereby the company will offer all Zarclear shareholders the opportunity to tender for repurchase all, or only a portion, of their existing shareholding in the company upon the terms, conditions and timeframes as are contained in the circular (such timeframes being subject to change as may necessarily be required to comply with either statutory, JSE, A2X or TRP matters or issues), which circular also contains this notice of general meeting, be and is hereby approved.”

In order for special resolution 2 to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders, present in person or by proxy at the general meeting, is required. Only shareholders reflected on the register as such on the voting record date are entitled to vote on special resolution 2. By virtue of the fact that Hampden Capital may, after the share repurchase offer hold more than 35% of the issued shares in Zarclear, and may, as a result acquire control of Zarclear pursuant to the share repurchase offer, it is considered an acquiring party for purposes of section 115(4) of the Companies Act, with the result that the voting rights controlled by Hampden Capital will not be included in calculating the percentage of voting rights (i) required to be present in determining whether the quorum requirements are satisfied; and (ii) required to be voted in support of shareholder special resolution number 2. Additionally, Persec Prime Brokers, African Phoenix and Zolospan have consented that the voting rights controlled by them will not be included in calculating the percentage of voting rights (i) required to be present in determining whether the quorum requirements are satisfied; and (ii) required to be voted in support of shareholder special resolution number 2.

**Reason and effect**

In terms of section 115(1) and section 115(2) of the Companies Act, a company may only implement a scheme of arrangement in terms of section 114 of the Companies Act if such scheme of arrangement is approved by a special resolution adopted by persons entitled to vote on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all voting rights that are entitled to be exercised on the special resolution.

The reason for special resolution 2 is to obtain the approval of shareholders, in terms of section 114 read with section 115 of the Companies Act for the share repurchase offer proposed by the Zarclear board (on recommendation of the independent board) between the company and the Zarclear shareholders.

The effect of special resolution 2 is the ultimate delisting of all Zarclear shares from the Main Board of the JSE and the securities exchange operated by A2X in accordance with sections 1.14 and 1.15 of the JSE Listings Requirements and section 4.14 of the A2X Listings Requirements, which will result in the termination of the company's listing on the Main Board of the JSE and the securities exchange operated by A2X.

## **ORDINARY RESOLUTION 2: AUTHORITY TO GIVE EFFECT TO RESOLUTIONS**

**"IT IS RESOLVED THAT**, any director or the company secretary of Zarclear be and is hereby authorised to do all such things and sign all such documents required to give effect to special and ordinary resolutions proposed above and passed at the general meeting."

In order for ordinary resolution 2 to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders, present in person or by proxy at the general meeting, is required. Only shareholders reflected on the register as such on the voting record date are entitled to vote on ordinary resolution 2.

## **APPRAISAL RIGHTS FOR DISSENTING SHAREHOLDERS**

In accordance with section 164 of the Companies Act, at any time before special resolution number 2 as set out in this notice convening the general meeting is voted on, a shareholder may give the company a written notice objecting to special resolution number 2.

Within 10 business days after the company has adopted special resolution number 2, the company must send a notice that the special resolution has been adopted to each shareholder who:

- gave the company a written notice of objection as contemplated above; and
- has neither withdrawn that notice nor voted in support of special resolution number 2.

A shareholder may demand that the company pay such shareholder the fair value for all of the shares of the company held by that person if:

- the shareholder has sent the company a written notice of objection;
- the company has adopted special resolution number 2; and
- the shareholder voted against the special resolution number 2 and has complied with all of the procedural requirements of section 164 of the Companies Act.

A copy of section 164 of the Companies Act is set out in **Appendix B to Annexure 1** to the circular to which this notice convening the general meeting is attached. Further detail regarding the process and consequences of a shareholder exercising its appraisal rights are set out in paragraph 5.4 of the circular.

## **VOTING AND QUORUM**

The quorum requirement for the general meeting to begin or for a matter to be considered is at least three shareholders present in person. In addition:

- the general meeting may not begin until sufficient persons are present in person or represented by proxy to exercise, in aggregate, at least 25% of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the general meeting; and
- a matter to be decided at the general meeting may not begin to be considered unless sufficient persons are present in person or represented by proxy to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised in respect of that matter at the time the matter is called on the agenda.

Voting shall be conducted by way of a poll. The poll shall be conducted in such manner as the chairperson of the meeting directs.

