THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 11 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 notice of scheme meeting, form of proxy (*green*), form of surrender and transfer (*blue*) and form of subscription (*pink*), 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 5 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

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relating to:

- **a scheme of arrangement in terms of section 114 of the Companies Act (read with section 115 of the Companies Act) proposed by Zarclear, between Zarclear and Zarclear shareholders, which, if implemented, will result in:**
  - **a 10 000 000:1 share consolidation;**
  - **an offer to odd-lot shareholders to subscribe for additional shares at a price of R6.00 per share, being Zarclear's NAV per share at 30 June 2022, in order to remain invested or increase their investment in Zarclear;**
  - **a cash repurchase by Zarclear of odd-lot shares which, after implementation of the top-up issue, do not meet the share consolidation minimum threshold at a price of R6.35 per share, being a 5.8% premium to Zarclear's NAV per share at 30 June 2022;**
  - **if required, the increase in the authorised share capital of Zarclear to provide for sufficient authorised but unissued shares in order to accommodate the subscription of additional shares, and**
- **the adoption of a replacement MOI to facilitate the share consolidation and to convert Zarclear to a private company.**

and incorporating:

- **a report prepared by the independent expert in terms of sections 114(2) and 114(3) of the Companies Act (read with Regulation 90 of the Regulations);**
- **a notice of scheme meeting of Zarclear shareholders;**
- **a form of proxy (*green*) to attend and vote at the scheme meeting of Zarclear shareholders;**
- **a form of surrender and transfer *(blue)*; and**
- **a form of subscription *(pink)*.**

Corporate advisor

Independent expert

Legal advisors

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

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

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)

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

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

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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The definitions and interpretations commencing on page 11 of this circular apply to this table of contents.

ACTION REQUIRED BY ZARCLEAR SHAREHOLDERS

The definitions and interpretations commencing on page 11 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 scheme.

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 Zarclear will propose the scheme to Zarclear shareholders concurrent to the implementation of the mandatory offer. For the avoidance of doubt, the scheme is separate to the mandatory offer and implementation of the scheme will be conditional on, *inter alia*, the closing of the mandatory offer in accordance with its terms. The scheme will be implemented shortly after the closing of the mandatory offer, subject to the scheme becoming unconditional in accordance with its terms. The mandatory offer circular is available on Zarclear's website (www.zarclear.com).

In terms of the scheme, shareholders will be entitled to:

- vote at the scheme meeting;
- subscribe for additional Zarclear shares in terms of the scheme in order to remain invested in Zarclear as further detailed in this circular; and
- receive the odd-lot repurchase consideration in respect of their odd-lot shares on implementation of the scheme.

The scheme meeting of Zarclear shareholders will be held at 10:00 on Wednesday, 2 August 2023 at the registered office of Zarclear (9th Floor, Katherine Towers, 1 Park Lane, Wierda Valley, Sandton, 2196), as well as virtually via a remote interactive electronic platform, Microsoft Teams, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions required to approve, *inter alia*, the scheme of arrangement in terms of section 114 of the Companies Act (read with section 115 of the Companies Act). A notice convening the scheme meeting is attached to and forms part of this circular.

1. VOTING AT THE SCHEME MEETING

1.1. Shareholders who are unable to attend the scheme meeting but who wish to be represented thereat are requested to complete and return the attached form of proxy in accordance with the instructions contained therein. The duly completed forms of proxy are requested to be received by the transfer secretaries by no later than 10:00 on Monday, 31 July 2023. Forms of proxy not lodged with the transfer secretaries in time may be handed to the chairperson of the scheme meeting immediately before the commencement thereof.

1.2. **Surrender of documents of title**

1.2.1. Shareholders will, subject to the scheme becoming operative and being implemented, only be entitled to receive the odd-lot repurchase consideration in respect of their shares once they have surrendered their documents of title.

1.2.2. Shareholders who elect to acquire additional shares, will be issued with a replacement share certificate in respect of their shares once they have surrendered their documents of title.

1.2.3. In order to surrender your document of title, you must complete the attached form of surrender and transfer and where applicable, the attached form of subscription in accordance with the instructions contained therein, and return it, together with your documents of title, to the transfer secretaries (Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196) to be received by them by no later than 12:00 on the odd-lot repurchase record date.

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

1.2.5. Your attention is drawn to the fact that if you surrender your documents of title in advance, you will be unable to trade in those shares from the date of surrender. However, your right to attend and vote at the scheme meeting will remain unaffected.

1.2.6. The form of surrender and transfer and form of subscription should be retained as no further copies will be circulated. Additional copies may be requested from the transfer secretaries.

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

1.2.8. Where, on or subsequent to the operative date, a person, who was not a registered shareholder on the odd-lot repurchase record date, tenders to the transfer secretaries, documents of title together with a duly stamped form of surrender and transfer purporting to have been executed on or before the odd-lot repurchase record date by or on behalf of the then registered shareholder, and provided that the odd-lot repurchase consideration will not already have been delivered to the registered shareholder of the relevant scheme shares, then such transfer shall be accepted by Zarclear as if it were a valid transfer to such person of the shares concerned. The odd-lot repurchase consideration will be settled to such person in accordance with the provisions of paragraph 3.7 of the circular, subject to proof satisfactory to the transfer secretaries as to the payment of any duty or tax payable, and provided that Zarclear is given an indemnity on terms acceptable to it in respect of the odd-lot repurchase consideration, if so required by it.

1.2.9. Should you surrender your documents of title in anticipation of the scheme becoming operative and the scheme then does not become operative, the transfer secretaries shall, within five business days of either the odd-lot repurchase record date or on receipt by the transfer secretaries of the required documents of title, whichever is the later, return the documents of title to you, by registered post, at your own risk.

ADDITIONAL INFORMATION IN RELATION TO THE SCHEME MEETING

2.1. Electronic participation at the scheme meeting

Shareholders wishing to participate in the scheme meeting are requested, for administrative purposes, to submit notification of their intent (the "**electronic notice**") by e-mail to the transfer secretaries, Computershare Investor Services Proprietary Limited at proxy@computershare.co.za as soon as possible and by no later than 10:00 on Monday, 31 July 2023. The electronic notice should include relevant contact details including email address, cellular number and landline, as well as full details of the shareholder's title to the shares and proof of identity, in the form of copies of identity documents and share certificates. The shareholder should also indicate whether the shareholder wishes to vote by proxy or wishes to exercise votes during the scheme meeting. Upon receipt of the required information, the shareholder concerned will be provided with a link to access the scheme meeting, which will take place via Microsoft Teams, together with any further instructions. The fact that shareholders are requested to submit an electronic notice to the company secretary before 10:00 on Monday, 31 July 2023 will not in any way affect the rights of shareholders who submit an electronic notice after this date and who have been fully verified (as required in terms of section 63(1) of the Companies Act) to participate in and/or vote at the scheme

meeting. Shareholders may contact the transfer secretaries directly on the following helpline: +27 11 370 5000.

2.2. **Voting procedure and quorum for the scheme meeting**

2.2.1. The quorum requirement for the scheme meeting to begin or for a matter to be considered at the scheme meeting is at least three shareholders entitled to attend and vote and who are present in person or able to participate in the meeting by electronic communication, represented by a proxy who is present in person or able to participate in the meeting by electronic communication. In addition:

2.2.1.1. the scheme meeting may not begin until sufficient persons are present in person or represented by proxy to exercise, in aggregate, at least 25% of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the scheme meeting; and

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

2.2.2. Every shareholder present in person or represented by proxy and entitled to exercise voting rights at the scheme meeting shall be entitled to vote on a show of hands, irrespective of the number of voting rights that shareholder would otherwise be entitled to exercise. On a poll, a shareholder who is present in person or represented by proxy shall be entitled to one vote in respect of each share he holds. No objection shall be raised to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairperson of the meeting, whose decision shall be final and conclusive.

2.3. **Court approval**

2.3.1. Zarclear shareholders are advised that, in terms of section 115(3) of the Companies Act, Zarclear may, in certain circumstances, not proceed to implement the special resolution required to approve the scheme despite the fact that it has been adopted at the scheme meeting without the approval of the court.

2.3.2. A copy of section 115 of the Companies Act pertaining to the required approval for the scheme is set out in **Appendix A** to **Annexure 1** to this circular.

2.4. **Dissenting shareholders appraisal rights**

2.4.1. At any time before the scheme resolution is to be voted on at the scheme meeting, a shareholder may give Zarclear written notice objecting to the scheme resolution.

2.4.2. Within 10 business days after Zarclear has adopted the scheme resolution, Zarclear must send a notice that the scheme resolution has been adopted to each shareholder who gave Zarclear written notice of objection and has neither withdrawn that notice nor voted in favour of the scheme resolution.

2.4.3. A shareholder who has given Zarclear written notice in terms of section 164 of the Companies Act objecting to the scheme resolution and has complied with all of the procedural requirements set out in section 164 of the Companies Act may, if the scheme resolution has been adopted, make a demand in writing within:

2.4.3.1. 20 business days after receipt of the notice referred to above; or

2.4.3.2. if the shareholder does not receive the notice from Zarclear referred to above, 20 business days after learning that the scheme resolution has been adopted,

demanding that Zarclear pay the shareholder the fair value (in terms of and subject to the requirements set out in section 164 of the Companies Act) for all the shares held by that shareholder.

2.4.4. If a shareholder exercises his appraisal rights in terms of section 164 of the Companies Act, such shareholder will have no further rights in respect of those shares other than to be paid their fair value.

2.4.5. If a shareholder has exercised his appraisal rights as set out above, but has subsequently withdrawn his demand in terms of section 164(9) of the Companies Act, such shareholder's rights in respect of his shares will be reinstated and he will participate in the implementation of the scheme as an odd-lot repurchase participant and will receive the odd-lot repurchase consideration as set out in paragraph 3.7 of this circular provided that such shareholder has either surrendered his documents of title or provided their instructions to the broker, as the case may be, as set out above.

2.4.6. A copy of section 164 of the Companies Act pertaining to the dissenting shareholders' appraisal rights is set out in **Appendix B** to **Annexure 1** of this circular.

2.5. **Non-resident shareholders**

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

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 scheme:

	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
Announcement relating to the issue of the circular (together with the notice of the scheme meeting and accompanying ancillary documents) published in the press on	Thursday, 6 July
Record date to be eligible to vote at the scheme meeting, being the voting record date, by the close of trade on	Friday, 21 July
Last date and time to lodge forms of proxy in respect of the scheme meeting with the transfer secretaries by 10:00 on (alternatively, the form of proxy may be handed to the chairperson of the scheme meeting at any time prior to the commencement of the scheme meeting or prior to voting on any resolution to be proposed at the scheme meeting)	Monday, 31 July
Last date and time for Zarclear shareholders to give notice of their objections to the special resolution approving the scheme in terms of section 164(3) of the Companies Act by no later than 10:00 on	Wednesday, 2 August
The scheme meeting held at 10:00 on	Wednesday, 2 August
Results of the scheme meeting to be published on Zarclear's website on	Wednesday, 2 August
Results of the scheme meeting published in the press on	Thursday, 3 August
Date from which shareholders may participate in the top-up issue	Thursday, 3 August
Last date for shareholders who voted against the scheme to require Zarclear to seek court approval for the scheme in terms of section 115(3)(a) of the Companies Act, if at least 15% of the total votes of shareholders at the scheme meeting were exercised against the scheme	Thursday, 10 August
Last date on which Zarclear shareholders can make application to the court in terms of section 115(3)(b) of the Companies Act on	Thursday, 17 August
Last date for Zarclear to give notice of adoption of the special resolution approving the scheme to Zarclear shareholders who objected to such special resolution in terms of section 164(3) of the Companies Act on	Thursday, 17 August
If no Zarclear shareholders exercise their rights in terms of section 115(3)(a) or section 115(3)(b) of the Companies Act:	
Expected date all scheme conditions are fulfilled	Monday, 21 August
Expected top-up issue record date	Monday, 21 August
Last day on which top-up participants must lodge their form of subscription by 12:00	Monday, 21 August

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	Monday, 21 August
Expected date of receipt of TRP compliance certificate	Wednesday, 23 August
Last day on which top-up participants must deposit the subscription amount into the Company's bank account by 12:00	Monday, 28 August
New share certificates to be issued to top-up participants and Zarclear share register to be updated in respect of the top-up issue by	Tuesday, 29 August
Expected odd-lot repurchase record date, being the date on which odd-lot repurchase participants must be recorded in the register to receive the odd-lot repurchase consideration by close of trade on	Tuesday, 29 August
Expected operative date of the scheme on	Wednesday, 30 August
Expected implementation date, being the date on which the odd-lot repurchase consideration will be transferred to odd-lot shareholders (provided their form of surrender and transfer and documents of title are received on or before 12:00 on the odd-lot repurchase record date)	Thursday, 31 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. A form of proxy not lodged with the transfer secretaries may be handed to the chairperson of the scheme meeting at any time prior to the commencement of the scheme meeting or prior to voting on any resolution to be proposed at the scheme meeting.
3. If the scheme meeting is adjourned or postponed, a form of proxy submitted for the initial scheme meeting will remain valid in respect of any adjournment or postponement of the scheme meeting, unless it is withdrawn.
4. If the scheme meeting is adjourned or postponed then forms of proxy that have not yet been submitted should be lodged with the transfer secretaries by no later than two business days before the adjourned or postponed scheme meeting but may nonetheless be handed to the chairperson of the adjourned or postponed scheme meeting at any time prior to the commencement of the adjourned or postponed scheme meeting or prior to voting on any resolution to be proposed at the adjourned or postponed scheme meeting.
5. If the scheme is approved by such number of Zarclear shareholders at the scheme meeting so that a Zarclear shareholder may require Zarclear to obtain court approval of the scheme as contemplated in section 115(3)(a) of the Companies Act, and if a Zarclear shareholder in fact delivers such a request, the dates and times set out above will require amendment. Zarclear shareholders will be notified separately of the applicable dates and times under this process.
6. If any Zarclear shareholder who votes against the scheme exercises its rights in terms of section 115(3)(b) of the Companies Act and applies to court for a review of the scheme, the dates and times set out above will require amendment. Zarclear shareholders will be notified separately of the applicable dates and times under this process.

DEFINITIONS AND INTERPRETATIONS

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

"**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;
"**appraisal rights**"	the rights afforded to Zarclear shareholders under section 164 of the Companies Act, as set out in **Appendix A** to **Annexure 1** of this circular;
"**board**" or "**directors**" or "**board of directors**"	the board of directors of Zarclear as set out on page 17 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;
"**CIPC**"	the Companies and Intellectual Property Commission;
"**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 ancillary documents relevant to the scheme, including the notice of the scheme meeting, a form of proxy, a form of surrender and transfer and a form of subscription;
"**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";
"**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;
"**court**"	any South African court with competent jurisdiction to approve the implementation of the scheme resolution set out in the notice convening the scheme meeting, pursuant to section 115 of the Companies Act and/or to determine the fair value of Zarclear shares and make an order pursuant to section 164(14) of the Companies Act;

"**deemed concert parties**"	collectively, African Phoenix, Hampden Capital, Zolospan, Sui Generis and Ancilla Capital, being those parties whom the TRP requires to be treated as concert parties for the purposes of the scheme and which designation was accepted as part of the settlement arrangements described in the mandatory offer circular, which is available for viewing on Zarclear's website (www.zarclear.com);
"**dissenting shareholders**"	the Zarclear shareholders who (i) validly exercise their appraisal rights by, among other things, objecting to the scheme resolution in terms of section 164(3) of the Companies Act and voting against the scheme resolution and demanding, in terms of section 164(5) to 164(8) of the Companies Act, that the Company pay to them their fair value of the Zarclear shares; (ii) do not withdraw that demand before the Company makes an offer to them in accordance with the requirements of section 164(11) of the Companies Act; and (iii) do not, after an offer is made to them by Zarclear in accordance with the requirements of section 164(11) of the Companies Act, withdraw or demand or allow such offer to lapse;
"**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;
"**excluded dissenting shareholders**"	dissenting shareholders who accept an offer made to them by the Company in accordance with the requirements of section 164(11) of the Companies Act or, pursuant to an order of court, tender their Zarclear shares to the Company in accordance with the requirements of section 164(15)(v) of the Companies Act;
"**excluded dissenting shareholders' shares**"	the Zarclear shares held by the excluded dissenting shareholders prior to such shares being acquired by the Company pursuant to the appraisal rights process;
"**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 scheme which report is set out in **Annexure 1** of this circular;
"**finalisation date**"	the date on which all the scheme conditions precedent shall have been fulfilled or waived, as the case may be;
"**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 scheme;
"**foreign shareholder**"	a Zarclear shareholder who is a non-resident of South Africa as contemplated in the Exchange Control Regulations;
"**form of proxy**"	the form of proxy (*green*) attached to this circular for use by shareholders for appointment of a proxy to represent such shareholders at the scheme meeting;
"**form of subscription**"	the form of subscription (*pink*) attached to this circular, to be completed by top-up issue participants, being odd-lot shareholders who elect to subscribe for top-up shares;

