

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 7 of this circular have, where appropriate, been used on this cover page.

Action required

If you have disposed of all of your Zarclear shares, then this circular, together with the attached form of acceptance (*yellow*) should be handed to the purchaser of such Zarclear shares or to the broker or other agent through whom the disposal was effected.

Shareholders are referred to page 4 of this circular, which sets out the detailed action required of them in respect of the transactions 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, 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 any broker or other agent or intermediary, to notify such shareholder of the transactions as set out in this circular.



ZARCLEAR HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2000/013674/06)
("Zarclear" or "the Company")

CIRCULAR TO ZARCLEAR SHAREHOLDERS

relating to:

- a mandatory offer by the offerors to acquire some or all of the ordinary shares in the Company not already owned by the offerors for the offer consideration; and
- a responding circular by the independent board of Zarclear containing its views in respect of the mandatory offer,

and incorporating:

- a report prepared by the independent expert on the fairness and reasonableness of the mandatory offer; and
- a form of acceptance (*yellow*).

Corporate advisor



Independent expert



Legal advisors



HERBERT
SMITH
FREEHILLS

Date of issue: Tuesday, 4 July 2023

The circular will be available on Zarclear's website (www.zarclear.com) from Tuesday, 4 July 2023 or upon request from the company secretary at mosa.kgothadi@computershare.co.za.

CORPORATE INFORMATION

Registered office

Zarclear Holdings Limited
(Registration number 2000/013674/06)
9th Floor, Katherine Towers
1 Park Lane
Wierda Valley
Sandton
2196

Corporate advisor

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

Legal advisors

Herbert Smith Freehills South Africa LLP
(Registration number 2015/429700/10)
4th Floor, Rosebank Towers
15 Biermann Avenue
Rosebank, 2196

Company Secretary

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

Independent expert

Valeo Capital Proprietary Limited
(Registration number 2021/834806/07)
Unit 12, Paardevlei Specialist Centre
Somerset West
7130

Transfer secretaries

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

Date and place of incorporation of the Company

Incorporated on 28 June 2000 in the Republic of South Africa

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ACTION REQUIRED BY ZARCLEAR SHAREHOLDERS

The definitions and interpretations commencing on page 7 of this circular have, where appropriate, been used in this section.

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

If you have disposed of all your Zarclear shares, then this circular, together with the attached ancillary documents, should be handed to the purchaser of such shares or to the broker or other agent through whom the disposal was effected.

Shareholders are advised that concurrent to the implementation of the mandatory offer, Zarclear will propose a scheme of arrangement to Zarclear shareholders. For the avoidance of doubt, the scheme of arrangement is separate to the mandatory offer and implementation of the scheme of arrangement will be conditional on, *inter alia*, the closing of the mandatory offer in accordance with its terms. The scheme of arrangement will be implemented shortly after the closing of the mandatory offer, subject to the scheme of arrangement becoming unconditional in accordance with its terms. Shareholders are referred to the scheme of arrangement circular published concurrently with this circular for further details. The scheme of arrangement circular is available on Zarclear's website (www.zarclear.com).

In terms of the mandatory offer, shareholders will be entitled to either:

- accept the mandatory offer;
- reject the mandatory offer.

If you wish to reject the mandatory offer, you do not need to take any further action.

If you wish to accept the mandatory offer, you must do so in the manner described below.

1. Certificated shareholders who wish to accept the mandatory offer are required to complete the attached form of acceptance and return it to the transfer secretaries together with their documents of title in respect of their mandatory offer shares, at their own risk, to be received by no later than 12:00 on the closing date. If a form of acceptance is not received by 12:00 on the closing date, such certificated shareholder will be deemed to have declined the mandatory offer. No late acceptances will be considered if received by the transfer secretaries after 12:00 on the closing date.
2. If the documents of title relating to the shares held by a certificated shareholder have been lost or destroyed, Zarclear shareholders should nevertheless return a duly completed form of acceptance together with an indemnity on terms satisfactory to Zarclear and the offerors. The offerors and Zarclear may, in their sole discretion, dispense with the surrender of such documents of title upon production of satisfactory evidence that the documents of title have been lost or destroyed and upon provision of an indemnity on terms acceptable to the offerors and Zarclear. Unless otherwise agreed by the offerors and Zarclear, only indemnity forms obtained from the transfer secretaries (available on request) will be regarded as suitable. The offerors and Zarclear shall be entitled, in their absolute discretion, by way of agreement to waive the requirement of an indemnity.
3. No receipt will be issued for documents of title surrendered unless specifically requested.
4. The offerors reserve the right, in their sole and absolute discretion, to:
 - 4.1. in respect of certificated shares, treat as invalid forms of acceptance not accompanied by valid documents of title;
 - 4.2. treat as invalid forms of acceptance not properly completed; and
 - 4.3. require proof of the authority of the person signing the form of acceptance where such proof has not been lodged with or recorded by the transfer secretaries.

5. Without prejudice to any of their rights, the offerors reserve the right to condone, in their sole discretion, the non-performance by any offeree of any of the terms of the mandatory offer.
6. **Settlement of the offer consideration**
 - 6.1. Certificated shareholders who accept the mandatory offer will have the offer consideration transferred to them by way of EFT by no later than the mandatory 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 closing date, in which case the offer consideration will be paid on the first business day following the offer record date.
 - 6.2. If the offer consideration is not transferred to shareholders entitled thereto because the relevant documents of title and forms of acceptance have not been surrendered, or if the offer consideration is returned undelivered to the transfer secretaries, the offer consideration will be held by the offerors or the transfer secretaries, on behalf of and for the benefit of such certificated shareholders until claimed and no interest will accrue thereon.
 - 6.3. The settlement of the mandatory offer consideration to which any offeree becomes entitled in terms of the mandatory offer will be implemented in full in accordance with the terms of the mandatory offer without regard to any lien, right of set-off, counter-claim or any other analogous right to which the offerors may be entitled.
 - 6.4. The settlement of the mandatory offer consideration will be made subject to the Exchange Control Regulations.

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

Set out below are the salient dates and times in respect of the mandatory offer:

	2023
Record date to determine which Zarclear shareholders are entitled to receive this circular	Friday, 23 June
Circular together with the accompanying ancillary documents posted to Zarclear shareholders on	Tuesday, 4 July
Mandatory offer opens at 09:00	Wednesday, 5 July
Announcement relating to the issue of the circular published in the press on	Thursday, 6 July
Request for a TRP compliance certificate in terms of section 119(4)(b) of the Companies Act and Regulation 102(13) of the Takeover Regulations	Friday, 11 August
Expected date of receipt of TRP compliance certificate	Tuesday, 15 August
Record date on which Zarclear shareholders must hold Zarclear shares in order to be eligible to accept the mandatory offer	Friday, 18 August
Mandatory offer closes at 12:00 on	Friday, 18 August
Mandatory offer consideration paid to offer participants	Monday, 21 August
Results of mandatory offer announced	Monday, 21 August
Results of the mandatory offer published in the press	Tuesday, 22 August

Notes:

1. All dates and times given in this document are local times in South Africa and may be changed by Zarclear (subject to the approval of the TRP, if required).
2. The mandatory offer must remain open for at least 30 business days after the opening date.
3. Acceptance of the mandatory offer will be irrevocable.
4. Certificated shareholders who accept the mandatory offer will have the 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 mandatory 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 closing date, in which case the offer consideration will be paid on the first business day following the offer record date.