## **SHAREHOLDERS**

### **General instructions**

Shareholders who are entitled to attend, speak and vote at the general meeting are encouraged to do so.

### **Electronic participation**

Shareholders wishing to participate in the general meeting are requested, for administrative purposes, to submit notification of their intent (the **"electronic notice"**) by e-mail to the transfer secretaries Computershare Investor Services Proprietary Limited, at proxy@computershare.co.za as soon as possible and by no later than 10:00 on Wednesday, 22 September 2021. The electronic notice should include relevant contact details including email address, cellular number and landline, as well as full details of the shareholder's title to the shares and proof of identity, in the form of copies of identity documents and 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. The shareholder should also indicate whether the shareholder wishes to vote by proxy or wishes to exercise votes during the general meeting. Upon receipt of the required information, the shareholder concerned will be provided with a link to access the general meeting which will take place via Microsoft Teams together with any further instructions. The fact that shareholders are requested to submit an electronic notice to the transfer secretaries before 10:00 on Wednesday, 22 September 2021 will not in any way affect the rights of shareholders who submit an electronic notice after this date and who have been fully verified (as required in terms of section 63(1) of the Companies Act) to participate in and/or vote at the general meeting.

## **Proxies and authority for representatives to act**

Shareholders are encouraged to make use of proxies for purposes of voting at the general meeting. Shareholders who wish to vote during the general meeting are requested to advise the transfer secretaries thereof when submitting the electronic notice to the transfer secretaries, who will provide such shareholders with instructions as to how to submit their ballot forms to the transfer secretaries during the general meeting.

The attached form of proxy is only to be completed by:

- certificated shareholders; or
- own name dematerialised shareholders,

who cannot attend the general meeting but wish to be represented thereat.

All other beneficial owners who have dematerialised their shares through a CSDP or broker, without own name registration, and who wish to attend the general meeting, must instruct their CSDP or broker to provide them with the necessary letter of representation, or they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. These shareholders must not use a form of proxy.

Forms of proxy are requested to be deposited at the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, posted to Private Bag X9000, Saxonwold, 2132, faxed to 011 688 5238 or emailed to proxy@computershare.co.za so as to arrive no later than 10:00 on Wednesday, 22 September 2021. Forms of proxy not lodged with the transfer secretaries in time 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 to be proposed at the general meeting. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote at the general meeting virtually via a remote interactive electronic platform, Microsoft Teams should the shareholder decide to do so.

A company that is a shareholder, wishing to attend and participate at the general meeting should ensure that a resolution authorising a representative to so attend and participate at the general meeting on its behalf, is passed by its directors.

**Zarclear does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised Zarclear shareholder to notify such shareholder of the general meeting of or any business to be conducted thereat.**

## **GENERAL NOTES**

1. A shareholder entitled to attend and vote at the general meeting may appoint a proxy to attend, speak and vote in his or her stead. A proxy need not be a shareholder of the company.
2. In order to ensure an orderly arrangement of affairs at the general meeting, all forms of proxy or other instruments of authority should be deposited with the transfer secretaries, so as to be received by no later than 10:00 on Wednesday, 22 September 2021, failing which forms of proxy may be handed to the chairman at any time prior to the commencement of the general meeting or prior to voting on any resolution to be proposed at the general meeting.
3. Shareholders who are companies or other bodies corporate may, by resolution of its directors or other governing body, authorise any person to act as its representative at the general meeting.
4. Shareholders who have not dematerialised their shares and "own name" dematerialised shareholders who are unable to attend the general meeting and wish to be represented thereat, should complete the attached form of proxy in accordance with the instructions therein and return it to the transfer secretaries, so as to be received by no later than 10:00 on Wednesday, 22 September 2021, failing which forms of proxy may be handed to the chairman at any time prior to the commencement of the general meeting or prior to voting on any resolution to be proposed at the general meeting.
5. Shareholders who have dematerialised their shares with a CSDP or broker, other than with "own name" registration, should advise their CSDP or broker with their voting instruction in terms of the agreement entered into between them and their CSDP or broker. Shareholders who have dematerialised their shares and wish to attend the general meeting must contact their CSDP or broker who will furnish them with the necessary authority to attend the general meeting.
6. Shareholders who have dematerialised their shares, other than with "own name" registration, must not return the form of proxy to the transfer secretaries. Their instructions must be sent to their CSDP or broker for action.
7. The chairperson of the general meeting will be making a demand that all resolutions put to the vote shall be decided by way of a poll.