"**form of surrender and transfer**"	the form of surrender and transfer of documents of title (*blue*) attached to this circular, to be completed by shareholders in the event of the scheme becoming operative;
"**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 scheme on behalf of the Zarclear board;
"**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 odd-lot repurchase in terms of section 114 of the Companies Act 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 concurrently to the scheme by African Phoenix, Hampden Capital, Zolospan, Sui Generis and Ancilla Capital; 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 the mandatory offer circular which is available for viewing on Zarclear's website (www.zarclear.com);
"**MOI**"	the memorandum of incorporation of Zarclear;
"**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;
"**odd-lot repurchase**"	the repurchase of odd-lot shares by the Company from odd-lot repurchase participants (who do not validly elect to subscribe for top-up shares under the top-up issue) in exchange for the odd-lot repurchase consideration, as detailed in paragraph 3.2 of this circular
"**odd-lot repurchase consideration**"	R6.35 per Zarclear share payable by Zarclear to odd-lot repurchase participants in terms of the scheme, being a 5.8% premium to the Zarclear NAV per share at 30 June 2022;
"**odd-lot repurchase participants**"	odd-lot shareholders who (i) are registered as the holders of Zarclear shares in the register on the odd-lot repurchase record date; and (ii) have not made an election to subscribe for top-up shares in accordance with paragraph 3.1 of this circular and which will, subject to the scheme special resolution being passed by the requisite majority of shareholders, automatically be regarded as having accepted to sell their odd-lot shares and to have accepted odd-lot the repurchase consideration in respect of the odd-lot repurchase as detailed in paragraph 3.2 of this circular. Zarclear shareholders who become excluded dissenting shareholders after the odd-lot repurchase record date will not be regarded as odd-lot repurchase participants, and since dissenting shareholders may become excluded dissenting shareholders, dissenting shareholders will only be regarded as odd-lot repurchase participants once they cease to be

	dissenting shareholders as contemplated in paragraph 3.9 of this circular;
"**odd-lot repurchase record date**"	the date on which odd-lot shareholders are required to be reflected in the register in order to receive the odd-lot repurchase consideration in terms of the odd-lot repurchase, which date is expected to be on or about Tuesday, 29 August 2023;
"**odd-lot shares**"	such number of Zarclear shares held by a single shareholder that do not meet the share consolidation minimum threshold;
"**odd-lot shareholders**"	the Zarclear shareholders holding odd-lot shares prior to the share consolidation and who are registered as the holders of such Zarclear shares in the register on the odd-lot repurchase record date and are therefore entitled to elect to either (i) dispose (or be deemed under the scheme to have elected to dispose) of their odd-lot shares to the Company in exchange for the odd-lot repurchase consideration in terms of the odd-lot repurchase, or (ii) subscribe for top-up shares pursuant to the top-up issue and thus avoid a disposal (or deemed disposal) of any odd-lot shares;
"**operative date**"	the business day on which Zarclear will transfer the odd-lot repurchase consideration to the odd-lot shareholders, being the first business day following the odd-lot repurchase record date, which date is expected to be Wednesday, 30 August 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;
"**scheme**"	a scheme of arrangement in terms of section 114 of the Companies Act (read with section 115 of the Companies Act) proposed by Zarclear between Zarclear and Zarclear shareholders, in terms of which, if implemented, the Company will (i) acquire odd-lot shares from odd-lot repurchase participants in exchange for the odd-lot repurchase consideration, (ii) issue top-up shares to top-up issue participants who validly elect to subscribe for top-up shares and (iii) implement the share consolidation;
"**scheme conditions precedent**"	the conditions precedent to which the scheme is subject and which remain unfulfilled as at the last practicable date, as set out in paragraph 3.5 of this circular;
"**scheme meeting**"	the meeting of Zarclear shareholders to be held at 10:00 on Wednesday, 2 August 2023 or any other adjourned or postponed date and time, at the registered office of Zarclear (9th Floor, Katherine Towers, 1 Park Lane, Wierda Valley, Sandton, 2196), as well as virtually via a remote interactive electronic platform, Microsoft Teams, to be convened in connection with the scheme for the purposes of considering and, if deemed fit, approving, with or without modification, the scheme resolutions as contained in the notice of scheme meeting attached to and forming part of this circular;
"**scheme resolutions**"	the ordinary and special resolutions to be considered and, if deemed fit, approved by Zarclear shareholders at the scheme meeting, including the scheme resolution, as contained in the notice convening the scheme meeting attached to and forming part of the circular;

"**scheme resolution**"	the special resolution, as contemplated in section 115(2) of the Companies Act, in terms of which Zarclear shareholders approve the scheme;
"**scheme shares**"	all of the Zarclear shares held by odd-lot shareholders on the odd-lot repurchase record date;
"**share**" or "**Zarclear share**"	an ordinary share of no par value in the share capital of Zarclear;
"**share consolidation**"	the consolidation of the current authorised and issued share capital of Zarclear on a 10 000 000:1 basis, pursuant to the scheme;
"**share consolidation minimum threshold**"	in respect of a single shareholder that owns: (i) less than 10 000 000 shares, the share consolidation minimum threshold means 10 000 000 Zarclear shares; and (ii) more than 10 000 000 shares, the share consolidation minimum threshold means the next highest multiple of 10 000 000 Zarclear shares;
"**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;
"**top-up issue**"	the issue of new Zarclear shares to shareholders holding odd-lot shares, such that their odd-lot shares are increased up to the share consolidation minimum threshold, at a price of R6.00 per share, being Zarclear's NAV per share at 30 June 2022;
"**top-up issue participants**"	odd-lot shareholders that, pursuant to the scheme, elect to subscribe for top-up shares, as fully detailed in paragraph 3.1 of this circular;
"**top-up issue record date**"	the date on which shareholders are required to be reflected in the register in order to participate in the top-up issue, which date is expected to be on or about Monday, 21 August 2023.
"**top-up shares**"	such number of additional Zarclear shares equal to the difference between an odd-lot shareholder's odd-lot shares and the share consolidation minimum threshold;
"**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;
"**voting record date**"	the date on which Zarclear shareholders are to be recorded in the register in order to be eligible to attend, speak and vote at the scheme meeting (or any adjournment thereof), being Friday, 21 July 2023;
"**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; 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

1. INTRODUCTION AND BACKGROUND TO THE SCHEME

1.1. As announced in the firm intention announcement released on 11 May 2023, the board of directors of Zarclear intends to seek shareholder approval to implement the scheme to effect (i) a 10,000,000 to 1 share consolidation, (ii) an offer to shareholders holding less than the share consolidation minimum threshold to subscribe for additional shares, (iii) a cash repurchase of shares below the share consolidation minimum threshold, and (iv) the conversion of Zarclear to a private company.

1.2. Shareholders are accordingly advised that Zarclear has resolved to propose the scheme between Zarclear and Zarclear shareholders whereby:

1.2.1. odd-lot shareholders may elect to subscribe for new Zarclear shares pursuant to the top-up issue, at a price of R6.00 per share, being the Zarclear NAV per share as at 30 June 2022, as detailed in paragraph 3.1 below;

1.2.2. Zarclear will repurchase odd-lot shares pursuant to the odd-lot repurchase from odd-lot repurchase participants, at a price of R6.35 per share, being a 5.8% premium to the Zarclear NAV per share at 30 June 2022;

1.2.3. post implementation of the top-up issue and the odd-lot repurchase, the current authorised and issued share capital of Zarclear will be consolidated on a 10 000 000:1 basis; and

1.2.4. the Company will adopt a replacement MOI to give effect to the share consolidation and to convert Zarclear from a public company to a private company.

1.3. The scheme is conditional upon the fulfilment or waiver (where appropriate) of the conditions precedent set out in paragraph 3.5 below.

1.4. For the scheme to be implemented, at least 75% of the votes cast by Zarclear shareholders in respect of the scheme resolutions need to be in favour of the scheme.

1.5. If the scheme resolution is approved by the requisite majority of Zarclear shareholders and the scheme is implemented, the scheme will result in the implementation of the top-up issue, the odd-lot repurchase and the share consolidation.

1.6. The purpose of this circular is to:

1.6.1. provide Zarclear shareholders with relevant information regarding the scheme, including, *inter alia*, the report of the independent expert prepared in terms of section 114(3) of the Companies Act (read with Regulation 90), the opinion and recommendation of the independent board and the Zarclear board in respect of the scheme; and

1.6.2. give notice convening the scheme meeting in order to consider and, if deemed fit, to pass with or without modification the resolutions necessary to approve and implement the scheme in accordance with the Companies Act and the Takeover Regulations. The notice convening the scheme meeting is attached to, and forms part of this circular.

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

2. RATIONALE FOR THE SCHEME

2.1. As at the last practicable date, 1 036 shareholders are recorded in the Zarclear share register, with 1 031 shareholders holding less than 10 000 000 shares each, comprising 5.6% of all Zarclear shares in issue. Furthermore, 1 028 shareholders hold 1 000 000 of fewer shares each, comprising 0.5% of all Zarclear shares in issue.

2.2. The board is of the opinion that implementation of the scheme is in the best interests of the Company and will facilitate, *inter alia*, achieving the following key outcomes:

2.2.1. afford Zarclear shareholders with a liquidity event as requested by various shareholders;

2.2.2. reduce the number of minority shareholders in Zarclear in an equitable manner through the odd-lot repurchase, thereby significantly reducing the cost and administrative burden associated with maintaining a large number of shareholders on the Zarclear register;

2.2.3. afford odd-lot shareholders the ability to monetise their odd-lot shares at a 5.8% premium to the Zarclear NAV per share as at 30 June 2022; and

2.2.4. provide an opportunity for those odd-lot shareholders who do not wish to exit their odd-lot shares, but prefer to remain invested and deepen their investment in Zarclear to participate in the top-up issue prior to implementation of the share consolidation, at a price equal to the Zarclear NAV per share as at 30 June 2022.

3. MECHANICS OF THE SCHEME

In terms of section 114(1)(f) of the Companies Act, Zarclear hereby proposes the scheme, on the terms set out below, between Zarclear and its shareholders.

3.1. The top-up issue

3.1.1. To enable odd-lot shareholders to either (i) remain invested or (ii) increase their existing investment in the Company to avoid the mandatory sale and repurchase by Zarclear of such shareholder's odd-lot shares subject to the scheme becoming unconditional, odd-lot shareholders will be afforded the opportunity to subscribe for additional Zarclear shares equal to the difference between their odd-lot shares and the share consolidation minimum threshold ("**top-up shares**").

3.1.2. The top-up shares will be offered at an issue price of R6.00, being the Zarclear NAV per share as at 30 June 2022.

3.1.3. Top-up issue participants must complete the attached form of subscription and indicate in **Part A** the number of odd-lot shares they hold and the corresponding number of top-up shares that they wish to subscribe for.

3.1.4. The form of subscription indicating the number of top-up shares that will be subscribed for must be received by the transfer secretaries, together with the relevant documents of title by no later than Monday, 21 August 2023.

3.1.5. Top-up issue participants will be required to deposit the subscription amount for the top-up shares into the Company's bank account by Monday, 28 August 2023 being within five business days from the date on which the completed form of subscription detailed in paragraph 3.1.4 must be received by the transfer secretaries.

3.1.6. Nominee companies will be treated as a single shareholder. However, should a nominee company choose to subscribe for top-up shares on behalf of the beneficial shareholder, it may do so by completing the attached form of subscription indicating the details of the beneficial shareholder on whose behalf such nominee company is subscribing.

3.1.7. Odd-lot shareholders who have not made an election to subscribe for top-up shares or having made the election to subscribe for top-up shares do not timeously discharge the subscription price for the top-up shares by Monday, 21 August 2023 will, subject to the scheme becoming unconditional, automatically be deemed to have agreed to sell their odd-lot shares to Zarclear for the odd-lot repurchase consideration in respect of the odd-lot repurchase as detailed in paragraph 3.2 below.

3.1.8. In the event that Zarclear's current authorised but unissued share capital is insufficient to cover the top-up shares to be issued to top-up issue participants, the authorised share capital of the Company will be increased from 500 000 000 shares to 1 200 000 000 shares by amending the Company's MOI by way of a special resolution of shareholders passed in terms of section 36(2) of the Companies Act. Should the current authorised share capital be sufficient to cover the top-up shares to be issued to top-up participants, the authorised share capital of the Company will remain 500 000 000 shares, prior to the share consolidation.

3.1.9. In terms of section 41(1) of the Companies Act, an issue of shares must be approved by a special resolution of the shareholders of a company if the shares are issued to a director or prescribed officer or a person related or inter-related to a director or prescribed officer of the company. Accordingly, in order to allow a director or prescribed officer or a person related or inter-related to a director or prescribed officer of the company to subscribe for top-up shares, Zarclear shareholders will be requested to authorise and approve the issue of top-up shares to such parties, by way of a special resolution of shareholders passed in terms of section 41(1) of the Companies Act.

3.1.10. In terms of section 41(3) of the Companies Act, an issue of shares must be approved by a special resolution of the shareholders of a company if the voting power of the additional shares to be issued will be equal to or exceed 30% of the voting power of the shares in issue immediately prior to the issue of the additional shares. Accordingly, in the event that top-up issue participants subscribe for additional shares which are equal to or exceed 30% of the voting power of Zarclear shares in issue immediately prior to the top-up issue, Zarclear shareholders will be requested to authorise and approve the issue of such additional shares by way of a special resolution of shareholders passed in terms of section 41(3) of the Companies Act.

3.2. The odd-lot repurchase

3.2.1. Subject to the scheme becoming unconditional and with effect from the operative date:

3.2.1.1. odd-lot repurchase participants (whether or not they voted in favour of the scheme or abstained from voting) will be deemed to have disposed of (and will be deemed to have undertaken to transfer) each of their odd-lot shares, free of encumbrances, to the Company in exchange for the odd-lot repurchase consideration, and the Company will be deemed to have acquired registered and beneficial ownership of each such odd-lot share with effect from the odd-lot repurchase record date;

3.2.1.2. the disposal and transfer by each odd-lot repurchase participant of their odd-lot shares to the Company, and the acquisition of those odd-lot shares by the Company, pursuant to the provisions of the scheme, will be effected on or after the odd-lot repurchase record date. The odd-lot shares repurchased will be cancelled and returned to authorised shares of the Company;

3.2.1.3. each odd-lot repurchase participant will be deemed to have transferred to the Company all of the odd-lot shares held by such odd-lot repurchase participant, without any further act or instrument being required; and

3.2.1.4. odd-lot repurchase participants will be entitled to receive the odd-lot repurchase consideration for each odd-lot share transferred to the Company in terms of the scheme, subject to the remaining provisions of this paragraph 3.2 and in accordance with the provisions of paragraph 3.7 below.

3.2.2. Each odd-lot repurchase participant irrevocably and *in rem suam* authorises and nominates Zarclear, as principal, with power of substitution, to cause the odd-lot shares disposed of by the odd-lot repurchase participant in terms of the scheme and to be transferred to, and registered in the name of the Company on or at any time after the operative date, and to do all such things and take all such steps (including the signing of any transfer form) as Zarclear, in its discretion, considers necessary in order to give effect to that transfer and registration.

3.2.3. The odd-lot repurchase consideration will be settled, in full, in accordance with the terms of the scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which Zarclear may otherwise be, or claim to be, entitled against an odd-lot repurchase participant.

3.2.4. Zarclear undertakes to comply with its obligations under the scheme.

3.2.5. The rights of the odd-lot repurchase participants to receive the odd-lot repurchase consideration will be rights enforceable by odd-lot repurchase participants against Zarclear only.

3.2.6. The effect of the scheme will be that, *inter alia*, the Company will, with effect from the operative date, become the registered and beneficial owner of all odd-lot shares held by odd-lot repurchase participants. None of such odd-lot shares will be transferred to any other person. Odd-lot shares repurchased from odd-lot repurchase participants will revert to the authorised but unissued share capital of the Company, prior to implementation of the share consolidation detailed in paragraph 3.4 below.

3.3. **Illustrative example of top-issue and odd-lot repurchase**

An illustrative example of three top-up issue participants and odd-lot participants is reflected in the table below:

Shareholder	Scheme shares	Odd-lot shares	Top-up shares	Total shares
A	1 000 000	1 000 000	9 000 000	10 000 000
B	12 450 000	2 450 000	7 550 000	20 000 000
C	147 500 000	7 500 000	2 500 000	150 000 000

3.4. **The share consolidation**

3.4.1. Zarclear will propose the share consolidation as a component of the scheme. Conditional on the scheme being implemented, Zarclear shareholders will be requested to approve the adoption of a replacement MOI, which will reflect the impact of the share consolidation and be appropriate for a private company, as detailed in paragraph 4 below.

3.4.2. Subject to the approval of the scheme and the registration of the relevant special resolution by CIPC in respect of the adoption of the replacement MOI, the replacement MOI will reflect, *inter alia*:

3.4.2.1. the consolidation of the Zarclear authorised share capital from 500 000 000 shares to 50 shares should the current authorised but unissued share capital be sufficient to cover the top-up shares to be issued to top-up participants; or in the event that Zarclear's current authorised but unissued share capital is insufficient to cover the top-up shares to be issued to top-up participants, the consolidation of the Zarclear authorised share capital from 1 200 000 000 shares to 120 shares; and

3.4.2.2. a revised Zarclear issued share capital. The issued share capital following the share consolidation will be determined by adjusting the Company's issued share capital as at the top-up issue record date for the impact of the top-up issue and the odd-lot repurchase and then consolidating the issued share capital in the ratio of 10 000 000:1.