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:

“ African Phoenix ”	African Phoenix Investments Limited (Registration number 1946/021193/06), a limited liability public company duly incorporated in South Africa;
“ Ancilla Capital ”	Ancilla Capital Proprietary Limited (Registration number 2007/017080/07), a private company incorporated and registered in accordance with the laws of South Africa;
“ board ” or “ directors ” or “ board of directors ”	the board of directors of Zarclear as set out on page 10 of this circular;
“ broker ”	any person registered as a broking member (equities) 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 and in the event that a day referred to in terms of this circular falls on a day which is not a business day, the relevant date will be extended to the next succeeding business day;
“ certificated shareholders ”	shareholders who hold certificated shares;
“ certificated shares ”	shares which are represented by a share certificate or other physical documents of title;
“ circular ” or “ this document ”	this document dated 4 July 2023 distributed to Zarclear shareholders containing the circular to shareholders and annexures thereto, and including the form of acceptance;
“ closing date ”	the closing date of the mandatory offer at 12:00 as announced on the Company’s website, a minimum of 10 businesses days prior thereto, and if required, published in the press, and which closing date shall not be earlier than 30 business days after the opening date. The closing date is anticipated to be on Friday, 18 August 2023;
“ Common Monetary Area ”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Eswatini;
“ Companies Act ”	the Companies Act, No. 71 of 2008, as amended from time to time;
“ company secretary ”	the company secretary of Zarclear, full details of which are set out in the “Corporate Information” section;
“ concert parties ”	collectively, Hampden Capital, Zolospan, Sui Generis and Ancilla Capital;
“ 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;
“ documents of title ”	share certificates, certified transfer deeds, balance receipts and any other documents of title to shares;
“ emigrants ”	former residents of the Common Monetary Area whose addresses are outside the Common Monetary Area;

“Exchange Control Regulations”	the Exchange Control Regulations 1961, promulgated in terms of section 9 of the Currency and Exchanges Act, No. 9 of 1933, as amended;
“fair and reasonable opinion”	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 mandatory offer which report is set out in Annexure 1 of this circular;
“Financial Markets Act”	the Financial Markets Act, 19 of 2012, as amended;
“firm intention announcement”	the announcement published by Zarclear on 11 May 2023, setting out the terms of the mandatory offer;
“foreign shareholder”	a Zarclear shareholder who is a non-resident of South Africa as contemplated in the Exchange Control Regulations;
“form of acceptance”	the form of acceptance, surrender and transfer (<i>yellow</i>) attached to this circular, to be completed by shareholders who elect to accept the offer consideration pursuant to the mandatory offer;
“Hampden Capital”	Hampden Capital Proprietary Limited (Registration number 2000/003703/07), a private company incorporated and registered in accordance with the laws of South Africa;
“independent board”	the Zarclear independent board comprising Linda Maqoma, Jeffrey Goudvis and Kgosie Matthews, all of whom are independent non-executive directors of Zarclear, which has been specifically constituted to appraise and manage the implementation of the mandatory offer on behalf of the Zarclear shareholders;
“independent expert” or “Valeo Capital”	Valeo Capital Proprietary Limited (Registration number 2021/834806/07), the independent expert appointed to provide external advice to the independent board in relation to the mandatory offer and Regulation 110(1) of the Takeover Regulations, full details of which are set out in the “Corporate Information” section;
“last practicable date”	Thursday, 29 June 2023, being the last practicable date prior to the finalisation of this circular;
“mandatory offer”	the mandatory offer made by the offerors to Zarclear shareholders, in terms of section 117(1)(c)(vi) (read together with section 123) of the Companies Act, to acquire all or part of their shareholding in Zarclear, on the terms set out in this circular;
“mandatory offer payment date”	shareholders who accept the mandatory offer will have the offer consideration transferred to them by way of EFT by no later than the mandatory 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 closing date, in which case the offer consideration will be paid on the first business day following the offer record date;
“NAV”	net asset value;
“non-resident”	a person not ordinarily resident in South Africa whose address is outside the Common Monetary Area and who is not an emigrant;
“offer consideration”	R3.55 per share;
“offeree/s”	the Zarclear shareholders to which the mandatory offer is made;

“offer participants”	the Zarclear shareholders who validly and lawfully accept the mandatory offer by the closing date and who are thus entitled to receive the offer consideration;
“offer record date”	the date on which Zarclear shareholders must be recorded in the securities register in order to participate in the mandatory offer, being the closing date;
“offerors”	collectively, African Phoenix and its concert parties;
“opening date”	the opening date of the mandatory offer, being 9:00 on Wednesday, 5 July 2023;
“press”	the Business Day newspaper;
“R” or “Rand”	the South African Rand, the lawful currency of South Africa;
“register”	the securities register of Zarclear;
“SARB”	the South African Reserve Bank;
“share” or “Zarclear share”	an ordinary share of no par value in the share capital of Zarclear;
“shareholders” or “Zarclear shareholders”	the holders of a Zarclear share;
“South Africa”	the Republic of South Africa;
“subsidiary/ies”	shall have the meaning ascribed thereto as set out in the Companies Act;
“Sui Generis”	SBSA ITF Sui Generis LPFP H4 QHF, collective investment scheme managed by H4 Collective Investments (RF) Proprietary Limited;
“Takeover Regulations”	Chapter 5 of the Regulations to the Companies Act, 2011, published in terms of the Companies Act;
“transfer secretaries” or “Computershare”	Computershare Investor Services Proprietary Limited (Registration number: 2004/003647/07), a private company incorporated and registered in accordance with the laws of South Africa; full details of which are set out in the “Corporate Information” section;
“TRP”	the Takeover Regulation Panel, established in terms of section 196 of the Companies Act;
“Zarclear” or the “Company”	Zarclear Holdings Limited (Registration number 2000/013674/06), a public company incorporated and registered in accordance with the laws of South Africa, full details of which are set out in the “Corporate Information” section;
“Zarclear minority shareholders”	in relation to the mandatory offer, all Zarclear shareholders, other than the offerors; and
“Zolospan”	Zolospan Proprietary Limited (Registration number 2010/007623/07), a private company incorporated and registered in accordance with the laws of South Africa.



ZARCLEAR HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2000/013674/06)
("Zarclear" or "the Company")

Directors of Zarclear

Kgosie Matthews (*Chairman, Independent non-executive director*)
Warren Chapman (*Chief Executive Officer, Executive director*)
Linda Maqoma (*Independent non-executive director*)
Jeffrey Goudvis (*Independent non-executive director*)

CIRCULAR TO ZARCLEAR SHAREHOLDERS

INTRODUCTION AND BACKGROUND TO THE MANDATORY OFFER

On 19 August 2022, the TRP announced that it would investigate complaints received by third parties in relation to certain affected transactions concluded from 2020 to 2022 involving eXtract Group Limited, enX Group Limited, Zarclear, African Phoenix, and others (the "**investigated parties**"), alleging that the parties involved failed to disclose that they were acting in concert in relation to the affected transactions in question.

On 13 April 2023, the TRP announced that it had agreed to settle its investigation into the affected transactions in question by requiring the investigated parties to make mandatory offers when they were considered on the TRP's interpretation to have acquired control over the relevant regulated companies.

Pursuant to the settlement and as announced in the firm intention announcement released on 11 May 2023, African Phoenix and its concert parties are required to make a mandatory offer to Zarclear shareholders to purchase their shares at an offer price of R3.55 per share in terms of section 123 of the Companies Act and the Takeover Regulations.

Whilst in no way impacting on the mandatory offer, shareholders are informed that the board of directors of Zarclear intends to seek shareholder approval to implement a scheme of arrangement to effect (i) a 10 000 000 to 1 share consolidation; (ii) an offer to shareholders holding less than an integer of 10 000 000 shares (the "**share consolidation minimum threshold**") to subscribe for additional shares at a price of R6.00 per Zarclear share (being Zarclear's NAV per share at 30 June 2022); (iii) a cash repurchase of shares below the share consolidation minimum threshold at a price of R6.35 per share (being a 5.8% premium to the Zarclear NAV per share at 30 June 2022; and (iv) the conversion of Zarclear to a private company.

For the avoidance of doubt, the scheme of arrangement is separate to the mandatory offer and implementation of the scheme of arrangement will be conditional on, *inter alia*, the closing of the mandatory offer in accordance with its terms. The scheme of arrangement will be implemented shortly after the closing of the mandatory offer, subject to the scheme of arrangement becoming unconditional in accordance with its terms. Shareholders are referred to the scheme of arrangement circular published concurrently with this circular for further details. The scheme of arrangement circular is available on Zarclear's website (www.zarclear.com).

The purpose of this circular is to provide Zarclear shareholders with information regarding the mandatory offer as set out in Part I and the Zarclear response to the mandatory offer as set out in Part II and the manner in which the mandatory offer will be implemented.

PART I: MANDATORY OFFER TO ALL ZARCLEAR MINORITY SHAREHOLDERS

1. THE MANDATORY OFFER

1.1. The mandatory offer and offer consideration

- 1.1.1. The offerors hereby make a mandatory offer to acquire from Zarclear shareholders all the Zarclear shares in respect of which it receives valid acceptances prior to the closing date.
- 1.1.2. The mandatory offer will be made for a cash consideration of R3.55 per Zarclear share payable against delivery of registered and beneficial ownership of the relevant shares into the name of the offerors.
- 1.1.3. The mandatory offer will be made by the offerors in compliance with the relevant provisions of the Companies Act and the Takeover Regulations and is not subject to any conditions.
- 1.1.4. The offer consideration of R3.55 per Zarclear share was agreed with the TRP in terms of the settlement. The offer consideration was determined by taking into account any time value of money adjustment and any return of capital previously made to Zarclear shareholders. The offer consideration shall be payable on delivery of ownership of the relevant Zarclear share into name of African Phoenix.