## **By order of the board**

**Zarclear Holdings Limited**

26 August 2021

### **Registered office**

9<sup>th</sup> Floor, Katherine Towers

(Bidvest Bank Building)

1 Park Lane

Wierda Valley

Sandton, 2196



**ZARCLEAR HOLDINGS LIMITED**

(Incorporated in South Africa)

(Registration number 2000/013674/06)

Share code: ZCL ISIN: ZAE000262820

**FORM OF PROXY**

Where appropriate and applicable, the terms defined in the circular to which this form of proxy is attached bear the same meanings in this form of proxy.

**THIS FORM OF PROXY IS ONLY FOR USE BY:**

- certificated shareholders;
- own name dematerialised shareholders.

For completion by the aforesaid registered shareholders who are unable to attend the general meeting to be held at 10:00 on Monday, 27 September 2021 virtually via a remote interactive electronic platform, Microsoft Teams.

If you are a dematerialised shareholder, other than with own name registration, do not use this form. Dematerialised shareholders, other than with own name registration, should provide instructions to their appointed CSDP or broker in the form as stipulated in the agreement entered into between the shareholder and the CSDP or broker.

I/We (FULL NAMES IN BLOCK LETTERS PLEASE)

Email address

Telephone number

Cellphone number

of (address)

being the holder(s) of

Zarclear 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 attend and speak and to vote for me/us and on my/our behalf at the general meeting of shareholders and at any adjournment or postponement thereof, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed at the general meeting, and to vote on the resolutions in respect of the shares registered in my/our name(s):

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.

	Number of votes		
	*In favour of	*Against	*Abstain
Special resolution 1: Approval of the abrogation of the existing MOI in its entirety and the adoption of the new MOI			
Ordinary resolution 1: Authority to apply for the Company's delisting from the JSE and A2X			
Special resolution number 2: Approval of the share repurchase offer in terms of sections 48(8), 114(1)(e) and 115 of the Companies Act			
Ordinary resolution number 2: Authority to give effect to resolutions			

*One vote per share held by shareholders, recorded in the registers on the voting record date*

Unless otherwise instructed my proxy may vote or abstain from voting as he/she thinks fit.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021

Signature \_\_\_\_\_

Assisted by me (where applicable) \_\_\_\_\_

(State capacity and full name) \_\_\_\_\_

A shareholder entitled to attend and vote at the general meeting is entitled to appoint a proxy to attend, vote and speak in his/her stead. A proxy need not be a shareholder of Zarclear. Each shareholder is entitled to appoint one or more proxies to attend, speak and, on a poll, vote in place of that shareholder at the general meeting.

Forms of proxy are requested to be deposited at the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, posted to Private Bag X9000, Saxonwold, 2132, faxed to 011 688 5238 or emailed to proxy@computershare.co.za so as to arrive no later than 10:00 on Wednesday, 22 September 2021. Forms of proxy not lodged with the transfer secretaries in time may be handed to the chairperson of the general meeting immediately before the commencement of the general meeting. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the general meeting should the shareholder decide to do so.