3.4.3. Subject to the approval of the scheme and the registration of the relevant special resolution by CIPC in respect of the adoption of the replacement MOI, it is necessary to recall the share certificates from shareholders in order to replace them with certificates reflecting the share consolidation.

3.4.4. Shareholders, including odd-lot shareholders who elect to acquire top-up shares, are requested to complete both the attached form of surrender and transfer for the share consolidation in accordance with the instructions contained therein and the attached form of subscription for the subscription of top-up shares in accordance with the instructions contained therein and return both forms to the transfer secretaries in order to be issued with replacement share certificates.

3.4.5. Shareholders who wish to anticipate the implementation of the share consolidation and who do not wish to deal in their existing shares prior to the share consolidation, are requested to surrender their share certificates to the transfer secretaries by completing the attached form of surrender and transfer for the share consolidation in accordance with the instructions it contains and return it to the transfer secretaries. Share certificates so received will be held by the transfer secretaries pending the share consolidation being approved by shareholders at the scheme meeting. In the event that the share consolidation is not approved, the transfer

secretaries will, within five business days thereafter, return the certificates to the shareholders concerned, by registered post, at the risk of such shareholders.

3.4.6. In the event that the scheme is approved by shareholders and the special resolution is registered by CIPC in respect of the adoption of the replacement MOI, the transfer secretaries will, within five business days after receipt thereof, issue replacement share certificates to those shareholders who have surrendered their share certificates.

3.4.7. In the event that shareholders do not complete the attached form of surrender for the share consolidation and who later wish to obtain a share certificate at the consolidation value, such shareholders will be required to return their share certificates to the Company together with certified copies of identity documents, if in own name, or if otherwise, certified copies of company/trust documents.

3.4.8. If any documents of title of shareholders have been lost or destroyed and the shareholder concerned produces evidence to this effect to the satisfaction of the Company, then the Company may dispense with the surrender of such existing documents of title against provision of an acceptable indemnity.

3.4.9. Upon the scheme becoming operative, Zarclear will give effect to the terms and conditions of the scheme and will take all actions and sign all necessary documents to give effect to the scheme.

3.5. **Conditions precedent to the implementation of the scheme**

The scheme will be subject to the fulfilment of the following conditions precedent:

3.5.1. the closing of the mandatory offer in accordance with its terms;

3.5.2. the approval of the scheme resolutions;

3.5.3. if required in terms of section 115(3) of the Companies Act, approval of the implementation of the scheme resolution by a court, and if applicable, Zarclear not having treated the scheme resolution as a nullity, as contemplated in section 115(5)(b) of the Companies Act;

3.5.4. that appraisal rights (in terms of section 164 of the Companies Act) are not validly exercised by in aggregate more than 5% of shareholders in respect of the scheme and the re-acquisition in terms of section 48(8), provided that Zarclear may waive this condition;

3.5.5. forms of subscription for the top-up issue are received by the top-up issue record date in respect of no more than such number of top-up shares that would, were the top-up shares to be issued, result in a person or persons contemplated in section 123(2)(a)(ii) of the Companies Act, which hold less than 35% of voting rights in the Company before the issue of the top-up shares, holding 35% or more of the voting rights in the Company, provided that Zarclear may waive this condition upon notice in writing;

3.5.6. Zarclear shareholders approving a special resolution in terms of section 41(1) of the Companies Act, in order to allow a director or prescribed officer or a person related or inter-related to a director or prescribed officer of the Company holding below the share consolidation minimum threshold to subscribe for additional shares;

3.5.7. Zarclear shareholders approving a special resolution in terms of section 16(1)(c) of the Companies Act in order to validly adopt a replacement MOI;

3.5.8. if required, the authorisation of the increase in the authorised share capital of Zarclear from 500 000 000 shares to 1 200 000 000 shares to provide for sufficient authorised but unissued shares in order to accommodate the subscription of additional shares in terms of section 36(2) of the Companies Act.

3.5.9. to the extent required, Zarclear shareholders approving a special resolution to authorise the issue of additional ordinary shares of no par value in the authorised share capital of the Company to top-up issue participants, including authority in terms of section 41(3) of the Companies Act, in order to allow the Company to issue additional shares in the authorised share capital of Zarclear to top-up issue participants, such that the voting powers of the additional shares will be equal to or exceed 30% of the voting power of Zarclear shares held by Zarclear shareholders immediately before the top-up issue; and

3.5.10. the receipt of all other applicable regulatory and statutory approvals to the extent required, excluding the issuance of a TRP compliance certificate in terms of section 119(4)(b) of the Companies Act and Regulation 102(13) of the Takeover Regulations.

3.6. Required approval for the scheme

3.6.1. Pursuant to section 115(2) of the Companies Act, a scheme of arrangement in terms of section 114 of the Companies Act must be approved by a special resolution adopted by shareholders entitled to exercise voting rights on such a matter, at a meeting called for that purpose. At least 25% (twenty five percent) of the voting rights that are entitled to be exercised must be present at the meeting.

3.6.2. The TRP views the deemed concert parties as inter-related parties who can exert collective control over Zarclear. Whilst neither the Company nor the deemed concert parties agree with the TRP's legal or factual assessment, the deemed concert parties have voluntarily consented (on a without prejudice basis) that the voting rights controlled by them will not be included in calculating the percentage of voting rights (i) required to be present in determining whether the quorum requirements are satisfied; and (ii) required to be voted in support of the scheme resolution.

3.6.3. In the event that at least 15% (fifteen percent) of the voting rights oppose the aforesaid resolution, the Company may not proceed to implement the resolution unless a court of competent jurisdiction approves the scheme, provided that a shareholder who voted against the resolution requires, within five business days after the vote, that the Company seek court approval for the scheme. If the scheme requires court approval, the Company must either apply to court for approval within ten business days after the vote and bear the costs of the application, or treat the scheme as a nullity.

3.6.4. Alternatively, the resolution may only be implemented where any person who voted against the resolution, applies to court within ten business days of the vote for leave to review the transaction. A court may grant leave only if the applicant is acting in good faith, appears to be able to sustain proceedings and alleges facts that support the order being sought. A court may only set aside a resolution that is manifestly unfair to Shareholders or if the vote was materially tainted by a conflict of interest, for inadequate disclosure, failure to comply with the Companies Act or MOI or if there is a significant and material irregularity.

3.7. The odd-lot repurchase consideration

3.7.1. The odd-lot repurchase consideration payable by Zarclear to odd-lot repurchase participants, in the event of the conditions precedent to the scheme being fulfilled and the scheme becoming operative, will be settled in cash for every Zarclear share held by an odd-lot repurchase participant on the odd-lot repurchase record date.

3.7.2. Odd-lot shareholders will be deemed to have elected to receive the odd-lot repurchase consideration in the absence of a duly completed form of subscription being received by the transfer secretaries by 12:00 on the odd-lot repurchase record date and the subscription amount for the top-up shares being deposited into the Company's bank account by Monday, 28 August 2023.

3.7.3. Dissenting shareholders who become odd-lot repurchase participants after the odd-lot repurchase record date, as contemplated in paragraph 3.9 below, will be deemed to have elected to receive the odd-lot repurchase consideration.

3.7.4. Zarclear or its agents will administer and effect the issue of the odd-lot repurchase consideration and/or will transfer or post the odd-lot repurchase consideration to odd-lot repurchase participants.

3.7.5. Odd-lot repurchase participants who are not dissenting shareholders on the odd-lot repurchase record date, will:

3.7.5.1. if they have surrendered their documents of title and completed the form of surrender and transfer to the transfer secretaries on or before 12:00 on the odd-lot repurchase record date, have the odd-lot repurchase consideration paid into the bank account nominated by them in Part C of the form of surrender and transfer on the operative date. If Part C of the form of surrender and transfer is left blank or partially completed, the odd-lot repurchase consideration will be withheld until the correct details are provided by the odd-lot repurchase participant; or

3.7.5.2. if they fail to surrender their documents of title and completed form of surrender and transfer to the transfer secretaries before 12:00 on the odd-lot repurchase record date, the odd-lot repurchase consideration to which such odd-lot repurchase participant is entitled will be held in trust by Zarclear (or a third party nominated by Zarclear) for the benefit of the odd-lot repurchase participant concerned for a maximum period of five years, whereafter the odd-lot repurchase consideration will be paid over to the Guardians Fund of the court. No interest will accrue on any such funds held in trust by Zarclear (or a third party nominated by Zarclear).

3.7.6. Odd-lot participants who are dissenting shareholders on the odd-lot repurchase record date, but who become odd-lot repurchase participants after the odd-lot repurchase record date, will need to surrender their documents of title, together with completed forms of surrender and transfer, to the transfer secretaries, and will receive the odd-lot repurchase consideration within five business days of the later of the date on which the transfer secretaries receive their documents of title and completed forms of surrender and transfer and the date on which they cease to be dissenting shareholders, provided that they have specified valid account details into which the odd-lot repurchase consideration may be paid.

3.7.7. Where, on or subsequent to the operative date, a person, who was not a registered holder of Zarclear shares on the odd-lot repurchase record date, tenders to the transfer secretaries documents of title, together with a duly stamped form of surrender and transfer, purporting to have been executed by or on behalf of the registered holder of such Zarclear shares and, provided that the odd-lot repurchase consideration will not already have been transferred to the registered holder of the relevant Zarclear shares, then such transfer may be accepted by Zarclear as if it were a valid transfer to such person of Zarclear concerned, provided that Zarclear has been, if so required by the company, provided with an indemnity on terms acceptable to Zarclear in respect of the odd-lot repurchase consideration.

3.7.8. The odd-lot repurchase consideration will be settled in full, in accordance with the terms of the scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which the offeror may otherwise be, or claim to be, entitled.

3.7.9. In the case of odd-lot repurchase participants who are foreign shareholders, if the information regarding authorised dealers is not given or written instructions to the contrary are provided but no address is given the odd-lot repurchase consideration will be held in trust by Zarclear (or a third party nominated by Zarclear) for the odd-lot repurchase participant concerned, pending receipt of the necessary information or instructions.

3.8. **Effects of the scheme**

The effects of the scheme will be that:

3.8.1. the issued share capital of the Company will increase by such number of shares issued as a result of shareholders who elect to participate in the top-up issue, if any;

3.8.2. the Company will, with effect from the operative date, become the registered and beneficial owner of all of the Zarclear shares held by odd-lot repurchase participants, who have not elected to subscribe for top-up shares. The odd-lot shares repurchased will be cancelled and returned to the authorised share capital of the Company;

3.8.3. the authorised share capital and the resultant issued share capital of the Company following the implementation of the top-up issue and the odd-lot share repurchase will be consolidated in the ratio of 10 000 000:1; and

3.8.4. the Company will adopt a replacement MOI to give effect to the share consolidation and to convert Zarclear from a public company to a private company.

3.9. **Dissenting shareholders**

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

3.9.1. Zarclear shareholders who wish to exercise their rights in terms of the aforementioned section of the Companies Act are required, before the scheme resolution to approve the scheme is voted on at the scheme meeting, to give notice to the Company in writing objecting to the scheme resolution in accordance with the requirements of section 164(3) of the Companies Act.

3.9.2. If the scheme resolution is adopted by the Company, the Company is required, in accordance with section 164(4) of the Companies Act, within 10 business days after the adoption the scheme resolution, to send a notice to Zarclear shareholders who gave written notice to the Company objecting to the scheme resolution and did not withdraw such written notice or vote in support of the scheme resolution, notifying them that the scheme resolution has been adopted.

3.9.3. Zarclear shareholders who gave written notice to the Company in accordance with the requirements of section 164(3) of the Companies Act (and have not withdrawn that notice), who voted against the scheme resolution and who have complied with all the procedural requirements set out in section 164 of the Companies Act may, in accordance with sections 164(5) to 164(8) of the Companies Act, demand that the Company pay them the fair value of the Zarclear shares held by them and in respect of which they have given written notice.

3.9.4. If Zarclear receives a demand in terms of sections 164(5) to 164(8) of the Companies Act and such demand is not withdrawn by the operative date, the Company will, in accordance with section 164(11) of the Companies Act, within 5 business days of the operative date, make an offer to those shareholders to purchase their Zarclear shares at fair value.

3.9.5. A dissenting shareholder who has sent a demand in accordance with the requirements of sections 164(5) to 164(8) may withdraw that demand before Zarclear makes an offer in accordance with section 164(11) of the Companies Act, or if Zarclear fails to make such an offer. If a dissenting shareholder voluntarily withdraws the demand made in accordance with the requirements of sections 164(5) to 164(8) of the Companies Act, such shareholder will cease to be a dissenting shareholder and will become an odd-lot repurchase participant whose Zarclear shares will be repurchased by the Company, in accordance with paragraph 3.2 above.

3.9.6. A dissenting shareholder who has sent a demand in accordance with the requirements of sections 164(5) to 164(8) has no further rights in respect of the

Zarclear shares in respect of which it has made such demand, other than to be paid the fair value of such shares, unless:

3.9.6.1. that dissenting shareholder withdraws that demand before Zarclear makes an offer in accordance with section 164(11) of the Companies Act;

3.9.6.2. Zarclear fails to make an offer in accordance with section 164(11) of the Companies Act and that dissenting shareholder withdraws its demand;

3.9.6.3. Zarclear makes an offer in accordance with section 164(11) of the Companies Act below and the dissenting shareholder allows such an offer to lapse; or

3.9.6.4. Zarclear revokes the scheme resolution, by means of a subsequent special resolution, in which case that Zarclear shareholder's rights will, in accordance with section 164(10) of the Companies Act, be reinstated without interruption.

3.9.7. The offer made in accordance with section 164(11) of the Companies Act will, in accordance with the requirements of section 164(12)(b) of the Companies Act, lapse if it is not accepted by the dissenting shareholder within 30 business days after it was made. If the dissenting shareholder allows that offer to lapse, it will cease to be a dissenting shareholder and will become an odd-lot repurchase participant whose Zarclear shares will be repurchased by the Company in accordance with paragraph 3.2 above.

3.9.8. A dissenting shareholder who accepts an offer made in accordance with the requirements of section 164(11) of the Companies Act will become an excluded dissenting shareholder and will not participate in the scheme. The excluded dissenting shareholder must thereafter tender the documents of title in respect of such shares to Zarclear or the transfer secretaries; or, if appropriate, instruct its broker to transfer those Zarclear shares to Zarclear or the transfer secretaries. Zarclear must pay that excluded dissenting shareholder the agreed amount within 10 business days after the excluded dissenting shareholder has accepted the offer and tendered the documents of title or directed the transfer to Zarclear or the transfer secretaries.

3.9.9. A dissenting shareholder who considers the offer made by Zarclear in accordance with section 164(11) of the Companies Act to be inadequate, may, in accordance with section 164(14) of the Companies Act, apply to a court to determine a fair value in respect of the Zarclear shares that were the subject of that demand, and an order requiring Zarclear to pay the dissenting shareholder the fair value so determined. The court will, in accordance with section 164(15)(v) of the Companies Act, be obliged to make an order requiring:

3.9.9.1. the dissenting shareholders to either withdraw their respective demands or to tender their Zarclear shares as contemplated in paragraph 3.9.8 above; or

3.9.9.2. Zarclear to pay the fair value in respect of the Zarclear shares (as determined by the court) to each dissenting shareholder who tenders its Zarclear shares, subject to any conditions the court considers necessary to ensure that Zarclear fulfils its obligations under section 164 of the Companies Act.

3.9.10. If, pursuant to the order of the court, any dissenting shareholder withdraws its demand, the dissenting shareholder will cease to be a dissenting shareholder and will become an odd-lot repurchase participant whose Zarclear shares will be repurchased by the Company, in accordance with paragraph 3.2 above.

3.9.11. If, pursuant to the order of the court in terms of section 164(5) of the Companies Act, a dissenting shareholder tenders its Zarclear shares to Zarclear, such dissenting shareholder will become an excluded dissenting shareholder and will not participate in the scheme. The excluded dissenting shareholder must thereafter tender the

documents of title in respect of such shares to Zarclear or the transfer secretaries; or, if appropriate, instruct its broker to transfer those Zarclear shares to Zarclear or the transfer secretaries. Zarclear must pay that excluded dissenting shareholder the fair value determined by the court within 10 business days after the excluded dissenting shareholder has accepted the offer and tendered the documents of title or directed the transfer to Zarclear or the transfer secretaries.

3.9.12. A copy of section 164 of the Companies Act, which sets out the appraisal rights, is included in **Appendix B** to **Annexure 1**.

3.9.13. Any shareholder that is in doubt as to what action to take should consult their legal or professional advisor.

3.9.14. Before exercising their rights under section 164 of the Companies Act, shareholders should have regard to the following:

3.9.14.1. the report of the independent expert set out in **Annexure 1** to this circular concluding that the terms of the scheme are fair and reasonable to Zarclear shareholders; and

3.9.14.2. the court is empowered to grant a costs order in favour of, or against, a dissenting shareholder, as may be applicable.