1.2. Offer period

- 1.2.1. The mandatory offer will open at 09:00 on Wednesday, 5 July 2023 and will remain open until 12:00 on the closing date.
- 1.2.2. The mandatory offer will be open for acceptances by offerees for a period of at least 30 business days as required by Regulation 102(4) of the Takeover Regulations.

1.3. Remaining Zarclear shareholders

Zarclear shareholders who do not accept the mandatory offer will remain as Zarclear shareholders following the closing date of the mandatory offer.

1.4. Condition precedent

The implementation of the mandatory offer is not subject to the fulfilment of any conditions precedent.

1.5. Ability to proceed with the mandatory offer

- 1.5.1. The offerors have confirmed to the Zarclear board that the offerors have sufficient funds to fully satisfy the cash offer commitment.
- 1.5.2. The offerors have delivered to the TRP an irrevocable unconditional guarantee issued by The Standard Bank of South Africa Limited in accordance with Regulations 111(4) and 111(5) of the Takeover Regulations and in favour of Zarclear shareholders for the sole purpose of fully satisfying the offerors' cash offer commitments.

1.6. Acceptances irrevocable

All acceptances of the mandatory offer received by the transfer secretaries, the offerors or the broker (if applicable) prior to the closing date will be irrevocable.

1.7. Transaction receipts

No receipts will be issued by Zarclear's transfer secretaries or the offerors 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.

1.8. **Applicable law**

1.8.1. The mandatory 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.

1.8.2. Each 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 mandatory offer and acceptance thereof.

1.9. **Mandatory offer not made where illegal**

1.9.1. The legality of the mandatory offer to persons resident in jurisdictions outside of South Africa may be affected by the laws of the relevant jurisdiction.

1.9.2. Such persons should acquaint themselves with any applicable legal requirements which they are obligated to observe.

1.9.3. It is the responsibility of any offeree wishing to accept the mandatory offer to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith.

1.9.4. In particular, the mandatory offer is not being made, directly or indirectly, in or into any jurisdiction where it is illegal for the mandatory offer to be made or accepted ("**affected jurisdictions**") or by using mail, or by means or instrumentality of interstate or foreign commerce of, or any facility of a national securities exchange of any of the affected jurisdictions.

1.9.5. Persons wishing to accept the mandatory 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 mandatory offer.

1.9.6. Envelopes containing forms of acceptance or other documents relating to the mandatory 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 offer consideration to which they are entitled under the mandatory offer.

1.9.7. If received in any jurisdiction where it is illegal for the mandatory offer to be made or accepted, this document should be treated as being received for information only.

1.10. **Approvals, consents and undertakings received**

1.10.1. The offerors have obtained the necessary authorisations and approvals from their boards and shareholders, to the extent applicable, to publish this circular.

1.10.2. The TRP has approved this circular.

1.11. **Tax implications for offerees**

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

1.12. **Other terms of the mandatory offer**

1.12.1. The mandatory offer may be amended, varied or revised in such a manner as the offerors in their sole discretion may determine, provided that no such amendment, variation or revision shall be made unless:

1.12.1.1. the prior consent of the TRP has been obtained;

1.12.1.2. there is no diminution in the value of the offer consideration offered; and

1.12.1.3. an announcement published on the Company's website or a press release containing the amended, varied or revised offer is made prior to the closing time and date of the offer or such other date which is approved by the TRP.

1.12.2. In addition to the above, no amendment to, or variation of the mandatory offer will be valid unless made in writing and signed by a duly authorised representative of each of the offerors. Without prejudice to its other rights, the offerors reserve the right to condone, in their sole discretion, the non-observance by any shareholder of any of the terms or conditions of the mandatory offer. If the mandatory offer is amended, varied or revised in a manner which makes it more favourable to the shareholders, the benefit of such improved mandatory offer will automatically accrue to any shareholder who has accepted the mandatory offer prior to the amendment, variation or revision being made.

1.12.3. The acceptance by or on behalf of such shareholders of the mandatory offer in its original or previous form shall be deemed to be an acceptance of any improved 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 offerors:

1.12.3.1. to accept such amended, varied or revised offer on behalf of such shareholder; and

1.12.3.2. 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.

2. **PROCEDURE FOR ACCEPTANCE OF THE MANDATORY OFFER**

2.1. If you wish to reject the mandatory offer, you do not need to take any further action. If you wish to accept the mandatory offer, you must do so in the manner described below.

2.2. Certificated shareholders who wish to accept the mandatory offer are required to complete the attached form of acceptance and return it to the transfer secretaries together with their documents of title in respect of their offer shares, at their own risk, to be received by no later than 12:00 on the closing date. If a form of acceptance is not received by 12:00 on the closing date, such certificated shareholder will be deemed to have declined the mandatory offer. No late acceptances will be considered if received by the transfer secretaries after 12:00 on the closing date.

2.3. If the documents of title relating to the shares held by a certificated shareholder have been lost or destroyed, Zarclear shareholders should nevertheless return a duly completed form of acceptance together with an indemnity on terms satisfactory to Zarclear and the offerors. The offerors and Zarclear may, in their sole discretion, dispense with the surrender of such documents of title upon production of satisfactory evidence that the documents of title have been lost or destroyed and upon provision of an indemnity on terms acceptable to the offerors and Zarclear. Unless otherwise agreed by the offerors and Zarclear, only indemnity forms obtained from the transfer secretaries (available on request) will be regarded as suitable. The offerors and Zarclear shall be entitled, in their absolute discretion, by way of agreement to waive the requirement of an indemnity.

2.4. No receipt will be issued for documents of title surrendered unless specifically requested.

2.5. The offerors reserve the right, in their sole and absolute discretion, to:

2.5.1. in respect of certificated shares, treat as invalid forms of acceptance not accompanied by valid documents of title;

2.5.2. treat as invalid forms of acceptance not properly completed; and

2.5.3. require proof of the authority of the person signing the form of acceptance where such proof has not been lodged with or recorded by the transfer secretaries.

2.6. Without prejudice to any of their rights, the offerors reserve the right to condone, in their sole discretion, the non-performance by any offeree of any of the terms of the mandatory offer.

2.7. Settlement of the offer consideration

- 2.7.1. Certificated shareholders who accept the mandatory offer will have the 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 mandatory 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 closing date, in which case the offer consideration will be paid on the first business day following the offer record date.
- 2.7.2. If the offer consideration is not sent to shareholders entitled thereto because the relevant documents of title and forms of acceptance have not been surrendered, or if the offer consideration is returned undelivered to the transfer secretaries, the offer consideration will be held by the offerors or the transfer secretaries, on behalf of and for the benefit of such certificated shareholders, until claimed and no interest will accrue thereon.
- 2.7.3. The settlement of the offer consideration to which any offeree becomes entitled in terms of the mandatory offer will be implemented in full in accordance with the terms of the mandatory offer without regard to any lien, right of set-off, counter-claim or any other analogous right to which the offerors may be entitled.
- 2.7.4. The settlement of the offer consideration will be made subject to the Exchange Control Regulations.

3. SOUTH AFRICAN EXCHANGE CONTROL REGULATIONS

- 3.1. The settlement of the offer consideration will be made subject to the Exchange Control Regulations. The following is a summary of the applicable Exchange Control Regulations. The remaining shareholders that are to receive the offer consideration who are not resident in South Africa, or who have registered addresses outside South Africa (as the case may be), must satisfy themselves as to the full observance of the laws of the relevant jurisdiction concerning the receipt of the offer consideration. This includes obtaining any required governmental or other consents, observing any other required formalities and paying any transfer or other taxes due in that jurisdiction. If any remaining shareholder is in any doubt, he/she should consult his/her professional advisers without delay.

3.2. Residents of the Common Monetary Area

Certificated shareholders 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 offer consideration will be transferred to such certificated shareholders' bank accounts locally, in accordance with paragraph 2.7 above.

3.3. Emigrants from the Common Monetary Area

In the case of shareholders who are emigrants from the Common Monetary Area and whose shares form part of their remaining assets, the offer consideration will, in the case of certificated shareholders whose documents of title are restrictively endorsed in terms of the Exchange Control Regulations, be forwarded to the authorised dealer in foreign exchange in South Africa controlling the offeree's capital assets in terms of the Exchange Control Regulations, against delivery of the relevant documents of title. The attached form of acceptance makes provision for the details of the authorised dealer concerned to be given.

3.4. All other non-residents of the Common Monetary Area

The offer consideration accruing to non-resident remaining shareholders whose registered addresses are outside the Common Monetary Area and who are not emigrants from the Common Monetary Area will, in the case of certificated shareholders whose documents of title have been restrictively endorsed in terms of the Exchange Control Regulations, be deposited with their authorised dealer in foreign exchange in South Africa nominated by such certificated shareholder.