**Please read notes on the reverse side hereof.**

## NOTES TO THE FORM OF PROXY:

1. Only shareholders who are registered in the registers of Zarclear under their own name on the date on which shareholders must be recorded as such in the registers maintained by the transfer secretaries in order to attend and vote at the general meeting, being Friday, 17 September 2021 (the “**voting record date**”), may complete a form of proxy or attend the general meeting. This includes certificated shareholders or own name dematerialised shareholders. A proxy need not be a shareholder of Zarclear.
2. Certificated shareholders wishing to attend the general meeting must ensure beforehand with the transfer secretaries that their shares are registered in their own 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 proxy form, unless a form of proxy is issued to them by a registered shareholder and they should contact the registered shareholder for assistance in issuing instructions on voting their shares, or obtaining a proxy to attend, speak and, on a poll, vote at the general meeting.
4. Dematerialised shareholders who have not elected own name registration in the registers of Zarclear through a CSDP and who wish to attend the general meeting, must instruct the CSDP or broker to provide them with the necessary letter of representation to attend.
5. Dematerialised shareholders who have not elected own name registration in the register of Zarclear through a CSDP and who are unable to attend, but wish to vote at the general meeting, must timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that shareholder and the CSDP or broker.
6. A shareholder may insert the name of a proxy or the names of two or more alternative proxies of the shareholder’s choice in the space, with or without deleting “the chairperson of the general meeting of shareholders”. The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed, should such shareholder wish to do so. In addition to the foregoing, a shareholder may revoke the proxy appointment by:
  - 7.1 cancelling it in writing, or making a later inconsistent appointment of a proxy; and
  - 7.2 delivering a copy of the revocation instrument to the proxy, and to Zarclear.
8. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy’s authority to act on behalf of the shareholder as of the later of the date:
  - 8.1 stated in the revocation instrument, if any; or
  - 8.2 upon which the revocation instrument is delivered to the proxy and Zarclear as required in section 58(4)(c)(ii) of the Companies Act.
9. Should the instrument appointing a proxy or proxies have been delivered to the transfer secretaries, as long as that appointment remains in effect, any notice that is required by the Companies Act or the MOI to be delivered by the company to the shareholder must be delivered to:
  - 9.1 the shareholder; or
  - 9.2 the proxy or proxies if the shareholder has in writing directed Zarclear to do so and has paid any reasonable fee charged by Zarclear for doing so.
10. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the existing MOI or the instrument appointing the proxy provide otherwise.
11. If Zarclear issues an invitation to shareholders to appoint one or more persons named by Zarclear as a proxy, or supplies a form of instrument appointing a proxy:
  - 11.1 such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;
  - 11.2 Zarclear must not require that the proxy appointment be made irrevocable; and
  - 11.3 the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.
12. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies. A deletion of any printed matter and the completion of any blank space(s) need not be signed or initialled.
13. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form unless previously recorded by the transfer secretaries or waived by the chairperson of the general meeting.
14. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
15. A company holding shares in Zarclear that wishes to attend and participate at the general meeting should ensure that a resolution authorising a representative to act is passed by its directors. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with the transfer secretaries prior to the general meeting.
16. Where there are joint holders of shares any one of such persons may vote at any meeting in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders wishes to be present or represented at the general meeting, that one of the said persons whose name appears first in the register of such shares or his proxy, as the case may be, shall alone be entitled to vote in respect thereof.
17. The chairperson of the general meeting may reject or accept any proxy which is completed and/or received other than in accordance with the instructions, provided that he shall not accept a proxy unless he is satisfied as to the matter in which a shareholder wishes to vote.
18. A proxy may not delegate his/her authority to act on behalf of the shareholder, to another person.
19. A shareholder’s instruction to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the chairperson of the general meeting, if the chairperson is the authorised proxy, to vote in favour of the resolutions at the general meeting or other proxy to vote or to abstain from voting at the general meeting as he/she deems fit, in respect of the shares concerned. A shareholder or the proxy is not obliged to use all of the votes exercisable by the shareholder or the proxy, but the total of votes cast in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
20. Forms of proxy are requested to be deposited at the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, posted to Private Bag X9000, Saxonwold, 2132, faxed to 011 688 5238 or emailed to proxy@computershare.co.za so as to arrive no later than 10:00 on Wednesday, 22 September 2021. Forms of proxy not lodged with the transfer secretaries in time may be handed to the chairperson of the general meeting immediately before the commencement of the general meeting. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the general meeting should the shareholder decide to do so.
21. 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 shareholder.
22. The foregoing notes include a summary of the relevant provisions of section 58 of the Companies Act, as required in terms of that section.



**ZARCLEAR HOLDINGS LIMITED**

(Incorporated in South Africa)

(Registration number 2000/013674/06)

Share code: ZCL ISIN: ZAE000262820

("Zarclear" or the "company")

-----  
**FORM OF SURRENDER AND TRANSFER ("FORM") (FOR CERTIFICATED SHAREHOLDERS ONLY)**  
-----

Where appropriate and applicable, the terms defined in the circular to which this form of proxy is attached bear the same meanings in this form of proxy.

This form should be read in conjunction with the circular.

**Important notes concerning this form:**

- This form is only for use in respect of the scheme of arrangement in terms of section 114 of the Companies Act (read with section 115 of the Companies Act) proposed by the Zarclear board (on recommendation of the independent board) between Zarclear and the Zarclear shareholders, in terms of which, if implemented, will result in the ultimate delisting of all Zarclear shares from the Main Board of the JSE and the securities exchange operated by A2X in accordance with sections 1.14 and 1.15 of the JSE Listings Requirements and section 4.14 of the A2X Listings Requirements, which will result in the termination of the company's listing on the Main Board of the JSE and the securities exchange operated by A2X. Full details of the share repurchase offer are contained in the circular to which this form is attached.
- A dissenting Zarclear shareholder who subsequently becomes a share repurchase offer participant after the share repurchase offer record date will receive the relevant share repurchase offer consideration in terms of the share repurchase offer.
- This form is attached for the convenience of certificated shareholders who may wish to surrender their documents of title prior to the share repurchase offer record date.