3.9.15. In the event that any of the circumstances contemplated in section 164(9) of the Companies Act occur, dissenting shareholders' rights in respect of their Zarclear shares shall be reinstated without interruption.

4. ADOPTION OF A REPLACEMENT MOI AND CONVERSION OF THE COMPANY TO A PRIVATE COMPANY

4.1. In order to facilitate the scheme and given the likelihood that Zarclear will have significantly fewer shareholders post-implementation of the scheme, Zarclear proposes to adopt a replacement MOI that will (i) reflect the impact of the share consolidation; and (ii) appropriately convert the Company from a public company to a private company, which conversion will, *inter alia*, restrict the transferability of its shares and will prohibit the Company from offering any of its shares to the public.

4.2. The replacement MOI will align the Company with the requirements applicable to private companies in terms of the Companies Act and reflect the name change from Zarclear Holdings Limited to Zarclear Holdings Proprietary Limited.

4.3. Shareholders will be asked to vote in favour of the adoption of a replacement MOI to give effect to the share consolidation and to convert Zarclear from a public company to a private company in accordance with special resolution number 4 to be proposed at the scheme meeting.

4.4. The adoption of a replacement MOI will take place by the adoption of special resolution number 4 to that effect as set out in the notice of scheme meeting and by the filing of special resolution number 4 and the replacement MOI with the CIPC.

4.5. The Zarclear replacement MOI is set out in **Annexure 2 of** this circular.

5. FOREIGN SHAREHOLDERS AND EXCHANGE CONTROL REGULATIONS

5.1. Odd-lot repurchase participants who are foreign shareholders must satisfy themselves as to the full observance of the laws of any relevant jurisdiction concerning the receipt of the odd-lot repurchase consideration, including (without limitation) obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such jurisdiction. If in doubt, odd-lot shareholders should consult their professional advisors immediately.

5.2. The top-up issue is not being made to any shareholder in any jurisdiction where such top-up issue would be unlawful or require any form of prospectus or other registration of whatsoever nature.

5.3. Accordingly, odd-lot shareholders who are not resident in, or who have registered addresses outside South Africa are precluded from electing to subscribe for top-up shares unless such shareholder provides satisfactory evidence to the Company that it is lawful to do so.

6. FUNDING OF THE ODD-LOT REPURCHASE CONSIDERATION

Zarclear has confirmed to the TRP that it has sufficient funds to fully satisfy the maximum odd-lot repurchase consideration, being the number of odd-lot shares at the odd-lot repurchase record date multiplied by the odd-lot repurchase consideration. In this regard, the Company has procured the issue of an irrevocable unconditional bank guarantee in accordance with Regulation 111(4) and 111(5) of the Takeover Regulations confirming that sufficient funds are available to fully satisfy the maximum odd-lot repurchase consideration.

7. RESTRICTED JURISDICTIONS

7.1. To the extent that the release, publication or distribution of this circular in certain jurisdictions outside of South Africa may be restricted or prohibited by the laws of such jurisdiction, then this circular is deemed to have been provided for information purposes only and neither the board nor the board of directors of the offeror accept any responsibility for any failure by foreign shareholders to inform themselves about, and to observe, any applicable legal requirements in any such relevant foreign jurisdiction.

7.2. Zarclear shareholders who are in doubt as to their position in this regard should consult their professional advisors immediately.

8. SCHEME MEETING

8.1. The scheme meeting of Zarclear shareholders will be held at 10:00 on Wednesday, 2 August 2023 at the registered office of Zarclear (9th Floor, Katherine Towers, 1 Park Lane, Wierda Valley, Sandton, 2196), as well as virtually via a remote interactive electronic platform, Microsoft Teams, for shareholders to consider and, if deemed fit, pass, with or without modification the resolutions set out in the notice of scheme meeting of shareholders attached to this circular.

8.2. Details of the actions required by Zarclear shareholders are set out on page 5 of this circular.

9. MANAGEMENT

9.1. There will be no change to the Zarclear board following upon implementation of the scheme.

9.2. It is not anticipated that the emoluments of the current Zarclear directors will be materially affected by the scheme.

9.3. The executive directors of Zarclear have entered into standard service contracts with Zarclear. There will be no change to the service contracts of the directors of Zarclear pursuant to the scheme.

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

10. DIRECTORS' INTERESTS

10.1. Directors' interests in Zarclear shares

10.1.1. As at the last practicable date, the interests of the directors of Zarclear in Zarclear shares were as follows:

Name	Direct beneficial	Indirect beneficial	Total	%
W Chapman	-	103 877 191	103 877 191	46.0

10.1.2. There have been no dealings in Zarclear shares by the directors of Zarclear 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.

11. ARRANGEMENTS IN RELATION TO THE TRANSACTION

As at the last practicable date, no material arrangements, agreements or understandings which have any connection with or dependence on the scheme exist between Zarclear and: (i) any of the directors of Zarclear (or any persons who were directors of Zarclear within the 12 months preceding the last practicable date); (ii) any shareholders of Zarclear (or any persons who were holders of Zarclear shares within the 12 months preceding the last practicable date).

12. SOLVENCY, LIQUIDITY AND WORKING CAPITAL

12.1. A resolution has been passed by the Zarclear board in terms of section 46 of the Companies Act that having applied the solvency and liquidity test as set out in section 4 of the Companies Act ("**solvency and liquidity test**"), it has satisfied itself that as at the last practicable date, it reasonably appears, and it has thus reasonably concluded, that the Company will satisfy the solvency and liquidity test, immediately after implementation of the scheme.

12.2. The directors, having considered the effect of the odd-lot repurchase, confirm that the provisions of section 4 and section 48 of the Companies Act have been complied with, and consider that there are reasonable grounds for believing that:

12.2.1. the Company and the group will be able, in the ordinary course of business, to pay their debts for a period of 12 months after the date of issue of this circular;

12.2.2. the assets of the Company and the group will be in excess of the liabilities of the Company and the group for a period of 12 months after the date of issue of this circular. For this purpose, the assets and liabilities have been recognised and measured in accordance with the accounting policies used in the latest audited group financial statements;

12.2.3. the ordinary capital and reserves of the Company and the group shall be adequate for ordinary business purposes for a period of 12 months after the date of issue of this circular; and

12.2.4. the working capital of the Company and the group shall be adequate for ordinary business purposes for a period of 12 months after the date of issue of this circular.

13. OPINIONS AND RECOMMENDATIONS

13.1. Appointment of an independent expert

The independent board has appointed the independent expert to provide an opinion regarding the scheme, and to make appropriate recommendations to the independent board in the form of a fair and reasonable opinion in respect of the scheme in accordance with the requirements of the Takeover Regulations.

13.2. Report of the independent expert

13.2.1. The independent expert has:

13.2.1.1. as contemplated in Regulation 110(3) of the Takeover Regulations, performed a valuation on the Zarclear shares;

13.2.1.2. prepared the report, which constitutes a fair and reasonable opinion as contemplated in section 114(3) of the Companies Act.

13.2.2. Taking into consideration the terms and conditions of the scheme, the independent expert is of the opinion that such terms and conditions are fair and reasonable to Zarclear shareholders. Zarclear shareholders are referred to **Annexure 1** of this circular which sets out the full text of the report of the independent expert regarding the scheme.

13.3. **Opinions and recommendations of the independent board**

13.3.1. 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.

13.3.2. 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.

13.3.3. For the purposes of this circular, in determining whether the odd-lot repurchase 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:

13.3.3.1. 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;

13.3.3.2. 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.

13.3.4. 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 scheme and the odd-lot repurchase consideration, as contemplated in Regulation 110(3)(b) of the Takeover Regulations.

13.3.5. 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:

13.3.5.1. the liquidity of Zarclear shares;

13.3.5.2. the opportunity afforded to odd-lot shareholders to participate in the top-up issue;

13.3.5.3. the likelihood of the scheme becoming operative;

13.3.5.4. the fact that the odd-lot repurchase consideration is above the offer consideration in terms of the mandatory offer; and

13.3.5.5. the fact that the odd-lot repurchase consideration is within the indicative fair value range per Zarclear share.

13.4. 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.

13.5. 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.

13.6. The view of the independent board is that the scheme is fair. This is a function of the repurchase consideration falling within the fair value range determined in respect of the Zarclear shares.

13.7. 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. Given that the odd-lot repurchase consideration is significantly higher than the price at which Zarclear shares were trading at the time of the delisting, being c.R4.60 per Zarclear share, and that shareholders are being afforded the opportunity to participate in the top-up issue at a price lower than the odd-lot repurchase consideration, the view of the independent board is that the odd-lot repurchase consideration is reasonable.

13.8. The independent board also considered the scheme and the odd-lot repurchase consideration in relation to the mandatory offer made by African Phoenix, Hampden Capital, Sui Generis, Zolospan and Ancilla Capital to acquire from Zarclear shareholders all the Zarclear shares in respect of which it receives acceptances for a cash consideration of R3.55 per Zarclear share as further detailed in the mandatory offer circular. The independent board concluded that the cash consideration in respect of the mandatory offer is unfair and unreasonable. Given that the odd-lot repurchase consideration is greater than the mandatory offer consideration of R3.55 per Zarclear share, the independent board recommends that shareholders should not accept the mandatory offer and should instead vote in favour of the scheme.

14. RESPONSIBILITY STATEMENTS

14.1. Zarclear independent board responsibility statement

The independent board:

14.1.1. confirms that this circular contains all information required by the TRP;

14.1.2. accepts, individually and collectively, full responsibility for the accuracy of the information given in this circular relating to Zarclear;

14.1.3. has considered all statements of fact and opinion in this circular and accepts full responsibility for the information contained in this circular relating to Zarclear;

14.1.4. certifies that, to the best of its knowledge and belief, the information contained in this circular relating to Zarclear is true and correct;

14.1.5. 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

14.1.6. has made all reasonable enquiries in this regard.

14.2. Zarclear board responsibility statement

The directors of Zarclear, individually and collectively, accept responsibility for the information contained in this circular to the extent that it relates to the Company. To the best of their knowledge and belief, the information contained in this circular is true and the circular does not omit anything likely to affect the importance of the information. The directors of Zarclear have made all reasonable enquiries to ascertain that no facts have been omitted and this circular contains all information required by law.

15. CONSENTS

15.1. 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.

15.2. 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.

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered address of the Company and on Zarclear's website (www.zarclear.co.za) or upon request from the company secretary:

16.1. a signed copy of this circular;

16.2. the existing MOI and the proposed Zarclear replacement MOI;

16.3. the audited consolidated financial statements of Zarclear for the years ended 30 June 2022, 30 June 2021 and 30 June 2020;

16.4. the fair and reasonable opinion of the independent expert in respect of the scheme, set out in **Annexure 1**;

16.5. the letter issued by the TRP approving this circular in terms of Regulation 117 of the Takeover Regulations;

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 independent 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 PROPOSED SCHEME OF ARRANGEMENT

1. Introduction

The Company intends to seek shareholder approval to implement a scheme of arrangement in terms of section 114 of the Companies Act, 2008 (the "**Companies Act**") (the "**Proposed Scheme**" or "**Scheme**") to effect i) a 10,000,000 to 1 share consolidation, ii) an offer to holders of Zarclear ordinary shares ("**Zarclear Shares**" or "**Shares**") (the "**Shareholders**") holding less than an integer of 10,000,000 shares (the "**Share Consolidation Minimum Threshold**") to subscribe for additional shares, iii) a cash repurchase of shares below the Share Consolidation Minimum Threshold at a cash consideration per share of 635 cents (the "**Repurchase Consideration**"), and iv) the conversion of the Company to a private company.

Full details of the Scheme are contained in the circular dated 4 July 2023 (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 Scheme **("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 Scheme 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 Scheme 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 Scheme. The Opinion will be distributed to Shareholders prior to the relevant resolutions required to approve the Scheme 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 Scheme may be considered fair if the Repurchase Consideration is higher than or equal to the value attributable to Zarclear Shares, or unfair if the Repurchase 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 current Memorandum of Incorporation ("**Current MOI**");
- The proposed new Memorandum of Incorporation, as set out in Annexure 2 to the Circular ("**Replacement MOI**");
- 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 Scheme;
- 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 Scheme 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 Scheme 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 Scheme:

- considered the rationale for the Scheme, as presented by Management;
- reviewed the terms of the Scheme;
- analysed the historical and forecasted information as provided by Management;
- Reviewed the Current MOI and Replacement MOI and considered implementation thereof on the Company's shareholders;
- where relevant, corroborated representations made by Management to source documents;
- compared the Repurchase Consideration to the last traded price of Shares;
- performed a valuation of the Company as detailed below;
- 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 Scheme 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 Scheme, 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 Scheme, we considered, inter alia, the following:

- the Repurchase Consideration is at a premium to the last traded price for Zarclear prior to the release of the Scheme announcement. It should however be noted that limited share trading liquidity exist for Zarclear; and
- the alternative liquidity event announced for Zarclear, being a mandatory offer to Zarclear shareholders, under which the offer consideration is at a significant discount to the Repurchase 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 Scheme.

We have considered the terms and conditions of the Scheme 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 ("**Scheme Value Range**"), with the likely core value of 597 cents per share being the midpoint of the Scheme Value Range. We have compared the Value Range to the Repurchase Consideration of 635 cents per share, which falls within the Value Range. In addition, the

Repurchase Consideration is at a premium to the last traded price of Zarclear Shares prior to the announcement of the Scheme. Subject to the conditions set out herein, we are of the opinion that the Repurchase Consideration is fair and reasonable to Shareholders.

11. Limiting conditions

This Opinion is provided to the Independent Board in connection with and for the purpose of the Scheme, 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 Scheme 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. Section 115 and 164 of the Companies Act

Section 115 and 164 of the Companies Act have been included as Appendix A and Appendix B to the Annexure 1 of the Circular.

13. Material interest of Zarclear directors

The shareholding of directors of Zarclear, directly and indirectly, is set out in paragraph 10 of the Circular.

14. Independence and additional regulatory disclosures

We confirm that Valeo Capital has no direct or indirect interest in any transacting party or the Scheme, 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 Scheme.

The directors, employees or consultants of Valeo Capital allocated to this assignment have the necessary qualifications, expertise and competencies to (i) understand the Scheme; (ii) evaluate the Scheme; and (iii) determine the effect of the Scheme 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.

15. 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 Scheme.

Yours faithfully

Riaan van Heerden
Valeo Capital Proprietary Limited

APPENDIX A

115. Required approval for transactions contemplated in Part

(1) Despite section 65, and any provision of a company's Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless –

(a) The disposal, amalgamation or merger, or scheme of arrangement –

(i) has been approved in terms of this section; or

(ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and

(b) to the extent that Parts B and C of this Chapter, and the Takeover Regulations, apply to a company that proposes to –

(i) dispose of all or the greater part of its assets or undertaking;

(ii) amalgamate or merge with another company; or

(iii) implement a scheme of arrangement,

the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119(4)(b), or exempted the transaction in terms of section 119(6).

[Para. (b) substituted by s. 71 of Act 3/2011]

(2) A proposed transaction contemplated in subsection (1) must be approved –

(a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that arc entitled to be exercised on that matter, or any higher percentage as may be required by the company's Memorandum of Incorporation, as contemplated in section 64(2); and

[Para. (a) substituted by s. 71 of Act 3/2011]

(b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company's holding company if any, if –

(i) the holding company is a company or an external company;

(ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and

(iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and

[Subpara. (iii) substituted by s. 71 of Act 3/2011]

(c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).

(3) Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if –

(a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or

[Para. (a) substituted by s. 71 of Act 3/2011]

(b) the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).

[Para. (b) substituted by s. 71 of Act 3/2011]

(4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights –

(a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or

(b) required to be voted in support of a resolution, or actually voted in support of the resolution.

[Subs. (4) substituted by s. 71 of Act 3/2011]

(4A) In subsection (4), "act in concert" has the meaning set out in section 117(1)(b).

[Subs. (4A) inserted by s. 71 of Act 3/2011]

(5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the company must either –

(a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or

[Para. (a) substituted by s. 71 of Act 3/2011]

(b) treat the resolution as a nullity.

(6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant –

(a) is acting in good faith;

(b) appears prepared and able to sustain the proceedings; and

(c) has alleged facts which, if proved, would support an order in terms of subsection (7).

(7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if –

(a) the resolution is manifestly unfair to any class of holders of the company's securities; or

(b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.

(8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person –

(a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and

(b) was present at the meeting and voted against that special resolution.

(9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect –

(a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;

(b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;

(c) the transfer of shares from one person to another;

(d) the dissolution, without winding-up, of a company, as contemplated in the transaction;

(e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or

(f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger.

APPENDIX B

164. Dissenting shareholders appraisal rights

(1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.

(2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to –

(a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or

(b) enter into a transaction contemplated in section 112, 113, or 114, that notice must include a statement informing shareholders of their rights under this section.

(3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.

(4) Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who –

(a) gave the company a written notice of objection in terms of subsection (3); and

(b) has neither-

(i) withdrawn that notice; or

(ii) voted in support of the resolution.