3.5. Information not provided

If the information regarding authorised dealers is not given or the instructions are not given as required in terms of paragraphs 3.3 and 3.4, the offer consideration will be held in trust by the offerors or the transfer secretaries on behalf of the offerors for the shareholders concerned, pending receipt of the necessary information or instructions. Should no information or instructions be received for three years after the closing date, the offer consideration paid over to the Guardian's Fund of the Master of the High Court of South Africa. In this regard such shareholders irrevocably authorise and appoint each of the offerors or their transfer secretaries (or their respective agents, as appointed by each of them) in *rem suam* (that is irrevocably for offerors or their transfer secretaries benefit and advantage), with full power of substitution, to act as agent in the name, place and stead of such shareholders to pay the offer consideration to the Guardian's Fund of the Master of the High Court of South Africa for their benefit in the aforesaid manner.

4. RELATED AND CONCERT PARTIES

- 4.1. Shareholders are advised that the Company has been informed that a concert party arrangement has been established between African Phoenix and Hampden Capital, Zolospan, Sui Generis and Ancilla Capital in relation to any shares beneficially held from time to time by them in Zarclear.
- 4.2. Save as disclosed in paragraph 6 below, no agreements exist between the offerors and any of the parties mentioned in paragraphs (i) to (iii) of Regulation 106(4)(e) of the Takeover Regulations.

5. INTERESTS OF THE OFFERORS AND THEIR DIRECTORS IN ZARCLEAR AND THE OFFERORS

5.1. Interest of the offerors in Zarclear

- 5.1.1. The offerors have disclosed the following shareholdings in Zarclear held or controlled directly or indirectly by the offerors and/or persons acting in concert with the offerors as at the last practicable date:

Shareholder	Direct beneficial	Indirect beneficial	Total	% of issued share capital¹
African Phoenix	64 846 265	-	64 846 265	28.68
Hampden Capital	56 442 751	-	56 442 751	24.97
Zolospan	46 500 000	-	46 500 000	20.57
Sui Generis	31 809 984	-	31 809 984	14.07
Ancilla Capital	6 500 000	-	6 500 000	2.88
Total	206 099 000	-	206 099 000	91.17

1. Total Zarclear shares in issue: 226 065 696

- 5.1.2. There has been no trade by the offerors, persons related to the offerors and/or persons acting in concert with the offerors in Zarclear securities in the period commencing six months before the date of the firm intention announcement, being 11 May 2023, and ending on the last practicable date.

5.2. Interest of the directors of African Phoenix in African Phoenix and Zarclear

- 5.2.1. As at the last practicable date, the directors of African Phoenix are O Mabandla, W Chapman, A Vabaza-Mvandaba, G Tarr and T Bemelman.

5.2.2. The interests of the directors of African Phoenix in African Phoenix shares as at the last practicable date were as follows:

Director	Direct beneficial	Indirect beneficial	Total	% of issued share capital
O Mabandla	30 000 000	2 232 954	32 232 954	2.3
W Chapman	-	575 976 112	575 976 112	40.4
Total	30 000 000	578 209 066	608 209 066	42.7

5.2.3. There have been no dealings in African Phoenix shares by directors of African Phoenix during the period commencing six months before the date of the firm intention announcement, being 11 May 2023, and ending on the last practicable date.

5.2.4. The interests of the directors of African Phoenix in Zarclear shares as at the last practicable date were as follows:

Director	Direct beneficial	Indirect beneficial	Total	% of issued share capital
O Mabandla	-	1 485 557	1 485 557	0.7
W Chapman	-	103 877 191	103 877 191	46.0
Total	-	105 362 748	105 362 748	46.7

5.2.5. There has been no trade by the directors of African Phoenix in Zarclear shares in the period commencing six months before the date of the firm intention announcement, being 11 May 2023 and ending on the last practicable date.

5.3. **Interests of the director of Hampden Capital in Hampden Capital and Zarclear**

5.3.1. As at the last practicable date, the sole director of Hampden Capital is W Chapman.

5.3.2. W Chapman has an indirect ownership of 100% in Hampden Capital.

5.3.3. There have been no dealings in Hampden Capital shares by W Chapman during the period commencing six months before the date of the firm intention announcement, being 11 May 2023, and end on the last practicable date.

5.3.4. W Chapman's interests in Zarclear shares as at the last practicable date were as follows:

Director	Direct beneficial	Indirect beneficial	Total	% of issued share capital
W Chapman	-	103 877 191	103 877 191	46.0

5.3.5. There has been no trade by W Chapman in Zarclear shares in the period commencing six months before the date of the firm intention announcement, being 11 May 2023 and ending on the last practicable date.

5.4. **Interests of directors of Zolospan in Zolospan and Zarclear**

5.4.1. As at the last practicable date, the directors of Zolospan are J Esterhuysen, G Betty, E Macris, D Murgatroyd, E Ochse and R Pharo.

5.4.2. The interests of the directors of Zolospan in Zolospan shares as at the last practicable date were as follows:

Director	Direct beneficial	Indirect beneficial	Total	% of issued share capital
J Esterhuysen	-	179 915	176 915	12.3
G Betty	-	178 844	178 844	12.4
E Macris	-	147 983	147 983	10.3
D Murgatroyd	-	81 894	81 894	5.7
E Ochse	107 777	-	107 777	7.5
R Pharo	64 666	-	64 666	4.5
Total	172 443	585 636	758 079	52.8

5.4.3. There have been no dealings in Zolospan shares by directors of Zolospan during the period commencing six months before the date of the firm intention announcement, being 11 May 2023, and ending on the last practicable date.

5.4.4. The interests of the directors of Zolospan in Zarclear shares as at the last practicable date was as follows:

Director	Direct beneficial	Indirect beneficial	Total	% of issued share capital
J Esterhuysen	-	7 534 230	7 534 230	3.4
G Betty	-	7 192 405	7 192 405	3.2
E Macris	-	6 370 699	6 370 699	2.9
D Murgatroyd	-	3 503 157	3 503 157	1.6
E Ochse	-	4 334 369	4 334 369	1.9
R Pharo	-	2 600 613	2 600 613	1.2
Total	-	31 535 473	31 535 473	14.2

5.4.5. There has been no trade by the directors of Zolospan in Zarclear shares in the period commencing six months before the date of the firm intention announcement, being 11 May 2023 and ending on the last practicable date.

5.5. Interests of director of Ancilla Capital in Ancilla Capital and Zarclear

5.5.1. As at the last practicable date, the sole director of Ancilla Capital is W Chapman.

5.5.2. W Chapman has an indirect ownership of 100% in Ancilla Capital.

5.5.3. There have been no dealings in Ancilla Capital shares by W Chapman during the period commencing six months before the date of the firm intention announcement, being 11 May 2023, and ending on the last practicable date.

5.5.4. W Chapman's interests in Zarclear shares as at the last practicable date were as follows:

Director	Direct beneficial	Indirect beneficial	Total	% of issued share capital
W Chapman	-	103 877 191	103 877 191	46.5

5.5.5. There has been no trade by W Chapman in Zarclear shares in the period commencing six months before the date of the firm intention announcement, being 11 May 2023 and ending on the last practicable date.

5.6. As at the last practicable date, the directors of H4 Collective Investments (RF) Proprietary Limited, which manages Sui Generis had no interests in Zarclear shares. There has been no trade by the directors of H4 Collective Investments (RF) Proprietary Limited, which manages Sui Generis in Zarclear shares in the period commencing six months before the date of the firm intention announcement, being 11 May 2023 and ending on the last practicable date.

5.7. **Directors' service contracts**

There will be no material change in the remuneration of directors of Zarclear as a consequence of the mandatory offer.

6. **ARRANGEMENTS IN RELATION TO THE MANDATORY OFFER**

- 6.1. No agreement exists between the offerors and Zarclear which could be considered material to a decision regarding the mandatory offer to be taken by Zarclear shareholders.
- 6.2. No arrangements, agreements or understandings which have any connection with or dependence on the mandatory offer exist between Zarclear and the offerors, the directors of the offerors, or any persons who were directors of the offerors within the 12 months preceding the last practicable date, the shareholders of the offerors or any persons who were holders of the offerors' shares within the 12 months preceding the last practicable date.