**HOLDERS OF DEMATERIALISED SHARES MUST NOT COMPLETE THIS FORM.**

**INSTRUCTIONS:**

1. This form is for use only by certificated shareholders who are share repurchase offer participants.
2. Share repurchase offer participants must complete this form in BLOCK CAPITALS.
3. A separate form is required for each certificated shareholder who is a share repurchase offer participant.
4. **Part A** must be completed by all share repurchase offer participants who return this form.
5. **Part B** must be completed by all share repurchase offer participants who are emigrants from or are non-residents of the Common Monetary Area.
6. **Part C** must be completed by all share repurchase offer participants requiring payment of the share repurchase offer consideration to be made by way of the electronic transfer of funds. It is expected that electronic funds transfers will be made on the share repurchase offer payment date only to those share repurchase offer participants who have surrendered their documents of title prior to 12:00 on the share repurchase offer record date.
7. If this form is returned with the relevant documents of title to repurchase shares, it will be treated as a conditional surrender which is made subject to the terms of the circular and to the share repurchase offer becoming unconditional. Should the share repurchase offer not be implemented, any documents of title surrendered and held by Computershare will be returned to the relevant shareholders by Computershare, at the relevant shareholder's own risk, by registered post within five business days from the date of receipt of the document of title or the date on which it becomes known that the share repurchase offer will not be implemented, whichever is the later.
8. Persons who have acquired Zarclear shares after the date of the issue of the circular to which this form is attached, may obtain copies of the form and the circular from the transfer secretaries.
9. The share repurchase offer consideration will not be paid to share repurchase offer participants who hold certificated shares unless and until documents of title in respect of the repurchase shares have been surrendered to Computershare.

To: **Computershare Investor Services Proprietary Limited**  
**15 Biermann Avenue**  
**Rosebank Towers, Rosebank, 2196**  
**(PO Box 61763, Marshalltown, 2107)**

Dear Sirs

**PART A: To be completed by all share repurchase offer participants wishing to participate in the share repurchase offer and who return this form**

I/We hereby surrender and enclose the share certificates, certified transfer deeds and/or other documents of title, details in respect of which are set out in the table below, in respect of my/our holding of certificated shares:

<b>Name of registered holder (separate form for each holder)</b>	<b>Certificate number(s) (in numerical order)</b>	<b>Number of Zarclear shares covered by each certificate(s) enclosed</b>
	<b>Total</b>	

Surname or name of corporate body: \_\_\_\_\_

First names (in full): \_\_\_\_\_

Title (Mr, Mrs, Miss, Ms, etc): \_\_\_\_\_

Telephone number: \_\_\_\_\_

Cellphone number: \_\_\_\_\_

Email address: \_\_\_\_\_

Address: \_\_\_\_\_

Postal code \_\_\_\_\_

Signature of certificated shareholder:	Stamp and address of agent lodging this form of surrender (if any)
Assisted by me (if applicable):	
(State full name and capacity):	
Date:	
Telephone number:	
Cellphone number:	

*Signatories may be called upon for evidence of their authority or capacity to sign this form.*

In compliance with the Financial Intelligence Centre Act, 38 of 2001, the transfer secretaries will be unable to record any change of address unless the following documentation is delivered to the transfer secretaries:

- an original certified copy of your identity document;
- an original certified copy of a document issued by the South African Revenue Services to verify your tax number (if you do not have a tax number, please confirm this in writing and have the letter signed before a Commissioner of Oaths); and
- an original or an original certified copy of a service bill to verify your physical address.