(5) A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if –

(a) the shareholder-

(i) sent the company a notice of objection, subject to subsection (6); and

(ii) in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;

(b) the company has adopted the resolution contemplated in subsection (2); and

(c) the shareholder –

(i) voted against that resolution; and

(ii) has complied with all of the procedural requirements of this section.

(6) The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.

(7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within –

(a) 20 business days after receiving a notice under subsection (4); or

(b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.

(8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state –

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

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder seeks payment; and

(c) a demand for payment of the fair value of those shares.

(9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless –

(a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);

(b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or

(c) the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.

[Para. I substituted by s. 103 of Act 3/2011]

(10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.

(11) Within five business days after the later of –

(a) the day on which the action approved by the resolution is effective;

(b) the last day for the receipt of demands in terms of subsection (7)(a); or

(c) the day the company received a demand as contemplated in subsection (7)(b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.

(12) Every offer made under subsection (11) –

(a) in respect of shares of the same class or series must be on the same terms; and

(b) lapses if it has not been accepted within 30 business days after it was made.

(13) If a shareholder accepts an offer made under subsection (12)-

(a) the shareholder must either in the case of –

(i) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or

(ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and

(b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and –

(i) tendered the share certificates; or

(ii) directed the transfer to the company of uncertificated shares.

(14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has –

(a) failed to make an offer under subsection (11); or

(b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.

(15) On an application to the court under subsection (14)-

(a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;

(b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and

(c) the court –

(i) may determine whether any other person is a dissenting shareholder who should be joined as a party;

(ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);

(iii) in its discretion may –

(aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or

(bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;

(iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and

(v) must make an order requiring –

(aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and

[Item (aa) substituted by s. 103 of Act 3/2011]

(bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.

(15A) At any time before the court has made an order contemplated in subsection (15)I(v), a dissenting shareholder may accept the offer made by the company in terms o– subsection (11), in which case –

(a) that shareholder must comply with the requirements of subsection 13(a); and

(b) the company must comply with the requirements of subsection 13(b).

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

(16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.

(17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pays its debts as they fall due and payable for the ensuing 12 months –

(a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and

(b) the court may make an order that –

(i) is just and equitable, having regard to the financial circumstances of the company; and

(ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.

(18) If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.

(19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to-

(a) the provisions of that section; or

(b) the application by the company of the solvency and liquidity test set out in section 4.

(20) Except to the extent –

(a) expressly provided in this section; or

(b) that the Panel rules otherwise in a particular case, a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person.

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

ZARCLEAR REPLACEMENT MOI

A copy of the Zarclear replacement MOI is set out below.

COMPANIES ACT, 2008

MEMORANDUM OF INCORPORATION
OF A PROFIT COMPANY

(PRIVATE COMPANY)

NAME OF COMPANY:
ZARCLEAR HOLDINGS PROPRIETARY LIMITED
("Company")

REGISTRATION NUMBER:
2000/013674/07

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1. **INTRODUCTION**

1.1 The Company is a private company in terms of the Act and, accordingly:

1.1.1 the Company is prohibited from offering any of its securities to the public; and

1.1.2 the transfer of the Company's securities is restricted in accordance with this Memorandum.

1.2 This Memorandum does not contain any restrictive conditions contemplated in section 15(2)(b) of the Act and does not prohibit the amendment of any particular provision of this Memorandum.

2. **INTERPRETATION**

In this Memorandum, including the introduction above, and unless the context requires otherwise:

2.1 each of the following words and expressions shall have the meaning stated opposite it and cognate expressions shall have a corresponding meaning, namely:

2.1.1 "**Act**" means the Companies Act, 2008, together with the Companies Regulations, 2011, as amended or substituted from time to time;

2.1.2 "**Net Asset Value** " means the value of the assets of the Company less the value its liabilities as determined by the Company's auditors, or if the Company does not have statutory auditors, as determined by the board;

2.1.3 "**Equity Interest**" means, in relation to a shareholder, all (and not fewer than all) of its shares and the whole of its loan account (if any) owed to it at the time in question;

2.1.4 "**Loan Account**" means, in relation to a shareholder, its loan account for loans made to the Company by it and by any company which is a Member of the Same Group as it where the loans are made with the written consent of or by written agreement with the other shareholders;

2.1.5 "**Member of the Same Group**" means, in relation to a shareholder, any subsidiary of such shareholder or the holding company of such shareholder or any subsidiary of such holding company;

2.1.6 "**Memorandum**" means this Memorandum of Incorporation and includes its Schedules, which form part of it;

2.1.7 "**Republic**" means the Republic of South Africa;

2.1.8 "**Transfer**" means any cession or other form of delivery or transfer, whether actual or symbolic, resulting in a change of ownership, and includes any underlying contract for any such cession, delivery or transfer including without being limited to any sale, donation or other contract for a disposal of ownership;

2.2 words importing any one gender shall include any other gender;

2.3 the singular shall include the plural and *vice versa*;

2.4 any word or expression that is defined in the Act and is not defined in 2.1 shall bear that statutory meaning in this Memorandum; and

2.5 the headings have been inserted for convenience only and shall not be used for or assist or affect the interpretation of this Memorandum.

3. **GENERAL**

3.1 **Liability of incorporators, shareholders and directors**

This Memorandum does not impose any liability on any person for the liabilities or obligations of the Company, solely by reason of such person being an incorporator, shareholder or director of the Company as contemplated by section 19(2) of the Act.

3.2 **Powers of the Company**

This Memorandum does not restrict, limit or qualify the legal powers or capacity of the Company provided in section 19(1)(b) of the Act.

3.3 **Memorandum of Incorporation and Company Rules**

3.3.1 This Memorandum does not provide any different requirements than those set out in section 16(1)(c)(i) of the Act regarding proposals for amendments to this Memorandum.

3.3.2 This Memorandum does not restrict, limit or qualify the power of the board to make, amend or repeal any necessary or incidental rules relating to the governance of the Company in respect of matters that are not addressed in the Act or this Memorandum, in accordance with the provisions of sections 15(3) to 15(5) and 15(5)(A) of the Act.

3.3.3 If the board makes any rules, it must file a copy of those rules in the manner prescribed in the Act and must publish a copy of those rules by sending them electronically to each shareholder.

3.3.4 If the board, or any individual authorised by the board, alters this Memorandum or any rules made by it in any manner necessary to correct a patent error in spelling, punctuation, reference, grammar or similar defect on the face of the document, it must publish a notice of such alteration by sending a copy of the altered Memorandum or rules, as the case may be, electronically to each shareholder, and must file a notice of alteration in the manner prescribed by the Act.

3.4 **Accounting Requirements**

3.4.1 Save as required in terms of the Act or otherwise determined by resolution of the shareholders of the board, the annual financial statements of the Company need not be audited.

3.4.2 The extended accountability requirements set out in Chapter 3 of the Act shall not apply to the Company, except as provided in section 84(1)(c)(i) of the Act.

3.5 **Takeover Regulations**

Part B and Part C of Chapter 5 of the Act, and the Takeover Regulations, shall not apply to the Company except to the extent provided in section 118(1)(c)(i) of the Act.

3.6 **Financial Assistance to Related Persons**

This Memorandum does not limit, restrict or qualify the authority of the board to authorise the Company to provide direct or indirect financial assistance to any person contemplated in section 45 of the Act.

3.7 Solvency and Liquidity Test

This Memorandum does not alter the application of the solvency and liquidity test provided in section 4 of the Act.

4. **SECURITIES OF the COMPANY**

4.1 **Authorisation for shares**

4.1.1 The Company is authorised to issue the shares specified in **Schedule 1**.

4.1.2 This Memorandum does not limit, restrict or qualify the authority of the board to:

(A) increase or decrease the number of authorised shares of any class of shares;

(B) reclassify any shares that have been authorised but not issued;

(C) classify any unclassified shares that have been authorised but not issued;

(D) determine the preferences, rights, limitations or other terms of any class of authorised shares or amend any preferences, rights, limitations or other terms so determined.

4.2 **Issue of Shares**

4.2.1 The pre-emptive rights of the shareholders to be offered and to subscribe for additional shares, as provided in section 39 of the Act, do not apply and instead the provisions of the remainder of this clause 4.2 shall apply.

4.2.2 If any shares of the Company are to be issued (whether to existing shareholders or to any third party by the Company), each shareholder shall, except in the circumstances contemplated in clause 4.2.3 and clause 4.2.4, have the right ("**the Pre-emptive Issue Right**") to be offered to subscribe for a pro rata percentage of any shares to be issued by the Company, in proportion to its then shareholding in the Company, in accordance with the provisions of clause 4.2.5.

4.2.3 The shareholders shall not have a Pre-emptive Issue Right if any shares are to be issued by the Company to any person for cash consideration for any of the following purposes:

(A) acquiring any asset or undertaking; or

(B) an amalgamation or merger with another company; or

(C) as part of a reorganization or restructuring; or

(D) the providing of funding to the Company by a third-party funder.

4.2.4 No shareholder shall have a Pre-emptive Issue Right or any other right to subscribe for shares in relation to any issue of shares made for non-cash consideration.

4.2.5 In circumstances where the shareholders enjoy a Pre-emptive Issue Right, the following provisions shall apply:

(A) Prior to the issue of new shares by the Company, the Company shall issue a written offer to each shareholder, which offer shall specify:

(1) the date of the offer;

(2) the number of shares in the Company offered; and

(3) the subscription price for such shares, as determined by the board.

(B) Subject to clause 4.2.5(D), the offer shall be open for a period of 20 (twenty) business days for acceptance by notice in writing to be received by the Company prior to the expiry of the 20 (twenty) business day period, and each shareholder shall be entitled to subscribe for all (but not some) of the shares that it has been offered.

(C) Each shareholder shall be obliged to pay for any shares that it has agreed to subscribe for within 5 (five) business days of the expiry of the 20 (twenty) business day period referred to above, and the Company shall issue the relevant shares to the shareholder in question against payment in full being made.

(D) If the offer to the shareholders is not accepted within the period and/or in the manner specified in clause 4.2.5(B) or paid for by the shareholder in full ("**the Non-Funding Shareholder**") within the period and in the manner specified in clause 4.2.5(C), then:

(1) the shares in respect of which the offer has not been so accepted by the Non-Funding Shareholder or for which payment has not been so made by the Non-Funding Shareholder; plus

(2) any shares in respect of which the other shareholders have accepted the offer in terms of clause 4.2.5(B),

may, at the election of the other shareholders, either be issued to the other shareholders, pro rata to their shareholding at the price referred to in clause 4.2.5(A)(3) or issued to the persons/third party to whom the Company was to issue those shares in terms of clause 4.2.2 above.

4.3 **Financial assistance for the subscription or purchase of securities or options**

This Memorandum does not limit, restrict or qualify the authority of the board in terms of section 44 to the Act to authorise the Company to provide financial assistance to any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company, or for the purchase of any securities of the Company or any related or inter-related company, in accordance with the Act.

4.4 **Capitalisation shares**

This Memorandum does not limit, restrict or qualify the authority of the board, in terms of section 47 of the Act, to:

4.4.1 approve the issue of any authorised shares of the Company as capitalisation shares, on a *pro rata* basis to the shareholders of one or more classes of shares;

4.4.2 approve the issue shares of one class as capitalisation shares in respect of shares of another class; or

4.4.3 permit shareholders to elect to receive a cash payment in lieu of a capitalisation share, at a value determined by the board.

4.5 **Debt Instruments**

This Memorandum does not limit, restrict or qualify the authority of the board to authorise the Company to issue secured or unsecured debt instruments with such special privileges regarding the attending and voting at general meetings of the Company or the allotment of securities, their redemption by the

Company, or the substitution of any debt instrument for shares in the Company in accordance with section 43 of the Act, as the board may determine.

4.6 **Registration of beneficial interests**

This Memorandum prohibits the holding of the Company's issued securities by, or the registration of the Company's issued securities in the name of, one person for the beneficial interest of another.

4.7 **Restriction on transfer of securities**

Subject to 8, 9, 10 and 11, no securities may be transferred without the approval of the board, who shall be entitled to refuse transfer without giving reasons therefor.

5. SHAREHOLDERS RIGHTS AND PROXY FORMS

5.1 **Shareholders' right to information**

5.1.1 Each director nominated for election to the board by a shareholder shall be entitled to disclose to the shareholder that nominated him or her all information which the director receives as a director of the Company and to furnish to the shareholder in question copies of all documents containing any such information.

5.1.2 Subject to 5.1.1, this Memorandum does not establish any information rights of any person in addition to the information rights provided in sections 26(1) and (2) of the Act.

5.2 **Shareholders' authority to act**

If, at any time, every shareholder of the Company is also a director of the Company, any matter that is required by the Act or this Memorandum to be referred by the board to the shareholders for a decision may be decided by the shareholders at any time after being referred by the board, without notice or compliance with any other internal formalities but subject to the provisions of section 57(4) of the Act.

5.3 **Representation by concurrent proxies**

This Memorandum does not limit or restrict the right of a shareholder to appoint:

5.3.1 two or more persons concurrently as proxies, provided that the instrument appointing the proxies clearly states the order in which the concurrent proxies are to take precedence in the event that both or all of the concurrent proxies are present, and vote, at the relevant meeting, failing which the concurrent proxy whose name stands first in the instrument appointing the proxies, will alone be entitled to vote; or

5.3.2 more than one proxy to exercise voting rights attached to different securities held by that shareholder.

5.4 **Authority of proxy to delegate**

This Memorandum prohibits the right of a proxy to delegate the proxy's authority to act on behalf of the shareholder appointing him to another person.

5.5 **Requirement to deliver proxy instrument to the Company**

A copy of the instrument appointing a proxy must be delivered to the office of the Company, or to any other person on behalf of the Company before that proxy may exercise any rights of the shareholder at a shareholder meeting.

5.6 **Proxy without direction**

This Memorandum does not limit or restrict the right of a proxy to exercise, or abstain from exercising, any voting right of the shareholder appointing him without direction, except to the extent that the instrument of proxy provides otherwise.

5.7 **Record date for exercise of shareholder rights**

If the board fails to determine a record date for any action or event, the record date shall be determined in accordance with the Act.

6. SHAREHOLDERS MEETINGS

6.1 Convening of shareholders meetings

In addition to the board, any shareholder or shareholders holding more than 10% of the voting rights in the Company may call a shareholders meeting, upon written notice to the other shareholders in accordance with the provisions of the Act, *mutatis mutandis*.

6.2 Shareholders' right to requisition a meeting

This Memorandum does not specify a lower percentage of voting rights than the percentage specified in section 61(3) of the Act required for the requisition by shareholders of a shareholders meeting.

6.3 Location of shareholders meetings

This Memorandum does not limit, restrict or qualify the authority of the board to determine the location of any shareholders meeting, which may be in the Republic or in any foreign country.

6.4 Notice of shareholders meetings

This Memorandum does not provide a different period of notice of shareholders meetings to the period prescribed by the Act.

6.5 Electronic participation in shareholders meetings

This Memorandum does not prohibit the Company from providing for any shareholders meeting to be conducted by electronic communication, or for one or more shareholders, or proxies for shareholders, to participate in any shareholders meeting by electronic communication, subject to the provisions of the Act.

6.6 Quorum for shareholders meetings

6.6.1 In terms of section 64(2) of the Act:

(A) a shareholders meeting may not begin until sufficient persons are present at the meeting to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the meeting; and

(B) a matter to be decided at the meeting may not begin to be considered unless sufficient persons are present at the meeting to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter at the time the matter is called on the agenda.

6.6.2 This Memorandum specifies a time period of 30 minutes in place of the one hour provided for in sections 64(4) and 64(5) of the Act.

6.6.3 This Memorandum does not specify a different period than the period of one week provided in section 64(4) of the Act for the adjournment of a shareholders meeting.

6.6.4 This Memorandum does not restrict or prohibit the continuation of any shareholders meeting or the consideration of any matter to be considered at any shareholders meeting after a quorum has been established for commencement of such meeting, or for such matter to be considered, provided at least one shareholder with voting rights entitled to be exercised at the meeting, or on that matter, is present at the meeting.

6.7 Voting at shareholders meetings

Subject to any special terms as to voting upon which any share may be issued or which may from time to time attach to a share, on a show of hands, every shareholder present in person or by proxy and entitled to vote on a resolution shall have one vote, and on a poll, every shareholder present in person or by proxy and entitled to vote on a resolution shall have one vote for each share held by it.

6.8 Adjournment of shareholders meetings

This Memorandum does not provide different maximum periods for adjournment than those specified in section 64(12) of the Act.

6.9 Shareholders resolutions

6.9.1 This Memorandum does not require a higher percentage of voting rights to approve an ordinary resolution than the percentage voting rights specified in the Act.

6.9.2 This Memorandum does not require a different percentage of voting rights to approve a special resolution than the percentage voting rights specified in the Act.

6.9.3 This Memorandum requires, in addition to the matters contemplated in section 65(11) of the Act, a special resolution for the matters set out in **Schedule 2**.

7. DIRECTORS AND OFFICERS

7.1 Composition of the board of directors

7.1.1 This Memorandum does not specify a higher number in substitution for the minimum number of directors required in terms of section 66(2) of the Act.

7.1.2 Subject to 7.1.6, the shareholders shall elect the directors, and shall be entitled to elect one or more alternate directors, in accordance with the provisions of section 68(1) of the Act.