7. **OFFERORS RESPONSIBILITY STATEMENTS**

The directors of the offerors:

- 7.1. confirm that Part I of this circular contains all information required by the TRP;
- 7.2. accept, individually and collectively, full responsibility for the accuracy of the information given in Part I of this circular;
- 7.3. have considered all statement of fact and opinion in this circular and accept full responsibility for the information contained in Part I of this circular;
- 7.4. certify that, to the best of their knowledge and belief, the information contained in Part I of this circular is true and correct;
- 7.5. certify that, to the best of their knowledge and belief, there are no omissions of material facts or considerations which would make any statement of fact or opinion contained in this document false or misleading; and
- 7.6. have made all reasonable enquiries in this regard.

8. **CONSENTS**

- 8.1. All the parties listed in the "Corporate Information" section above 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.
- 8.2. The independent expert has consented to the inclusion of their report in this circular in the form and context in which it has been reproduced in this circular in **Annexure 1**, 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.

9. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the documents below will be available for inspection at the registered office of the Company and on Zarclear's website (www.zarclear.com) and may also be obtained from the Company by sending a request to info@zarclear.com:

- 9.1. a signed copy of this circular;
- 9.2. the letter issued by the TRP approving this circular in terms of Regulation 117 of the Takeover Regulations; and
- 9.3. the signed letters of consent referred to in paragraph 8 of Part I of this circular.

Signed in Johannesburg on behalf of the board of African Phoenix in terms of the written resolution passed by each of the directors.

By order of the board

African Phoenix Investments Limited

Warren Chapman

Executive director

4 July 2023

PART II: ZARCLEAR RESPONSE CIRCULAR

1. INTRODUCTION

Part II of this circular contains the response by the independent board of Zarclear to the mandatory offer by the offerors, as described in Part I of this circular.

2. INFORMATION ON ZARCLEAR AND BACKGROUND TO THE MANDATORY OFFER

2.1. Zarclear is an investment holding company that 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 access to liquid and flexible capital, a broad shareholder base, sector expertise and networks that the Company's management and board offer.

2.2. On 19 August 2022, the TRP announced that it would investigate complaints received by third parties in relation to certain affected transactions concluded from 2020 to 2022 involving the investigated parties, alleging that the parties involved failed to disclose that they were acting in concert in relation to the affected transactions in question.

2.3. On 13 April 2023, the TRP announced that it had agreed to settle its investigation into the affected transactions in question by requiring the investigated parties to implement remedial action and make mandatory offers when they were considered on the TRP's interpretation to have acquired control over the relevant regulated companies.

2.4. Pursuant to the settlement, African Phoenix and its concert parties are required to make a mandatory offer to Zarclear shareholders to purchase their shares at an offer price of R3.55 per share in terms of section 123 of the Companies Act and the Takeover Regulations.

3. COMPOSITION OF THE INDEPENDENT BOARD

The independent board comprises Linda Maqoma, Jeffrey Goudvis and Kgosie Matthews.

4. APPOINTMENT OF INDEPENDENT EXPERT

The independent board has appointed Valeo Capital as its independent expert to provide the independent board with its opinion as to whether the terms of the mandatory offer are fair and reasonable to Zarclear shareholders in accordance with the requirements of the Takeover Regulations.

5. OPINION OF THE INDEPENDENT EXPERT

Valeo Capital, acting as independent expert, has considered the terms of the mandatory offer and is of the opinion that, as at the date of the issue of its opinion, the mandatory offer is unfair and unreasonable to Zarclear shareholders. The independent expert's opinion is set out in **Annexure 1** of this circular.

6. VIEWS OF THE INDEPENDENT BOARD

6.1. As contemplated in Regulation 110(3) of the Takeover Regulations, in order for an independent board to express an opinion on an offer and on the offer consideration, it must either perform a valuation of the offeree regulated company's securities that are the subject of an offer, or place reliance upon a valuation of the offeree regulated company's securities that are the subject of an offer, as performed by an independent expert after performing the requisite amount of work that satisfies the independent board that it is justified in placing reliance upon that valuation.

6.2. In terms of Regulation 110(6) of the Takeover Regulations, the independent board must consider factors that are difficult to quantify, or are unquantifiable, and must disclose such factors and take them into account in forming its opinion in respect of fairness. The independent board must also form a view of a range of fair value of the offeree regulated company securities, based upon an accepted valuation approach, as contemplated in Regulation 110(7) of the Takeover Regulations.

- 6.3. For the purposes of this circular, in determining whether the offer consideration may generally be considered to be “fair” and “reasonable” the meaning ascribed to the word “fair” and “reasonable” in the Takeover Regulations are applied. In this regard it is noted that:
- 6.3.1. in accordance with Regulation 110(8) of the Takeover Regulations, an offer with a consideration per offeree regulated company security within a fair-value range is generally considered to be fair;
 - 6.3.2. an offer with an offer consideration per offeree regulated company security above the offeree regulated company’s traded security price at the time the offer consideration per security was announced, or at some more appropriate identifiable time, is generally considered to be reasonable in terms of Regulation 110(9) of the Takeover Regulations.
- 6.4. 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 mandatory offer and the offer consideration as contemplated in Regulation 110(3)(b) of the Takeover Regulations.
- 6.5. 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) in forming its opinion:
- 6.5.1. the liquidity of Zarclear shares;
 - 6.5.2. the opportunity afforded to odd-lot shareholders to participate in the top-up issue; and
 - 6.5.3. the likelihood of the scheme becoming operative.
- 6.6. The independent expert determined a fair value range of between R5.57 and R6.37 per Zarclear share with a likely value or core value of R5.97 per Zarclear share.
- 6.7. The independent board 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 report, in considering its opinion and recommendation.
- 6.8. The view of the independent board is that the offer consideration is unfair. In this regard it is noted that the offer consideration falls below the fair value range determined in respect of the Zarclear shares.
- 6.9. The listing of Zarclear’s shares on the exchange operated by the JSE Limited was terminated on 26 October 2021 pursuant to an offer made to Zarclear shareholders at a price of R4.60 per share. The offer consideration is below the price at which Zarclear shares were trading at the time of the delisting, being c.R4.60 per Zarclear share. Furthermore, it is well below Zarclear’s NAV per share of R6.00 as at 30 June 2022, and less than the odd-lot repurchase consideration of R6.35 per share under the scheme of arrangement to be proposed between Zarclear and Zarclear shareholders. Therefore, the view of the independent board is that the offer consideration is unreasonable.
- 6.10. In light of the proposed scheme of arrangement, further details of which are contained in the scheme of arrangement circular published concurrently with this circular and which is available on Zarclear’s website (www.zarclear.com), the view of the independent board is that shareholders should not accept the mandatory offer and should instead vote in favour of the scheme of arrangement.
- 6.11. The independent board has not received any other offers during the offer period or within 6 months before the offer period.

7. INTERESTS OF ZARCLEAR AND ITS DIRECTORS IN THE OFFEROR AND ZARCLEAR

7.1. Interests of Zarclear in the offerors

- 7.1.1. As at the last practicable date, Zarclear held 335 435 546 shares in African Phoenix (being 23.51% of the issued share capital of African Phoenix).
- 7.1.2. Save for as disclosed in 7.1.1 above, Zarclear does not hold any interest the offerors.
- 7.1.3. There has been no trade by Zarclear in the shares of the offerors in the period commencing six months before the date of the firm intention announcement, being 11 May 2023 and ending on the last practicable date.

7.2. Interests of the directors of Zarclear in Zarclear and the offerors

- 7.2.1. 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.

Director	Direct Beneficial	Indirect Beneficial¹	Total	% of issued share capital
W Chapman	-	103 877 191	103 877 191	46.0

- 7.2.2. There have been no dealings in Zarclear shares by the directors of Zarclear in the period commencing six months before the date of firm intention announcement, being 11 May 2023, and ending on the last practicable date.

- 7.2.3. The interests of the directors of Zarclear in African Phoenix shares as at the last practicable date were as follows:

Director	Direct Beneficial	Indirect Beneficial	Total	% of issued share capital
W Chapman	-	575 976 112	575 976 112	40.4

- 7.2.4. Save as stated in this paragraph 7.2, none of the directors of Zarclear held any interest in the shares of African Phoenix as at the last practicable date.

- 7.2.5. There have been no dealings by the directors of Zarclear in any shares of African Phoenix during the period commencing six months before the date of the firm intention announcement, being 11 May 2023, and ending on the last practicable date.

- 7.2.6. W Chapman, a director of Zarclear, has an indirect beneficial shareholding of 100% in Hampden Capital.

- 7.2.7. There have been no dealings by the directors of Zarclear in any shares of Hampden Capital during the period commencing six months before the date of the firm intention announcement, being 11 May 2023, and ending on the last practicable date.