Please note that copies of certified copies will not be accepted

**PART B: To be completed by all emigrant share repurchase offer participants from, and non-resident share repurchase offer participants of, the Common Monetary Area (see notes 2 and 3 below)**

***In the case of share repurchase offer participants who are emigrants:***

The share repurchase offer consideration will be posted or transferred (at the risk of the share repurchase offer participant) to the authorised dealer nominated by the share repurchase offer participant below for its control and credited to the emigrant's blocked account. Accordingly, non-residents who are emigrants must provide the following information:

Name of authorised dealer:

---

Account number:

---

Address:

---

***In the case of all other non-resident share repurchase offer participants:***

The share repurchase offer consideration will be posted to the registered address of the non-resident concerned, unless written instructions to the contrary are received and a substitute address provided below (in each case at the risk of the share repurchase offer participant):

Substitute address

Signature of shareholder:	Stamp and address of agent lodging this form (if any)
Details of authorised dealer:	
Signature of authorised dealer	

**PART C: Submission of banking details (excluding third party accounts) in respect of share repurchase offer participants wishing payment of the share repurchase offer consideration to be made by way of the electronic transfer of funds**

**In terms of the Financial Intelligence Centre Act requirements, the Transfer Secretaries will only be able to record the banking details if the following documents are attached:**

- a certified copy of identity document; and
- a certified true copy of a bank statement.

Name of share repurchase offer participant:

---

Name of bank:

---

Branch code:

---

Account number:

---

Contact person:

---

Telephone number:

---

Cellphone number:

---

**Zarclear undertakes no responsibility for verification of the banking details provided above nor for the authenticity of the signature below. Share repurchase offer participants warrant the correctness of the above banking details and indemnify and hold Zarclear harmless against any loss for funds having been paid into the account, details of which have been provided above.**

Signature of shareholder:	Stamp and address of agent lodging this form (if any)

**Note:**

In order to comply with the requirements of the Financial Intelligence Act, 2001 (Act 38 of 2001), Computershare Investor Services Proprietary Limited will be unable to record any changes of address or payment mandates unless the following documentation is received from the relevant Shareholder:

- a certified true copy of the original identification document (in respect of changes of address and payment mandate); and
- a certified true copy of an original bank statement (in respect of bank mandate).

**Notes and instructions:**

1. All documents are posted at the risk of the share repurchase offer participants. The share repurchase offer consideration will be posted or transferred, as the case may be, at the risk of the share repurchase offer participants.
2. Emigrants from the Common Monetary Area must complete **Part B**.
3. All other non-residents of the Common Monetary Area must complete **Part B** if they wish the relevant share repurchase offer consideration to be paid to an authorised dealer in South Africa.
4. If **Part B** is not properly completed, the share repurchase offer consideration (in the case of emigrants) will be paid by the company to an authorised dealer of its choice to hold on behalf of the relevant emigrant pending receipt of the necessary nomination or instruction. No interest will accrue or be payable to the share repurchase offer participant in respect of such monies.
5. The share repurchase offer consideration will not be paid to or sent to share repurchase offer participants unless and until the documents of title in respect of the repurchase shares have been surrendered to the transfer secretaries. If a share repurchase offer participant produces evidence to the satisfaction of Zarclear that documents of title in respect of shares have been lost or destroyed, surrender of such documents of title may be waived by Zarclear, provided that Zarclear, if it so requires, is provided with indemnity to its satisfaction in respect of such documents of title and any additional evidence or documents or undertakings (including insurance or a guarantee) as Zarclear may require.
6. No receipts will be issued for documents lodged unless specifically requested. In compliance with the JSE Listings Requirements, lodging agents are requested to prepare special transaction receipts, if required. Signatories may be called upon for evidence of their authority or capacity to sign this form.
7. Any alteration to this form must be signed in full and not initialled.
8. If this form is signed under a power of attorney, then such power of attorney, or a notarially certified copy thereof, must be sent with this form for noting (unless it has already been noted by Zarclear or the transfer secretaries). This does not apply in the event of this form bearing a JSE broker's stamp.
9. Where the share repurchase offer participant is a company or a close corporation, unless it has already been registered with Zarclear or the transfer secretaries, a certified copy of the directors' or members' resolution authorising the signing of this form must be submitted if so requested by Zarclear.
10. If this form is not signed by the share repurchase offer participant, such share repurchase offer participant will be deemed to have irrevocably appointed the transfer secretaries to implement the obligations of the share repurchase offer participant under the share repurchase offer on his or her behalf.
11. Where there are any joint holders of any repurchase shares, only that holder whose name stands first in the register in respect of such shares need sign this form.
12. A minor must be assisted by his or her parent or guardian, unless the relevant documents establishing his or her legal capacity are produced or have been registered by the transfer secretaries.