7.1.3 This Memorandum does not provide for:

(A) the direct appointment or removal of any director or alternate director by any particular person, except as provided in 7.1.7; or

(B) the appointment of any person as an *ex officio* director of the Company.

7.1.4 This Memorandum does not stipulate any additional qualifications or eligibility requirements other than those set out in the Act for a person to become or remain a director or a prescribed officer of the Company.

7.1.5 Subject to the Act and this Memorandum, each director of the Company shall serve for an indefinite term or a term set out in any contract between that director and the Company.

7.1.6 The board may appoint any person who satisfies the requirements for election as a director to fill any vacancy and serve as a director on a temporary basis until the vacancy is filled by election in accordance with section 68(1) of the Act.

7.1.7 Without derogation from the provisions of the Act, a director shall cease to be a director if a written notice to that effect signed by the shareholders that nominated that director for election is delivered at the registered office, with effect from the date stipulated in that notice.

7.2 Authority of the board of directors

7.2.1 The authority of the board to manage and direct the business and affairs of the Company, as contemplated in section 66(1) of the Act, is not limited, restricted or qualified by this Memorandum.

7.2.2 If, at any time, the Company has only one director, this Memorandum does not restrict that director from exercising any power or performing any function of the board at any time, without notice or compliance with any internal formalities.

7.3 Directors meetings

7.3.1 Notwithstanding the provisions of section 73(1)(a) of the Act, any director nominated by the Majority Shareholder for election may call a meeting of the board at any time.

7.3.2 This Memorandum does not restrict the directors from acting otherwise than at a meeting, as contemplated in section 74(1) of the Act

7.3.3 This Memorandum does not specify a different percentage or number of directors upon whose request a meeting of the board must be called in terms of section 73(1) of the Act.

7.3.4 This Memorandum does not restrict the board from conducting meetings, or directors from participating in meetings, by electronic communication, as contemplated in section 73(3) of the Act.

7.3.5 This Memorandum does not limit, restrict or qualify the authority of the board to determine the manner and form of giving notice of its meetings.

7.3.6 This Memorandum does not limit, restrict or qualify the authority of the board to proceed with a board meeting in accordance with the requirements of section 73(5)(a) of the Act, despite a failure or defect in giving notice of the meeting.

7.3.7 The quorum requirement for a directors meeting to begin, the voting rights at such a meeting, and the requirements for approval of a resolution at such a meeting, as set out in section 73(5) of the Act, are not varied by this Memorandum.

7.4 **Directors compensation and financial assistance to directors and related persons**

7.4.1 This Memorandum does not limit, restrict or qualify the power of the Company to pay remuneration to its directors for their services as directors in accordance with section 66(8) of the Act.

7.4.2 This Memorandum does not limit, restrict or qualify the authority of the board to authorise the Company to provide direct or indirect financial assistance to directors or prescribed officers or any person related to any director or prescribed officer contemplated in section 45 of the Act.

7.5 **Ability to indemnify directors**

7.5.1 This Memorandum does not limit, restrict or qualify the ability of the Company to advance expenses to a director to defend any legal proceedings arising from his service to the Company, or to indemnify a director against such expenses if the proceedings are abandoned or exculpate the director or arise in respect of any liability for which the Company may indemnify the director in terms of sections 78(5) and 78(6) of the Act.

7.5.2 This Memorandum does not limit, restrict or qualify the power of the Company to indemnify a director in respect of any liability arising out of the director's service to the Company to the fullest extent permitted by the Act.

7.5.3 This Memorandum does not limit, restrict or qualify the power of the Company to purchase insurance to protect a director against any liability or expenses for which the Company is permitted to indemnify a director in terms of the Act and this Memorandum, or the Company against any contingency.

7.6 **Committees of the board**

7.6.1 Without derogating from the provisions of the Act, nothing in this Memorandum limits, restricts or qualifies the authority of the board to appoint any number of committees of directors, or to delegate to any such committee or to any person any of the authority of the board, with or without the power to sub-delegate.

7.6.2 Except to the extent that a board resolution establishing a committee provides otherwise, the committee:

(A) may include persons who are not directors of the Company but any such person must not be ineligible or disqualified to be a director in terms of section 69 of the Act, and any such persons shall not have a vote on any matter to be decided by the committee;

(B) may consult with or receive advice from any person;

(C) has the full authority of the board in respect of any matter referred to it.

7.7 **Nomination and election of directors**

7.7.1 Each shareholder shall be entitled (but not obliged) to nominate for election one director and one alternate director to the board for each 15% (fifteen percent) of the general voting rights in the Company held by it and each shareholder undertakes to the other shareholder to exercise all of its voting rights in respect of all of its shares and as expeditiously as possible do everything else that may be required should the election of the director in question be conducted by written polling, so as to ensure that any person so nominated is duly elected as a director of the Company.

7.7.2 Each shareholder undertakes to the other shareholder not to vote in favour of any resolution for the removal of any director nominated for election by such other shareholder in terms of clause 7.7.1, unless such other shareholder itself votes in favour of such resolution or unless such director is disqualified to act as a director in terms of section 69 of the Act.

7.7.3 Each shareholder undertakes in favour of the other shareholder to vote in favour of any resolution for the removal of any director nominated for election by such other shareholder in terms of clause 7.7.1 should such other shareholder itself propose, or vote in favour of, the resolution to remove that director at any shareholders meeting held in terms of section 71 of the Act.

8. **TRANSFER OF SHARES AND LOAN ACCOUNT**

8.1 A shareholder shall not, except in accordance with the provisions of this Memorandum or with the written consent of the other shareholders, and subject to any conditions the consenting shareholder may impose:

8.1.1 pledge, mortgage or otherwise hypothecate or encumber its shares or Loan Account or any of the rights attached to its shares or Loan Account; or

8.1.2 Transfer or otherwise dispose of its shares or Loan Account or any of the rights attached to its shares or Loan Account; or

8.1.3 enter into any agreement in respect of the votes attached to its shares or any of the other rights attached to its shares; or

8.1.4 agree, whether or not subject to any suspensive or resolutive condition, to do any of the foregoing.

8.2 The Company shall not register any Transfer of shares made in breach of this Memorandum; and the shares comprised in any Transfer so made shall carry no rights whatsoever unless and until, in each case, the breach is rectified.

9. RECIPROCAL RIGHTS OF PRE-EMPTION BETWEEN THE SHAREHOLDERS

Each shareholder grants to the other a right of pre-emption over the whole of its Equity Interest from time to time, upon and subject to the following terms and conditions:

9.1 Each shareholder ("**the Offeror**") undertakes, subject to the provisions of 9.5, not to Transfer any share owned by it to anyone (including the other shareholders)("**the Offeree**") without first offering to sell the whole of its Equity Interest to the Offeree at the same price as that and on the same terms and conditions as those on which the Offeror is prepared to sell its Equity Interest under a *bona fide* transaction to such other person.

9.2 Any offer ("**the Offer**") in terms of 9.1 shall:

9.2.1 be for the whole (and not part only) of its Equity Interest;

9.2.2 be made in writing to the Offeree and be delivered personally or sent by registered mail to the Offeree at its address referred to in 15.1;

9.2.3 specify whether or not the Offeror has received an offer from a third party for its Equity Interest and, if it has, the identity of the third party and the price offered by the third party for the Equity Interest;

9.2.4 be irrevocable for a period of 30 (thirty) days from its receipt by the Offeree;

9.2.5 specify the purchase price for which the Offeror is willing to sell its Equity Interest to the Offeree which must be a cash price payable in South African Rands;

9.2.6 be subject to the condition that the whole (and not a part only) of the Offer is accepted; and

9.2.7 be capable of being accepted by the Offeree by written notice only given at the Offeror's address referred to in 15.1 within the 30 (thirty) days referred to in 9.2.4 above.

9.3 If the Offer is duly accepted by the Offeree, then the sale and purchase of the Equity Interest offered that would result shall be subject to the following terms and conditions:

9.3.1 the Equity Interest shall be sold and purchased free from all claims, liens, pledges and other hypothecations and encumbrances;

9.3.2 the purchase price of the Equity Interest, payable by the Offeree to the Offeror, shall be the price specified by the Offeror in the Offer and shall be payable in South African Rands only;

9.3.3 completion of the sale and purchase of the Equity Interest shall be effected within 30 (thirty) days from the date on which the Offer is accepted (or as soon thereafter as any necessary legal or regulatory approvals have been obtained and subject to compliance by the Offeree with its obligations under this 9) at a meeting to be held at such reasonable time and place as the Offeree may specify by not less than 36 (thirty six) hours prior written notice to the Offeror and at which meeting:

(A) the Offeror shall deliver the relevant share certificate(s) to the Offeree or any nominee(s) for the Offeree, together with such duly executed instruments of transfer as may be required by law for the transfer of all the Offeror's shares included in the Equity Interest to the Offeree or any nominee(s) for the Offeree, and an irrevocable power of attorney in such form and in favour of such person as the Offeree may nominate authorising the Offeree, pending the registration of transfer of the shares in question, to exercise all rights of ownership in respect of those shares, including, without limitation, their voting rights;

(B) the Offeror shall cede to the Offeree in writing all its rights in respect of its Loan Accounts included in its Equity Interest;

(C) the Offeree shall pay the purchase price to the Offeror on the date of completion, without deduction or set-off, by electronic funds transfer of immediately available funds into a bank account to be designated in writing by the Offeror but only against such delivery of the Offeror's Equity Interest;

(D) the Offeror and the Offeree shall procure (insofar as they are able) that such Transfer or Transfers are duly registered;

(E) the Offeror shall do all such things and execute all such other documents as the Offeree may require to give effect to the sale and purchase of the Offeror's Equity Interest; and

(F) if requested by the Offeree, the Offeror shall procure the resignation of all the directors nominated by it and such resignation shall take effect without any liability on the Company for compensation for loss of office, loss of employment or otherwise;

9.3.4 each of the shareholders shall use its reasonable endeavours to obtain any regulatory or other consents that are needed to enable the sale and purchase of the relevant Equity Interest to be completed; if such consents are refused the purchase and sale shall become void and the Offeror and the Offeree shall be released from their obligations under this 9.3 but they shall negotiate with each other in good faith with a view to achieving an alternative solution;

9.3.5 a consent shall be deemed to be refused at the election of either shareholder if it is granted subject to a condition that is unacceptable to the shareholder for good reason, provided that the shareholder exercises its election by written notice to the other shareholder within 5 (five) Business Days from the date it receives the consent in writing;

9.3.6 If the Offeror fails or refuses to transfer any shares or Loan Accounts in accordance with its obligations hereunder, the Company shall authorise some person who is, as security for the Offeror's obligations, irrevocably and *in rem suam* appointed as the agent of the Offeror to execute and deliver on the Offeror's behalf the necessary cessions, instruments of transfer and other documents required for the transfer of the shares or Loan Accounts and the Company shall receive the purchase money in trust for the Offeror and in the case of any such shares cause the Offeree to be registered as the holder thereof, whereupon it shall pay the purchase money so received by it to the Offeror and the receipt of the Company for the purchase money shall be a good discharge to the Offeree (who shall not be bound to see to the application thereof) and in the case of any such shares after the Offeree has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person;

9.3.7 Simultaneously with the completion of the sale and purchase of the Offeror's Equity Interest in terms of 9.3.3:

(A) the shareholders shall procure that the Offeror's obligations for all loans, loan capital, borrowings and indebtedness in the nature of borrowings owed to the Company by the Offeror (together with any accrued interest) are either delegated, or sold by the Offeror to the Offeree at such value as may be agreed between the Offeror and the Offeree, or failing agreement between them, are repaid by the Offeror to the Company;

(B) the Offeree shall agree to the assignment to it of all rights and obligations under any suretyships, guarantees or indemnities given by the Offeror to or in respect of the Company (or the conclusion of new suretyships, guarantees or indemnities in respect of the Company's obligations in question) and, pending such assignment (or conclusion) and consequent release of the Offeror, shall indemnify the Offeror in respect thereof;

9.3.8 the Offeror's obligation to transfer its Equity Interest to the Offeree in terms of this 9.3 shall be conditional on the compliance by the Offeree with its obligations under 9.3.7.

9.4 Should the Offer not be accepted by the Offeree in full within the period applicable under 9.2.4, then the Offeror shall be entitled to Transfer the whole (and not a part only) of its Equity Interest to a third party, provided that:

9.4.1 if the Offeror will have received an offer from a third party, the sale may not be made to anyone other than that third party who will have been identified in terms of 9.2.3;

9.4.2 the sale is entered into within 30 (thirty) days from the date on which the Offeror receives written notification from the Offeree of its rejection of the Offer or the Offer expires, whichever is the earlier;

9.4.3 the sale is not effected at a price (sounding in money) and on terms and conditions which are more favourable to the third party than those first offered to the Offeree in terms of the Offer;

9.4.4 simultaneously with the completion of the sale in terms of this clause 9.4:

(A) the shareholders shall procure that the Offeror's obligations for all loans, loan capital, borrowings and indebtedness in the nature of borrowings owed to the Company by the Offeror (together with any accrued interest) are either delegated, or sold by the Offeror to the Offeree at such value as may be agreed between the Offeror and the Offeree, or failing agreement between them, are repaid by the Offeror to the Company;

(B) the Offeree shall agree to the assignment to it of all rights and obligations under any suretyships, guarantees or indemnities given by the Offeror to or in respect of the Company (or the conclusion of new suretyships, guarantees or indemnities in respect of the Company's obligations in question) and, pending such assignment (or conclusion) and consequent release of the Offeror, shall indemnify the Offeror in respect thereof;

9.4.5 should the sale or other disposal to the prospective transferee named in the Offer not be entered into within the 30 (thirty) days referred to in 9.4.2, all the provisions of this 9 shall continue to remain in force.

9.5 Notwithstanding anything else in this 9, it shall not apply to and therefore not preclude any Transfer of any shares in the Company by a shareholder to any other company which is a wholly owned subsidiary of that shareholder, or is a Member of the Same Group as that shareholder, provided that:

9.5.1 the prospective transferee continues to be a wholly owned subsidiary or Member of the Same Group of such shareholder for as long as it holds any shares; and

9.5.2 the Offeree shall continue to be bound by this Memorandum and undertakes that if the prospective transferee, after having taken Transfer of the shares in question, ceases to be a wholly owned subsidiary of the Offeror, it will prior to so ceasing Transfer all shares it may then be holding back to the Offeree in accordance with the requirements of 9.5.1.

10. COME-ALONG RIGHTS

10.1 If a shareholder holding more than 75% of the general voting rights in the Company ("**the Selling Shareholder**") agrees at any time to sell to any purchaser who is not already a shareholder in the Company all the shares owned by it, then the Selling Shareholder shall be entitled to require the other shareholders to sell all of their shares too, either to the same purchaser (or his nominee) or to the Selling Shareholder itself for resale to the purchaser (or his nominee), as the Selling Shareholder may elect, at the same price per share and subject to the same terms and conditions, *mutatis mutandis*, as the price per share at which and the terms and conditions on which the Selling Shareholder itself agrees to sell its own shares to the purchaser (or his nominee) in question.

10.2 If the Selling Shareholder elects to exercise either of the rights conferred upon it in terms of 10.1 above, the other shareholders shall be obliged to sell their shares either to the purchaser in question (or his nominee) or to the Selling Shareholder itself, as the Selling Shareholder will have elected in accordance with the provisions of 10.

10.3 The Selling Shareholder's rights under this 10 may be exercised at any time up to 45 (forty five) days after the date on which it enters into any agreement for the sale of all of its shares and, if exercised, shall be exercised by written notice given during that period.

10.4 Notwithstanding anything to the contrary anywhere else in this 10, the rights of the Selling Shareholder in terms of this 10 shall be subject to the rights of the other shareholders in terms of 9, which shall take precedence over the rights in this 10.

11. TAG-ALONG RIGHTS

If at any time shareholders individually or collectively holding more than 35% of the general voting rights in the Company ("**the Majority Shareholders**") receives an offer for at least 35% of the issued Shares in the Company ("**the Offer**") from a third party dealing *bona fide* and at arm's length ("**the Offeror**") which they wish to accept, then the following provisions shall apply:

11.1 the Majority Shareholders shall forthwith and in writing furnish the other shareholders ("**the Minority Shareholders**") with full details of the Offer including, without limitation, the price, terms of payment, terms of security for payment (if any) and the identity of the Offeror and his/its direct or indirect controllers (where applicable);

11.2 the Minority Shareholders shall be entitled, by notice in writing to such effect to the Majority Shareholders, within 30 (thirty) days of receipt of the notice contemplated in 11.1, to require that his/its Shares in and Loan Account against the Company ("**the Minority Equity**") be acquired by the Offeror at the same price and upon the same terms and conditions *mutatis mutandis* as are contained in the Offer; and

11.3 the Majority Shareholders shall not be entitled to accept the Offer unless the Offeror purchases the Minority Equity offered for sale in terms of clause 11.2.