- 7.2.8. The interests of the directors of Zarclear in Zolospan shares as at the last practicable date were as follows:

Director	Direct Beneficial	Indirect Beneficial	Total	% of issued share capital
W Chapman	-	475 772	475 772	33.1

- 7.2.9. Save as stated in this paragraph 7.2, none of the directors of Zarclear held any interest in the shares of Zolospan as at the last practicable date.

- 7.2.10. There have been no dealings by the directors of Zarclear in any shares of Zolospan during the period commencing six months before the date of the firm intention announcement, being Thursday, 11 May 2023, and ending on the last practicable date.

7.2.11. W Chapman, a director of Zarclear, has an indirect beneficial shareholding of 100% in Ancilla Capital.

7.2.12. There have been no dealings by the directors of Zarclear in any shares of Ancilla Capital during the period commencing six months before the date of the firm intention announcement, being 11 May 2023, and ending on the last practicable date.

7.3. **Directors' service contracts**

7.3.1. There will be no material change in the remuneration of directors of Zarclear as a consequence of the mandatory offer.

7.3.2. No payment or other benefit will be made or given by Zarclear to any director of Zarclear for compensation for loss of office or as consideration for, or in connection with, his/her retirement from office as a consequence of the mandatory offer.

7.3.3. No service contracts have been entered into or amended within six months before the firm intention announcement date.

8. **HISTORICAL FINANCIAL INFORMATION**

8.1. The audited historical financial information of Zarclear for the years ended 30 June 2022, 30 June 2021 and 30 June 2020 is set out in **Annexure 2**.

8.2. The historical financial information of Zarclear is the responsibility of the directors of Zarclear.

9. **INDEPENDENT BOARD RESPONSIBILITY STATEMENT**

The independent board:

9.1. confirms that Part II of this circular contains all information required by the TRP;

9.2. accepts, individually and collectively, full responsibility for the accuracy of the information given in Part II of this circular;

9.3. has considered all statements of fact and opinion in this circular and accepts full responsibility for the information contained in Part II of this circular;

9.4. certifies that, to the best of its knowledge and belief, the information contained in Part II of this circular is true and correct;

9.5. certifies that, to the best of its knowledge and belief, there are no omissions of material facts or considerations which would make any statement of fact or opinion contained in this document false or misleading; and

9.6. has made all reasonable enquiries in this regard.

10. **CONSENTS**

10.1. All the parties listed in the "Corporate Information" section above 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.

10.2. The independent expert has consented to the inclusion of their report in this circular in the form and context in which it has been reproduced in this circular in **Annexure 1**, 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.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the documents below will be available for inspection at the registered office of the company and on Zarclear's website (www.zarclear.com) and may also be obtained from the Company by sending a request to info@zarclear.co.za:

- 11.1. a signed copy of this circular;
- 11.2. the independent fairness opinion regarding the mandatory offer as set out in **Annexure 1**;
- 11.3. the audited consolidated financial statements of Zarclear for the years ended 30 June 2022, 30 June 2021 and 30 June 2020;
- 11.4. the letter issued by the TRP approving this circular in terms of Regulation 117 of the Takeover Regulations; and
- 11.5. the signed letters of consent referred to in paragraph 10 of Part II of this circular.

Signed in Johannesburg on behalf of the independent board in terms of the written resolution passed by the independent board and the Zarclear board.

By order of the board

Zarclear Holdings Limited

ZK Matthews

Chairperson of the independent board

4 July 2023

FAIR AND REASONABLE OPINION OF THE INDEPENDENT EXPERT

29 June 2023

The Directors
Zarclear Holdings Limited (“**Zarclear**” or the “**Company**”)
9th floor, Katherine Towers
1 Park Lane
Wierda Valley, Sandton
2196

Dear Sirs and Madams,

INDEPENDENT EXPERT REPORT IN RESPECT OF THE MANDATORY OFFER

1. Introduction

African Phoenix Investments Limited (“**African Phoenix**”) (together with the parties acting in concert with African Phoenix as fully described in paragraph 4 of the circular dated 4 July 2023 (the “**Circular**”)) is required to make a mandatory offer (the “**Mandatory Offer**”) to all holders of ordinary shares in the Company (“**Zarclear Shares**” or “**Shares**”) (the “**Shareholders**”) to purchase their shares at a cash consideration per share of 355 cents (the “**Offer Consideration**”) in terms of section 123 of the Companies Act, 2008 (the “**Companies Act**”) and Takeover Regulations promulgated thereunder (the “**Takeover Regulations**”).

Full details of the Mandatory Offer are contained in the Circular, of which this opinion forms part.

2. Scope

In terms of section 114(3) of the Companies Act and regulation 90 of the Takeover Regulations, Zarclear is required to appoint an independent expert (“**Independent Expert**”) in order to opine on the fairness and reasonableness of the Mandatory Offer (“**the Opinion**”).

Valeo Capital Proprietary Limited (“**Valeo Capital**”) has been appointed by the independent board of directors of Zarclear (the “**Independent Board**”) as the Independent Expert to advise on whether the terms of the Mandatory Offer are fair and reasonable to Shareholders.

3. Responsibility

Compliance with the Companies Act is the responsibility of the Independent Board. Valeo Capital’s responsibility is to report on the terms of the Mandatory Offer in compliance with the Companies Act and Takeover regulations.

We confirm that this Opinion will be provided to the Independent Board for the sole purpose of assisting them in forming and expressing an opinion for the benefit of Shareholders pertaining to the Mandatory Offer. The Opinion will be distributed to Shareholders prior to the relevant resolutions required to approve the Mandatory Offer being tabled for consideration by the Shareholders.

4. Definition of the terms “fair” and “reasonable”

A transaction will generally be considered fair to a company’s shareholders if the benefits received by shareholders, as a result of a transaction, are equal to or greater than the value surrendered by a company or its shareholders.

The assessment of fairness is primarily based on quantitative considerations. Accordingly, the Mandatory Offer may be considered fair if the Offer Consideration is higher than or equal to the value attributable to Zarclear Shares, or unfair if the Offer Consideration being less than the value attributable to Zarclear Shares.

In terms of the Takeover Regulations, a transaction will be considered reasonable if the value received by the shareholders in terms of the transaction is higher than the market price of the company's securities at the time that the transaction was announced, if applicable. In addition, the assessment of reasonableness is also based on qualitative considerations surrounding a transaction. Even though a transaction may be unfair based on quantitative considerations, a transaction may still be reasonable after considering other significant qualitative factors.

We have applied the aforementioned principles in preparing our Opinion. The Opinion does not purport to cater for an individual Shareholder's position but rather the general body of Shareholders. An individual Shareholder's decision regarding the terms of a transaction may be influenced by its particular circumstances (such as taxation and the original price paid for the shares).

5. Sources of information

In the course of our work, we relied upon information obtained from Zarclear management ("**Management**") and from various public sources. Our conclusion is dependent on such information being complete and accurate in all material respects.

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

- audited annual financial statements of Zarclear and relevant underlying investments for the financial years ended 30 June 2020 to 30 June 2022;
- Management accounts of Zarclear and relevant underlying investments for the period 1 July 2022 to 30 April 2023;
- Latest available valuation models of relevant underlying investments, as prepared by Management;
- forecast financial information for financial year 2023 to financial year 2028 for Zarclear and relevant underlying investments;
- Loan agreements entered into between Zarclear and borrowers;
- Portfolio statements for relevant underlying investments;
- the draft Circular;
- Zarclear's group structure as at 30 June 2022;
- Zarclear's share trading data;
- discussions with Management on prevailing market, economic, legal and other conditions which may affect the underlying value and the rationale for the Mandatory Offer;
- comparative, publicly available financial and market information on appropriate peer issuers in South Africa;
- economic outlooks prepared by leading South African banks; and
- online and subscription databases covering financial markets, share prices, volumes traded and news.

6. Assumptions

We have arrived at our Opinion based on the following assumptions:

- that the terms of the Mandatory Offer are legally enforceable with no material amendments;
- that reliance can be placed on the historical and forecast financial information of Zarclear and its underlying investments;
- the structure of the Mandatory Offer will not give rise to any undisclosed tax liabilities;
- that Zarclear and its underlying investments are not involved in any material legal proceedings or disputes with regulatory bodies;
- there are no undisclosed contingencies that could affect the value of the relevant securities;
- reliance can be placed on Management representations made; and
- the current regulatory and market conditions will not change materially.