12. DEEMED OFFERS

12.1 For the purposes of this 12, a "Relevant Event" means any of the following events:

12.1.1 in the case of individuals, if they die, or if they commit an act of insolvency within the meaning of that expression in terms of the Insolvency Act, 1936, or if their estate is placed under provisional or final order of sequestration in terms of that Act;

12.1.2 in the case of a company, if it is placed under any provisional or final order of winding-up or judicial management or enters into a voluntary winding-up other than a voluntary winding-up for the purposes of a *bona fide* scheme of solvent amalgamation or reconstruction;

12.1.3 in the case of a company, if the company commences business rescue proceedings in terms of Chapter 6 of the Act;

12.1.4 in the case of a company, if the company undergoes a change of control without the prior written consent of the other shareholders, which consent shall not be unreasonably withheld. For the purposes of this 12.1.4, control shall have the meaning set out in section 2(2) of the Act;

12.1.5 in the case of a trust, if it commits an act of insolvency within the meaning of that expression in terms of the Insolvency Act, 1936, or if the estate of the trust is placed under any provisional or final order of sequestration in terms of that Act or if the trust deed constituting such trust is varied or cancelled without the prior written consent of the other shareholders, which consent shall not be unreasonably withheld.

12.2 Upon the happening of any Relevant Event, the shareholder in respect of whom the Relevant Event occurred or, if applicable, the executor or liquidator of the estate of the such shareholder, as the case may be ("**the Offeror**"), shall be deemed to have immediately offered to sell the whole of its Equity Interest to the other shareholders, *pro rata* to their existing shareholding in the Company ("**the Offeree/s**") on the terms and conditions set out below:

12.2.1 the purchase of the Offeror's shares shall be in respect of the Relevant Event referred to in 12.1 the market value of the Equity Interest in question as determined in accordance with 13;

12.2.2 the purchase price of the Offeror's loan account shall be the face value thereof as at the Effective Date referred to in 12.2.6 as reflected in the books of account of the Company;

12.2.3 the offer shall be irrevocable and open for acceptance for a period of 20 (twenty) Business Days from the date of the happening of the Relevant Event or the date on which the Offeree/s becomes aware of the happening of the Relevant Event, whichever is the later;

12.2.4 the Offeree/s shall be entitled to accept the offer at any time before the expiry of the 20 (twenty) Business Day period referred to in 12.2.3 by written notice to the Offeror at its address referred to in 15.1;

12.2.5 if the offer is not accepted by an Offeree that Offeree's shareholding shall be offered to the other Offerees *pro rata* to their shareholding, until the whole (and not part only) of the offer shall have been accepted;

12.2.6 the effective date of the sale shall be the date of the happening of the Relevant Event or the date on which the Offeree/s becomes aware of the happening of the Relevant Event, whichever is the later; and

12.2.7 the whole (and not part only) of the offer shall be accepted.

12.3 Should the Offeree/s accept the whole of the offer made to it in terms of 12.2, then the provisions of 9.3, *mutatis mutandis*, apply.

13. **MARKET VALUE OF ANY EQUITY INTEREST**

13.1 Whenever the purchase price of an Equity Interest is required to be determined in terms of 12, then that purchase price shall be determined in accordance with the following provisions, unless otherwise agreed in writing by the shareholders:

13.1.1 it shall be determined by an independent auditor ("**the Valuer**") who shall act as an expert and not as an arbitrator and whose written determination shall be final and binding on the shareholders in the absence of any clerical or manifest error appearing within 30 (thirty) days from the date the shareholders receive the determination;

13.1.2 the Valuer will be appointed by agreement between the shareholders or, failing agreement between them, on the application of either shareholder, by the Chairman for the time being of The South African Institute of Chartered Accountants;

13.1.3 the Valuer will determine and certify the fair market value of the Equity Interest as at the effective date of the purchase on the following assumptions and bases:

(A) 90% of the Net Asset Value per Ordinary share;

(B) if the Company is then carrying on business as a going concern on a sustainable basis, the Equity Interest shall be valued on the assumption that the Company will continue to do so;

(C) the rights and any restrictions attached to the shares forming part of the Equity Interest and whether the shares in question do or do not (taken as a whole) confer any right of control over the Company shall be taken into account;

13.1.4 if any difficulty shall arise in applying any of the foregoing assumptions or bases then the difficulty shall be resolved by the Valuer in such manner as it in its absolute discretion thinks fit;

13.1.5 the Valuer may call upon any professional advisers of the Company, including the auditors of the Company or any of their predecessors, for such documents and information as the Valuer may reasonably require for the purposes of this determination and the shareholders shall give or, so far as they are able, procure that appropriate authority is given to those advisers to make the disclosures required of them and that they, as far as they are able, give the Valuer all such facilities and information as the Valuer may reasonably require for the purposes of its determination;

13.1.6 for the purposes of its determination the Valuer shall be entitled to consult any other valuers and take account of any valuations obtained from any other valuer, but not necessarily be bound by them;

13.1.7 the Valuer shall afford the shareholders the opportunity to make such written and, at its discretion, oral representations as they or either of them wish, subject to such reasonable time and other limits as the Valuer may prescribe, and it shall have regard to any such representations but not be bound by them;

13.1.8 all the shareholders will use their best endeavours to procure that the Valuer will determine the purchase price within 30 (thirty) days of being requested to do so.

13.2 If the determination of the purchase price is referred to the Valuer in terms of 13.1 the date of determination of the purchase price ("**the Determination Date**") shall be the date on which both shareholders receive the Valuer's determination of the purchase price in writing. If the purchase price is determined by written agreement between the shareholders, the Determination Date shall be the date on which the agreement is made.

13.3 Where the Valuer has determined a purchase price in accordance with the provisions of 13.1 then the shareholder which will have accepted the offer under 11 shall be entitled, if the purchase price is not acceptable to it, to cancel the applicable purchase and sale by giving written notice to that effect to the other shareholder (against whom the option will have been exercised) within a period of 14 (fourteen) days after the Determination Date.

13.4 The cost and expenses of a valuer appointed in terms of this 13 in determining the purchase price and its appointment shall be borne equally by both shareholders unless the purchasing shareholder cancels the purchase in terms of 13.3, in which event it shall pay all those costs and expenses.

14. DISPUTE RESOLUTION

14.1 Any dispute, claim, controversy or difference arising out of or in connection with this Memorandum, or an agreement between the shareholders and the Company ("**the Parties**"), including any question regarding its existence, validity, interpretation or termination or any dispute regarding any non-contractual obligations arising out of or in connection with it (a "**Dispute**"), shall be referred to and finally resolved by arbitration under the Arbitration Foundation of Southern Africa Rules ("**Rules**"), which Rules are deemed to be incorporated by reference into this clause.

14.2 The seat or legal place shall be Johannesburg, South Africa.

14.3 The number of arbitrators shall be one, one each appointed by the Arbitration Foundation of South Africa.

14.4 Each Party expressly agrees and consents to this process for nominating and appointing the arbitrator and, in the event that this clause 14.4 operates to exclude a Party's right to choose an arbitrator, irrevocably and unconditionally waives any right to do so.

14.5 The language to be used in the arbitration shall be English.

14.6 The law of the arbitration agreement shall be the law of South Africa.

14.7 This agreement to arbitrate shall be binding upon the Parties, their successors and assigns.

14.8 Each Party agrees that without preventing any other mode of service, any document and any claim form or other originating process or any third or other party notice may be served on any Party by being delivered to or left for that Party at its address for service of notices under clause 15.

14.9 Nothing contained in this clause 14, shall prohibit a Party from approaching any court of competent jurisdiction for urgent relief pending determination of the dispute by arbitration.

15. ADDRESSES FOR LEGAL PROCESS AND NOTICES

15.1 The shareholders choose for the purposes of this Memorandum the addresses and e-mail addresses reflected in the Company's securities register, and the Company chooses for the purposes of this Memorandum its registered address, for the purpose of any notices.

15.2 Any legal process to be served on any of the Parties may be served on it at the address referred to in 15.1 and it chooses that address as its *domicilium citandi et executandi* for all purposes under this Memorandum.

15.3 Any notice or other communication to be given to any of the Parties in terms of this Memorandum shall be valid and effective only if it is given in writing, provided that any notice given by e-mail shall be regarded for this purpose as having been given in writing.

15.4 A notice to any Party which is delivered to the Party by hand at the address referred to in 15.1 shall be deemed to have been received on the day of delivery, provided it was delivered to a responsible person during ordinary business hours.

15.5 A notice by e-mail to a Party at the e-mail address referred to in 15.1 shall be deemed to have been received within 4 (four) hours of transmission if it is transmitted during normal business hours of the receiving Party or within 4 (four) hours of the beginning of the next business day at the destination after it is transmitted, if it is transmitted outside those business hours.

15.6 Notwithstanding anything to the contrary in this 15, a written notice or other communication actually received by any Party (and for which written receipt has been obtained) shall be adequate written notice or communication to it notwithstanding that the notice was not sent to or delivered at its chosen address.

SCHEDULE 1
AUTHORISED SHARES

(A) Classified shares

- [Authorised share capital on registration of MOI] ordinary shares, each of which shall entitle the holder, subject to any preferences, rights or other share terms of any class of shares in the Company ranking prior to the ordinary shares:
  - to vote on any matter to be decided by shareholders in accordance with the Act and this Memorandum;
  - to receive any distribution in accordance with the holder's voting power;
  - on a liquidation of the Company, to receive the net assets of the Company in accordance with the holder's voting power;
  - to all of the preferences, rights or other terms set out in the Act or this Memorandum;
  - to any other rights at common law insofar as such rights are not inconsistent with this Memorandum or the Act.

SCHEDULE 2
MATTERS REQUIRING SPECIAL RESOLUTION

1. Any voluntary liquidation or any application for the judicial management of the Company.
2. The listing of the Company's shares on any stock exchange.

Annexure 3

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	2021	2020	**2022**	2021	2020
		R'000	R'000	R'000	**R'000**	R'000	R'000
Assets							
Non-current assets		**808 133**	517 214	535 253	**846 561**	260 735	226 831
Plant and equipment	3	**1 040**	1 235	1 482	**-**	-	-
Goodwill	4	**14 944**	14 944	14 944	**-**	-	-
Investments in subsidiaries	5	**-**	-	-	**90 468**	90 468	90 468
Investments in associates	6	**300 215**	167 718	134 174	**300 215**	167 718	134 174
Financial assets	7	**490 662**	329 317	382 202	**455 878**	2 189	2 189
Deferred tax	8	**1 272**	4 000	2 451	**-**	-	-
Current assets		**629 359**	969 669	1 894 386	**23 184**	486 379	605 050
Loans receivable	12	**13 39**	-	-	**13 394**	-	-
Trade and other receivables	9	**63 065**	338 977	1 069 774	**6**	1 269	5 559
Financial assets	7	**164**	89 130	79 371	**-**	30 570	17 975
Current tax receivable		**629**	149	149	**629**	-	-
Cash and cash equivalents	12	**552 107**	541 413	745 092	**9 155**	454 540	581 516
Total assets		**1 437 492**	1 486 883	2 429 639	**869 745**	746 754	831 881
Equity and liabilities							
Equity							
Share capital	11	**44 875**	44 875	474 400	**44 875**	**44 875**	474 400
Reserves		**138 190**	103 657	147 728	**-**	-	640
Retained income		**1 158 776**	923 535	734 808	**745 960**	599 355	313 153
Non-controlling interest		**10 786**	6 616	4 358	**-**	-	-
Total equity		**1 352 627**	1 078 683	1 361 294	**790 835**	644 230	788 193

	Notes	Group			Company		
		2022	2021	2020	**2022**	2021	2020
		R'000	R'000	R'000	**R'000**	R'000	R'000
Non-current liabilities		**21 958**	57 920	96	**21 958**	57 920	96
Deferred tax	8	**21 958**	57 920	96	**21 958**	57 920	96
Current liabilities		**62 907**	350 280	1 068 249	**56 952**	44 604	43 592
Trade and other payables	13	**62 872**	350 176	1 067 645	**8 567**	13 632	13 100
Loans payable	12	**-**	-	-	**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)	21	**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)**	(53 398)	1 927	**(13 560)**	(57 824)	3 416
Profit/(Loss) for the year		**239 411**	190 984	49 593	**146 605**	286 282	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**	286 282	220 036
Non-controlling interest		**4 170**	2 258	3 963	**-**	-	-
		239 411	190 984	49 593	**146 605**	286 282	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	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
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 2022 R'000**	12 months ended 30 June 2021 R'000	15 months ended 30 June 2020 R'000
Cash flows from operating activities							
Cash generated generated/(utilised) in operations	19	**(31 458)**	(50 176)	(5 636)	**(54 908)**	(60 110)	(55 885)
Interest income		**8 681**	16 573	29 042	**8 109**	14 077	25 442
Dividends received from subsidiaries		**-**	-	-	**-**	212 639	241 969
Dividends received from private equity investments		**10 418**	18 521	23 705	**4 006**	2 222	505
Dividends received capital reduction distribution – associate		**-**	-	130 719	**-**	-	130 719
Interest paid		**(489)**	(2)	(10 893)	**(659)**	-	(10 740)
Taxation (paid)/refund received	20	**(54 027)**	(2 623)	(3 055)	**(50 151)**	-	500
Investment in financial instruments		**(390 331)**	-	(2 669)	**(355 800)**	-	(2 188)
Investment in associates		**-**	-	(258 591)	**(1)**	-	(258 591)
Proceeds from sale of investments		**465 119**	123 169	132 803	**-**	-	-
Proceeds from sale of financial investments (trading activities)		**-**	135 221	101 803	**-**	135 221	101 803
Proceeds from sale of financial investments – Hedge Funds		**-**	-	39 903	**-**	-	39 903
(Increase) in loan receivable - associates		**-**	(7 376)	(76)	**-**	(1 500)	(76)
Net cash from operating activities		**7 913**	233 307	177 055	**(449 404)**	302 549	213 361
Cash flows from investing activities							
Purchase of plant and equipment and intangible assets	3	**(146)**	(70)	(4 202)	**-**	-	-
Loans advanced		**(13 394)**	-	-	**(13 394)**	-	66 544
Net cash from investing activities		**(13 540)**	(70)	(4 202)	**(13 394)**	-	66 544
Cash flows from financing activities							
Capital reduction distribution to shareholders	11	**-**	(429 525)	-	**-**	(429 525)	-
Proceeds from borrowings		**-**	-	-	**17 413**	-	(134)

	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
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	10	**552 107**	541 413	745 092	**9 155**	454 540	581 516

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

NOTICE OF SCHEME MEETING OF SHAREHOLDERS

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

Notice is hereby given that a scheme meeting of Zarclear shareholders will be held 10:00 on Wednesday, 2 August 2023 at the registered office of Zarclear (9th Floor, Katherine Towers, 1 Park Lane, Wierda Valley, Sandton, 2196), as well as virtually via a remote interactive electronic platform, Microsoft Teams, for the purpose of considering and, if deemed fit, passing with or without modification, the resolutions set out below.

Shareholders are referred to the circular, which sets out the information and explanatory material that they may require in order to determine whether to participate in the scheme meeting and vote on the resolutions set out below.

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

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

Important dates to note

	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
Announcement relating to the issue of the circular (together with the notice of the scheme meeting and accompanying ancillary documents) published in the press on	Thursday, 6 July
Record date to be eligible to vote at the scheme meeting, being the voting record date, by the close of trade on	Friday, 21 July
Last date and time to lodge forms of proxy in respect of the scheme meeting with the transfer secretaries by 10:00 on (alternatively, the form of proxy may be handed to the chairperson of the scheme meeting at any time prior to the	Monday, 31 July

commencement of the scheme meeting or prior to voting on any resolution to be proposed at the scheme meeting)	
Last date and time for Zarclear shareholders to give notice of their objections to the special resolution approving the scheme in terms of section 164(3) of the Companies Act by no later than 10:00 on	Wednesday, 2 August
Scheme meeting held at 10:00 on	Wednesday, 2 August
Results of the scheme meeting to be published on Zarclear's website on	Wednesday, 2 August
Results of the scheme meeting published in the press on	Thursday, 3 August

Notes:

1. All 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). The dates have been determined based on certain assumptions regarding the date by which certain shareholder and regulatory approvals will be obtained and that no court approval or review of the scheme resolution will be required. Any change in the dates and times will be published in the press.
2. A form of proxy not lodged with the transfer secretaries may be handed to the chairperson of the scheme meeting at any time prior to the commencement of the scheme meeting or prior to voting on any resolution to be proposed at the scheme meeting.
3. If the scheme meeting is adjourned or postponed, a form of proxy submitted for the initial scheme meeting will remain valid in respect of any adjournment or postponement of the scheme meeting, unless it is withdrawn.
4. If the scheme meeting is adjourned or postponed then forms of proxy that have not yet been submitted should be lodged with the transfer secretaries by no later than two business days before the adjourned or postponed scheme meeting but may nonetheless be handed to the chairperson of the adjourned or postponed scheme meeting at any time prior to the commencement of the adjourned or postponed scheme meeting or prior to voting on any resolution to be proposed at the adjourned or postponed scheme meeting.
5. If the scheme is approved by such number of Zarclear shareholders at the scheme meeting so that a Zarclear shareholder may require Zarclear to obtain court approval of the scheme as contemplated in section 115(3)(a) of the Companies Act, and if a Zarclear shareholder in fact delivers such a request, the dates and times set out above will require amendment. Zarclear shareholders will be notified separately of the applicable dates and times under this process.
6. If any Zarclear shareholder who votes against the scheme exercises its rights in terms of section 115(3)(b) of the Companies Act and applies to court for a review of the scheme, the dates and times set out above will require amendment. Zarclear shareholders will be notified separately of the applicable dates and times under this process.