7. Procedures

In arriving at our Opinion, we have undertaken the following procedures in evaluating the fairness and reasonableness of the Mandatory Offer:

- considered the rationale for the Mandatory Offer, as presented by Management;
- reviewed the terms of the Mandatory Offer;
- analysed the historical and forecasted information as provided by Management;
- where relevant, corroborated representations made by Management to source documents;
- performed a valuation of the Company as detailed below;
- compared the Offer Consideration to the last traded price of Shares;

- reviewed relevant publicly available information relating to Zarclear;
- performed an analysis of other information considered pertinent to our valuation and Opinion;
- obtained letters of representation from Management confirming that Valeo Capital have been provided with all relevant material information and that all such information provided to us is accurate and complete in all material respects; and
- we determined the fairness and reasonableness of the Mandatory Offer based on the results of the procedures mentioned above. We believe that these considerations justify the Opinion outlined below.

8. Valuation approach

In considering the Mandatory Offer, Valeo Capital performed an independent sum-of-the-parts valuation of Zarclear (“**Valuation**”), considering the appropriate valuation technique to be applied to each of the underlying investments and liabilities which included, *inter alia*, discounted cash flows (“**DCF Valuation**”), market multiples and net asset value where applicable (“**Valuation Approach**”).

Key external and internal value drivers identified in the valuation of Zarclear (including its underlying investments) include, *inter alia*:

- growth in assets under management, margins realised on underlying assets under management and movements in the fair value of the underlying investment portfolio.

The key value drivers as set out above are influenced by various factors, including, *inter alia*:

- the impact of the general South African economy (employment rates, GDP growth, inflation and strength of the South African Rand compared to other key foreign currencies); and
- the growth and global challenges and opportunities in the industry in which Zarclear (and its underlying investments) operates.

9. Reasonableness

In arriving at our Opinion with respect to the reasonability of the Mandatory Offer, we considered, *inter alia*, the following:

- the Offer Consideration is at a discount to the last traded price for Zarclear prior to the release of the Mandatory Offer announcement. It should however be noted that limited share trading liquidity exists for Zarclear; and
- the alternative liquidity event announced by Zarclear, being a scheme of arrangement proposed by Zarclear between Zarclear and its shareholders, in terms of which the proposed odd-lot repurchase consideration is at a significant premium to the Offer Consideration.

10. Opinion

As the ordinary shares in the capital of the Company comprise of the sole class of shares in the issued share capital of the Company, Shareholders are the only persons who may be affected by the Mandatory Offer.

We have considered the terms and conditions of the Mandatory Offer and, based on the aforementioned, we are of the opinion, subject to the limiting conditions as set out below, that the indicative fair value of the Shares amounts to between 557 cents per share and 637 cents per share (“**Mandatory Offer Value Range**”), with the likely core value of 597 cents per share being the midpoint of the Value Range. We have compared the Mandatory Offer Value Range to the Offer Consideration of 355 cents per share, which Offer Consideration falls below the Mandatory Offer Value Range. In addition, the Offer Consideration falls below the last traded price of Shares prior to the Mandatory Offer being announced to Shareholders. Subject to the conditions set out herein, we are of the opinion that the Offer Consideration is unfair and unreasonable to Shareholders.

11. Limiting conditions

This Opinion is provided to the Independent Board in connection with and for the purpose of the Mandatory Offer, for the sole purpose of assisting the Independent Board in forming and expressing an opinion for the benefit of Shareholders. 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.

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

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

The forecasts relate to future events and are based on assumptions, which may not remain valid for the whole of the relevant period. Consequently, this information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely actual results will correspond to Management forecasts.

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

Subsequent developments may affect our Opinion and we are under no obligation to update, review or re-affirm it based on such developments. We have assumed that all conditions precedent referred to in the Circular, including any material regulatory and other approvals, if any, will be properly fulfilled/obtained.

12. Material interest of Zarclear directors

The shareholding of directors of Zarclear, directly and indirectly, is set out in paragraph 7 of Part II of the Circular.

13. Independence and additional regulatory disclosures

We confirm that Valeo Capital has no direct or indirect interest in any transacting party or the Mandatory Offer, nor do we have any relationship with Zarclear or, to the best of our knowledge, to any person related to the Company 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 this Opinion. Furthermore, we confirm that our professional fee of R110,000 (excluding VAT) is not contingent upon the outcome of the Mandatory Offer.

The directors, employees or consultants of Valeo Capital allocated to this assignment have the necessary qualifications, expertise and competencies to (i) understand the Mandatory Offer; (ii) evaluate the Mandatory Offer; and (iii) determine the effect of the Mandatory Offer on the value of the Shares and on the rights and interests of Shareholders, or a creditor of Zarclear and are able to express opinions, exercise judgement and make decisions impartially in carrying out this assignment.

14. Consent

We hereby consent to the inclusion of this Opinion and references thereto, in whole or in part, in the form and context in which they appear to be included in any required regulatory announcement or documentation regarding the Mandatory Offer.

Yours faithfully

Riaan van Heerden
Valeo Capital Proprietary Limited

HISTORICAL FINANCIAL INFORMATION OF ZARCLEAR FOR THE YEARS ENDED 30 JUNE 2022, 30 JUNE 2021 AND 30 JUNE 2020

The consolidated annual financial statements of Zarclear for the years ended 30 June 2022, 30 June 2021 and 30 June 2020 are set out below. The notes to the consolidated annual financial statements of Zarclear for the years ended 30 June 2022, 30 June 2021 and 30 June 2020 have been incorporated by reference and are available on Zarclear's website at <http://www.zarclear.com/>.

Statements of financial position
as at 30 June

	Notes	Group		Company	
		2022 R'000	2021 R'000	2022 R'000	2020 R'000
Assets					
<i>Non-current assets</i>		808 133	517 214	846 561	226 831
Plant and equipment	3	1 040	1 235	-	-
Goodwill	4	14 944	14 944	-	-
Investments in subsidiaries	5	-	-	90 468	90 468
Investments in associates	6	300 215	167 718	167 718	134 174
Financial assets	7	490 662	329 317	455 878	2 189
Deferred tax	8	1 272	4 000	-	-
<i>Current assets</i>		629 359	969 669	23 184	605 050
Loans receivable	12	13 394	-	13 394	-
Trade and other receivables	9	63 065	338 977	6	1 269
Financial assets	7	164	89 130	-	30 570
Current tax receivable		629	149	629	-
Cash and cash equivalents	12	552 107	541 413	9 155	454 540
Total assets		1 437 492	1 486 883	869 745	831 881
Equity and liabilities					
<i>Equity</i>					
Share capital	11	44 875	44 875	44 875	474 400
Reserves		138 190	103 657	-	640
Retained income		1 158 776	923 535	745 960	313 153
Non-controlling interest		10 786	6 616	-	-
Total equity		1 352 627	1 078 683	790 835	788 193

Notes	Group			Company		
	2022 R'000	2021 R'000	2020 R'000	2022 R'000	2021 R'000	2020 R'000
<i>Non-current liabilities</i>						
Deferred tax	21 958	57 920	96	21 958	57 920	96
	21 958	57 920	96	21 958	57 920	96
<i>Current liabilities</i>						
	62 907	350 280	1 068 249	56 952	44 604	43 592
Trade and other payables	62 872	350 176	1 067 645	8 567	13 632	13 100
Loans payable	-	-	-	48 385	30 972	30 492
Current tax payable	35	104	604	-	-	-
Total liabilities	84 865	408 200	1 068 345	78 910	102 524	43 688
Total equity and liabilities	1 437 492	1 486 883	2 429 639	869 745	746 754	831 881
Net asset value per share (cents)	601	474	600			

Statements of profit or loss and other comprehensive income

Notes	Group			Company			
	12 months ended 30 June 2022 R'000	12 months ended 30 June 2021 R'000	15 months ended 30 June 2020 R'000	12 months ended 30 June 2022 R'000	12 months ended 30 June 2021 R'000	15 months ended 30 June 2020 R'000	
Investment income	14	295 729	289 831	68 713	203 823	388 079	245 249
Fee income	14	44 288	35 476	52 087	-	-	-
Impairment charges		-	-	(5 863)	-	-	-
Operating expenses		(88 554)	(92 496)	(85 420)	(51 108)	(58 130)	(43 331)
Operating profit/(loss)	15	251 463	232 811	29 517	152 715	329 949	201 918
Interest received	16	8 681	16 573	29 042	8 109	14 077	25 442
Interest paid	17	(489)	(2)	(10 893)	(659)	-	(10 740)
Profit/(Loss) before taxation		259 655	249 382	47 666	160 165	344 026	216 620
Taxation	18	(20 244)	(58 398)	1 927	(13 560)	(57 824)	3 416
Profit/(Loss) for the year		239 411	190 984	49 593	146 605	286 202	220 036
Other comprehensive income							
Items that will be subsequently reclassified to profit or loss							
Currency translation differences		34 533	(44 071)	97 488	-	(640)	640
Other comprehensive income for the year net of taxation		34 533	(44 071)	97 488	-	(640)	640
Total comprehensive income for the year		273 944	146 913	147 081	146 605	285 562	220 676
Profit attributable to:							
Equity holders of the company		235 241	188 726	45 630	146 605	286 202	220 036
Non-controlling interest		4 170	2 258	3 963	-	-	-
		239 411	190 984	49 593	146 605	286 202	220 036
Total comprehensive income attributable to:							
Equity holders of the company		269 774	144 655	143 118	146 605	285 562	220 676
Non-controlling interest		4 170	2 258	3 963	-	-	-
		273 944	146 913	147 081	146 605	285 562	220 676

Notes	Group		Company	
	12 months ended 30 June 2022 R'000	12 months ended 30 June 2021 R'000	12 months ended 30 June 2021 R'000	15 months ended 30 June 2020 R'000
Basic and diluted earnings per share (cents)	24	83.48		20.18
Headline and diluted headline earnings per share (cents)	24	83.49		22.78

Statements of changes in equity
for the year ended 30 June 2022

Group	Share capital R'000	Foreign currency translation reserve R'000	Retained income R'000	Total attributable to equity holders of the group/company R'000	Non-controlling interest R'000	Total equity R'000
Balance at 31 March 2019	474 400	50 240	689 178	1 213 818	395	1 214 213
Total comprehensive income for 15 months	-	97 488	45 630	143 118	3 963	147 081
Balance at 1 July 2020	474 400	147 728	734 808	1 356 936	4 358	1 361 294
Total comprehensive income for the year	-	(44 071)	188 727	144 656	2 258	146 914
Capital reduction distribution to shareholders	(429 525)	-	-	(429 525)	-	(429 525)
Total contributions by and distributions to owners of company recognised directly in equity	(429 525)	-	-	(429 525)	-	(429 525)
Balance at 1 July 2021	44 875	103 657	923 535	1 072 067	6 616	1 078 683
Total comprehensive income for the year	-	34 533	235 241	269 774	4 170	273 944
Balance at 30 June 2022	44 875	138 190	1 158 776	1 341 841	10 786	1 352 627
Notes	11					
Company	Share capital R'000	Foreign currency translation reserve R'000	Retained income R'000	Total attributable to equity holders of the group/company R'000	Non-controlling interest R'000	Total equity R'000
Balance at 31 March 2019	474 400	-	93 116	567 516	-	567 516
Total comprehensive income for 15 months	-	640	220 036	220 676	-	220 676
Balance at 1 July 2020	474 400	640	313 153	788 193	-	788 193
Total comprehensive income for the year	-	(640)	286 202	285 562	-	285 562
Capital reduction distribution to shareholders	(429 525)	-	-	(429 525)	-	(429 525)
Total contributions by and distributions to owners of company recognised directly in equity	(429 525)	-	-	(429 525)	-	(429 525)
Balance at 1 July 2021	44 875	-	599 355	644 230	-	644 230
Total comprehensive income for the year	-	-	146 605	146 605	-	146 605
Balance at 30 June 2022	44 875	-	745 960	790 835	-	790 835
Notes	11					

Statements of cash flows
for the year ended 30 June

Notes	Group			Company		
	12 months ended 30 June 2022 R'000	12 months ended 30 June 2021 R'000	15 months ended 30 June 2020 R'000	12 months ended 30 June 2021 R'000	12 months ended 30 June 2020 R'000	15 months ended 30 June 2020 R'000
Cash flows from operating activities						
19	(31 458)	(50 176)	(5 636)	(54 908)	(60 110)	(55 885)
	8 681	16 573	29 042	8 109	14 077	25 442
	-	-	-	-	212 639	241 969
	10 418	18 521	23 705	4 006	2 222	505
	-	-	130 719	-	-	130 719
	(489)	(2)	(10 893)	(659)	-	(10 740)
20	(54 027)	(2 623)	(3 055)	(50 151)	-	500
	(390 331)	-	(2 669)	(355 800)	-	(2 188)
	-	-	(258 591)	(1)	-	(258 591)
	465 119	123 169	132 803	-	-	-
	-	135 221	101 803	-	135 221	101 803
	-	-	39 903	-	-	39 903
	-	(7 376)	(76)	-	(1 500)	(76)
	7 913	233 307	177 055	(449 404)	302 549	213 361
Cash flows from investing activities						
3	(146)	(70)	(4 202)	-	-	-
	(13 394)	-	-	(13 394)	-	66 544
	(13 540)	(70)	(4 202)	(13 394)	-	66 544
Cash flows from financing activities						
11	-	(429 525)	-	-	(429 525)	-

Notes	Group			Company		
	12 months ended 30 June 2022 R'000	12 months ended 30 June 2021 R'000	15 months ended 30 June 2020 R'000	12 months ended 30 June 2022 R'000	12 months ended 30 June 2021 R'000	15 months ended 30 June 2020 R'000
Proceeds from borrowings	-	-	-	17 413	-	(134)
Net cash from financing activities	-	(429 525)	-	17 413	(429 525)	(134)
Total cash movement for the year	(5 627)	(196 288)	172 853	(445 385)	(126 976)	279 773
Cash and cash equivalents at the beginning of the year	541 414	745 092	558 294	454 540	581 516	301 743
Effect of exchange rate movement on cash balances	16 320	(7 391)	13 945	-	-	-
Total cash at end of the year	552 107	541 413	745 092	9 155	454 540	581 516
10						



ZARCLEAR HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2000/013674/06)
("Zarclear" or "the Company")

FORM OF ACCEPTANCE

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

This form should be read in conjunction with the circular.

INSTRUCTIONS:

1. This form is for use only by certificated shareholders who are offer participants in respect of the mandatory offer.
2. Offer participants must complete this form in BLOCK CAPITALS.
3. A separate form is required for each certificated shareholder who is an offer participant.
4. All acceptances of the mandatory offer received by the transfer secretaries, the offerors or the broker (if applicable) prior to the closing date will be irrevocable.
5. Part A must be completed by all offer participants who return this form.
6. Part B must be completed by those shareholders who accept the mandatory offer.
7. Part C must be completed by all offer participants who are emigrants from or are non-residents of the Common Monetary Area.
8. Part D must be completed by all offer participants requiring payment of the 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 mandatory offer payment date only to those offer participants who have surrendered their documents of title prior to 12:00 on the offer record date.
9. 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.
10. The offer consideration will not be paid to offer participants who hold certificated shares unless and until documents of title in respect of the repurchase shares have been surrendered to the transfer secretaries..

To: **Computershare Investor Services Proprietary Limited**
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
(Private Bag X3000, Saxonwold, 2132)

Dear Sirs

PART A: To be completed by all offer participants wishing to participate in the mandatory 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:

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

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 (“FICA”), 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: Acceptance of the mandatory offer

Shareholders who accept the mandatory offer must please complete Part B.

I/We hereby accept the mandatory offer in respect of _____ Zarclear shares held by me/us.

(Failure to state the number of shares shall be deemed to indicate acceptance of the mandatory offer in respect of all shares indicated by the documents of title surrendered by that shareholder or his/her representative.)

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

In the case of offer participants who are emigrants:

The offer consideration will be posted or transferred (at the risk of the offer participant) to the authorised dealer nominated by the 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 offer participants:

The 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 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 D: Submission of banking details (excluding third party accounts) in respect of offer participants wishing payment of the offer consideration to be made by way of the electronic transfer of funds

In terms of FICA 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 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. 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 FICA, 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 offer participants. The offer consideration will be posted or transferred, as the case may be, at the risk of the offer participants.
2. Emigrants from the Common Monetary Area must complete Part C.
3. All other non-residents of the Common Monetary Area must complete Part C if they wish the relevant offer consideration to be paid to an authorised dealer in South Africa.
4. If Part C is not properly completed, the 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 offer participant in respect of such monies.
5. Completed forms must be completed and returned, together with your documents of title, to the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X3000, Saxonwold, 2132) to be received by them by no later than 12:00 on the closing date.
6. The offer consideration will not be paid to or sent to offer participants unless and until the documents of title in respect of the repurchase shares have been surrendered to the transfer secretaries. If an 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.
7. No receipts will be issued for documents lodged unless specifically requested.
8. Any alteration to this form must be signed in full and not initialled.
9. 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).
10. Where the 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.
11. If this form is not signed by the offer participant, such offer participant will be deemed to have irrevocably appointed the transfer secretaries to implement the obligations of the offer participant under the offer on his or her behalf.
12. 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.
13. 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.