SPECIAL RESOLUTION NUMBER 1: APPROVAL OF THE SCHEME IN TERMS OF SECTIONS 114(1)(F) AND 115 OF THE COMPANIES ACT

"Resolved that the scheme of arrangement proposed by Zarclear between Zarclear and its shareholders in terms of section 114(1)(f) of the Companies Act (as more fully described in the circular to which this notice is attached), which, if implemented, will result in (i) the consolidation of the Company's authorised and issued share capital and (ii) Zarclear repurchasing the Zarclear shares held by odd-lot shareholders who do not avail themselves of the top-up offer to avoid holding odd-lot shares that will be repurchased by the Company, for the odd-lot repurchase consideration on the operative date, be and is hereby approved as a special resolution in accordance with the requirements of section 115(2)(a) of the Companies Act."

In order for special resolution 1 to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders, present in person or by proxy at the scheme meeting, is required. Only shareholders reflected on the register as such on the voting record date are entitled to vote on special resolution 1.

The TRP views the deemed concert parties as inter-related parties who can exert collective control over Zarclear. Whilst neither the Company nor the deemed concert parties agree with the TRP's legal or factual assessment, the deemed concert parties have voluntarily consented (on a without prejudice basis) that the voting rights controlled by them will not be included in calculating the percentage of voting rights (i) required to be present in determining whether the quorum requirements are satisfied; and (ii) required to be voted in support of the scheme resolution.

Reason for and effect of special resolution number 1

In terms of section 115(1) and section 115(2) of the Companies Act, a company may only implement a scheme of arrangement in terms of section 114 of the Companies Act if such scheme of arrangement is approved by a special resolution adopted by persons entitled to vote on such a matter, at a meeting called for that purpose and at which

sufficient persons are present to exercise, in aggregate, at least 25% of all voting rights that are entitled to be exercised on the special resolution.

The reason for special resolution 1 is to obtain the approval of shareholders, in terms of section 114 read with section 115 of the Companies Act for the scheme proposed by Zarclear between the Company and its shareholders.

The effect of special resolution 1 is that the Company will acquire all of the odd-lot shares from odd-lot repurchase participants with effect from the operative date.

SPECIAL RESOLUTION NUMBER 2: REVOCATION OF SPECIAL RESOLUTION NUMBER 1 IF THE SCHEME IS TERMINATED

"Resolved that, subject to and in the event of (i) special resolution number 1 being approved at the scheme meeting in terms of the Companies Act; and (ii) the scheme being terminated, for whatever reason, the special resolution number 1 is revoked with effect from the date of the announcement of (ii) above, as contemplated in section 164(9) of the Companies Act, and accordingly any dissenting shareholder that has sent a demand to Zarclear in terms of sections 164(5) to (8) of the Companies Act to be paid the fair value of its shares, shall have no rights to be so paid under section 164 of the Companies Act."

In order for special resolution 2 to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders, present in person or by proxy at the scheme meeting, is required.

Reason for and effect of special resolution number 2

The reason for and effect of special resolution 2 is that, in accordance with section 164(9)(c) of the Companies Act, shareholders who validly exercise their appraisal rights pursuant to the scheme, shall, by virtue of special resolution number 2, be re-instated as shareholders of the Company, and their appraisal rights will become void and of no further force or effect if, after the approval of the scheme in terms of special resolution 1, the scheme is not implemented for whatever reason and the Company makes an announcement to the effect that the scheme shall not be continued or implemented.

SPECIAL RESOLUTION NUMBER 3: INCREASE IN AUTHORISED SHARE CAPITAL

"Resolved that, in the event that Zarclear's current authorised share capital is insufficient to cover the top-up shares to be issued to top-up issue participants and subject to the passing of special resolution number 1, the number of authorised ordinary shares of no par value of the Company be and hereby is increased from 500 000 000 shares to 1 200 000 000 shares, by the creation of an additional 700 000 000 shares in terms of section 36(2) of the Companies Act with effect from the date that the notice of amendment of and this special resolution number 3 is filed and registered with CIPC."

In order for special resolution 3 to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders, present in person or by proxy at the scheme meeting, is required.

Reason for and effect of special resolution number 3

The reason for and effect of special resolution 3 is increase the authorised share capital of the Company to provide for a sufficient number of authorised but unissued shares to allow top-up issue participants to subscribe for top-up shares by the creation of an additional 700 000 000 shares such that the authorised share capital of Zarclear be increased from 500 000 000 shares to 1 200 000 000 shares. Should the current authorised share capital be sufficient to cover the top-up shares to be issued to top-up participants, this special resolution number 3 shall not be registered with CIPC and the authorised share capital of the Company will remain 500 000 000 shares, prior to the share consolidation.

SPECIAL RESOLUTION NUMBER 4: ADOPTION OF REPLACEMENT MOI

"Resolved that, in terms of section 16 of the Companies Act, the Company be converted from a public company to a private company and that Zarclear's current MOI be hereby replaced in its entirety with the replacement MOI annexed hereto as **Annexure 2**, which replacement MOI includes the consolidation of the Company's authorised and issued share capital and with effect from the date that the notice of amendment and this special resolution number 4 is filed and registered with CIPC."

In order for special resolution 4 to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders, present in person or by proxy at the scheme meeting, is required.

Reason for and effect of special resolution number 4

The reason for and effect of special resolution 4 is to adopt the replacement MOI to convert the Company from a public company to a private company.

SPECIAL RESOLUTION NUMBER 5: APPROVAL TO ISSUE SHARES IN TERMS OF SECTION 41(1) OF THE COMPANIES ACT

"Resolved that, in terms of section 41(1) of the Companies Act, the issue by the Company of shares to any director, future director, prescribed officer or future prescribed officer of the Company, or to a person related or interrelated to the Company, or to a person related or inter-related to a director or prescribed officer of the Company, or to any nominee of such person, in terms of the top-up issue, be and is hereby approved."

In order for special resolution 5 to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders, present in person or by proxy at the scheme meeting, is required.

Reason for and effect of special resolution number 5

The reason for and effect of special resolution 5 is that, in accordance with section 41(1) of the Companies Act, an issue of shares must be approved by a special resolution of the shareholders of a company if the shares are issued to a director or prescribed officer or a person related or inter-related to a director or prescribed officer of the company. Accordingly, in order to allow a director or prescribed officer or a person related or inter-related to a director or prescribed officer of the Company to subscribe for top-up shares, Zarclear shareholders are requested to authorise and approve the issue of top-up shares to such parties.

SPECIAL RESOLUTION NUMBER 6: AUTHORITY TO ISSUE SHARES IN TERMS OF THE COMPANIES ACT

"Resolved that the Company is authorised to issue additional ordinary shares of no par value in the authorised share capital of the Company to top-up issue participants, including authority in terms of section 41(3) of the Companies Act should the issue result in the voting powers of the additional shares being equal to or exceeding 30% of the voting power of the Zarclear shares held by Zarclear shareholders immediately before the issue of the additional shares before the top-up issue.

In order for special resolution 6 to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders, present in person or by proxy at the scheme meeting, is required.

Reason for and effect of special resolution number 6

The reason for and effect of special resolution 6 is to enable the Company to issue additional shares to top-up issue participants including in the event that the voting power of the additional shares to be issued to top-up issue participants will be equal to or exceed 30% of the voting power of all the Zarclear shares in issue immediately before the implementation of the top-up issue.

ORDINARY RESOLUTION NUMBER 1: AUTHORITY TO GIVE EFFECT TO RESOLUTIONS

"Resolved that any director or the company secretary of Zarclear be and is hereby authorised to do all such things and sign all such documents required to give effect to the special resolutions proposed above and passed at the scheme meeting."

In order for ordinary resolution 1 to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders, present in person or by proxy at the scheme meeting, is required.

APPRAISAL RIGHTS FOR DISSENTING SHAREHOLDERS

In accordance with section 164 of the Companies Act, at any time before special resolution number 1 as set out in this notice convening the scheme meeting is voted on, a shareholder may give the company a written notice objecting to special resolution number 1.

Within 10 business days after the company has adopted special resolution number 1, the company must send a notice that the special resolution has been adopted to each shareholder who:

- gave the company a written notice of objection as contemplated above; and
- has neither withdrawn that notice nor voted in support of special resolution number 1.

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

- the shareholder has sent the company a written notice of objection;
- the company has adopted special resolution number 1; and
- the shareholder voted against the special resolution number 1 and has complied with all of the procedural requirements of section 164 of the Companies Act.

A copy of section 164 of the Companies Act is set out in **Appendix A** to **Annexure 1** of the circular to which this notice convening the scheme meeting is attached. Further detail regarding the process and consequences of a shareholder exercising its appraisal rights are set out in paragraph 3.9 of this circular.

VOTING AND QUORUM

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

In addition:

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

Every shareholder present in person or represented by proxy and entitled to exercise voting rights at the scheme meeting shall be entitled to vote on a show of hands, irrespective of the number of voting rights that shareholder would otherwise be entitled to exercise. On a poll, any person who is present at the scheme meeting, whether as a shareholder or as proxy for a shareholder, has the number of votes determined in accordance with the voting rights associated with the shares held by that shareholder.

SHAREHOLDERS

General instructions

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

Electronic participation at the scheme meeting

Shareholders wishing to participate in the scheme meeting are requested, for administrative purposes, to submit notification of their intent (the "**electronic notice**") by e-mail to the transfer secretaries Computershare Investor Services Proprietary Limited, at proxy@computershare.co.za as soon as possible and by no later than 10:00 on Monday, 31 July 2023. The electronic notice should include relevant contact details including email address,

cellular number and landline, as well as full details of the shareholder's title to the shares and proof of identity, in the form of copies of identity documents and share certificates. The shareholder should also indicate whether the shareholder wishes to vote by proxy or wishes to exercise votes during the scheme meeting. Upon receipt of the required information, the shareholder concerned will be provided with a link to access the scheme meeting, which will take place via Microsoft Teams, together with any further instructions. The fact that shareholders are requested to submit an electronic notice to the company secretary before 10:00 on Monday, 31 July 2023 will not in any way affect the rights of shareholders who submit an electronic notice after this date and who have been fully verified (as required in terms of section 63(1) of the Companies Act) to participate in and/or vote at the scheme meeting. Shareholders may contact the transfer secretaries directly on the following helpline: +27 11 370 5000.

Proxies and authority for representatives to act

Shareholders who are unable to attend the scheme meeting but who wish to be represented thereat are requested to complete and return the attached form of proxy in accordance with the instructions contained therein. The duly completed forms of proxy are requested to be received by the transfer secretaries by no later than 10:00 on Monday, 31 July 2023. Forms of proxy not lodged with the transfer secretaries in time may be handed to the chairperson of the scheme meeting immediately before the commencement thereof.

Beneficial shareholders whose shares are not registered in their own name, but in the name of another, for example, a nominee, may not complete a proxy form, unless a form of proxy is issued to them by a registered shareholder and they should contact the registered shareholder for assistance in issuing instructions on voting their shares, or obtaining a proxy to attend, speak and, on a poll, vote at the scheme meeting.

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

By order of the board

Zarclear Holdings Limited
4 July 2023

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

FORM OF PROXY

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

For completion by Zarclear shareholders who are unable to attend the scheme meeting to be held at 10:00 on Wednesday, 2 August 2023 at the registered office of Zarclear (9th Floor, Katherine Towers, 1 Park Lane, Wierda Valley, Sandton, 2196).

Shareholders who are unable to attend the scheme meeting but who wish to be represented thereat are requested to complete and return the attached form of proxy in accordance with the instructions contained therein. The duly completed forms of proxy are requested to be received by the transfer secretaries by no later than 10:00 on Monday, 31 July 2023. Forms of proxy not lodged with the transfer secretaries in time may be handed to the chairperson of the scheme meeting immediately before the commencement thereof.

I/We (FULL NAMES IN BLOCK LETTERS PLEASE)

Email address

Telephone number

Cellphone number

of (address)

being the holder(s) of _____ shares hereby appoint:

1. _____ or failing him/her

2. _____ of failing him/her

3. the chairperson of the scheme meeting

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

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

	Number of votes		
	***In favour of**	***Against**	***Abstain**
Special resolution number 1: Approval of the scheme in terms of sections 114(1)(c) and 115 of the Companies Act			
Special resolution number 2: Revocation of special resolution number 1 if the scheme is terminated			
Special resolution number 3: Increase in authorised share capital			
Special resolution number 4: Adoption of replacement MOI			
Special resolution number 5: Approval to issue shares in terms of section 41(1) of the Companies Act			
Special resolution number 6: Authority to issue shares in terms of the Companies Act			
Ordinary resolution number 1: Authority to give effect to resolutions			

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

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

Signed this day of 2023

Signature

Assisted by me (where applicable)

(State capacity and full name)

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

The duly completed forms of proxy are requested to be received by the transfer secretaries by no later than 10:00 on Monday, 31 July 2023. Forms of proxy not lodged with the transfer secretaries in time may be handed to the chairperson of the scheme meeting immediately before the commencement thereof. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the scheme meeting should the shareholder decide to do so.

Please read notes on the reverse side hereof.

NOTES TO THE FORM OF PROXY:

1. Only shareholders recorded as such in the registers maintained by the transfer secretaries on the voting record date, being Friday, 21 July 2023, in order to attend and vote at the scheme meeting may complete a form of proxy or attend the scheme meeting. A proxy need not be a shareholder of Zarclear.

2. Shareholders wishing to attend the scheme meeting have to ensure beforehand with the transfer secretaries that their shares are registered in their own name.

3. Beneficial shareholders whose shares are not registered in their own name, but in the name of another, for example, a nominee, may not complete a proxy form, unless a form of proxy is issued to them by a registered shareholder and they should contact the registered shareholder for assistance in issuing instructions on voting their shares, or obtaining a proxy to attend, speak and, on a poll, vote at the scheme meeting.

4. A shareholder may insert the name of a proxy or the names of two or more alternative proxies of the shareholder's choice in the space, with or without deleting "the chairperson of the scheme meeting of shareholders". The person whose name stands first on the form of proxy and who is present at the scheme meeting will be entitled to act as proxy to the exclusion of those whose names follow.

5. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the scheme meeting and speaking and voting in person thereat to the exclusion of any proxy appointed, should such shareholder wish to do so. In addition to the aforegoing, a shareholder may revoke the proxy appointment by:

    5.1. cancelling it in writing, or making a later inconsistent appointment of a proxy; and

    5.2. delivering a copy of the revocation instrument to the proxy, and to Zarclear.

6. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date:

    6.1. stated in the revocation instrument, if any; or

    6.2. upon which the revocation instrument is delivered to the proxy and Zarclear as required in section 58(4)(c)(ii) of the Companies Act.

7. Should the instrument appointing a proxy or proxies have been delivered to the transfer secretaries, as long as that appointment remains in effect, any notice that is required by the Companies Act or the MOI to be delivered by the company to the shareholder must be delivered to:

    7.1. the shareholder; or

    7.2. the proxy or proxies if the shareholder has in writing directed Zarclear to do so and has paid any reasonable fee charged by Zarclear for doing so.

8. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the existing MOI or the instrument appointing the proxy provide otherwise.

9. If Zarclear issues an invitation to shareholders to appoint one or more persons named by Zarclear as a proxy, or supplies a form of instrument appointing a proxy:

    9.1. such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;

    9.2. Zarclear must not require that the proxy appointment be made irrevocable; and

    9.3. the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.

10. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies. A deletion of any printed matter and the completion of any blank space(s) need not be signed or initialled.

11. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form unless previously recorded by the transfer secretaries or waived by the chairperson of the scheme meeting.

12. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.

13. A company holding shares in Zarclear that wishes to attend and participate at the scheme meeting should ensure that a resolution authorising a representative to act is passed by its directors. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with the transfer secretaries prior to the scheme meeting.

14. Where there are joint holders of shares any one of such persons may vote at any meeting in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders wishes to be present or represented at the scheme meeting, that one of the said persons whose name appears first in the register of such shares or his proxy, as the case may be, shall alone be entitled to vote in respect thereof.

15. The chairperson of the scheme meeting may reject or accept any proxy which is completed and/or received other than in accordance with the instructions, provided that he shall not accept a proxy unless he is satisfied as to the matter in which a shareholder wishes to vote.

16. A proxy may not delegate his/her authority to act on behalf of the shareholder, to another person.

17. A shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the chairperson of the scheme meeting, if the chairperson is the authorised proxy, to vote in favour of the resolutions at the scheme meeting or other proxy to vote or to abstain from voting at the scheme meeting as he/she deems fit, in respect of the shares concerned. A shareholder or the proxy is not obliged to use all of the votes exercisable by the shareholder or the proxy, but the total of votes cast in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.

18. The duly completed forms of proxy are requested to be received by the transfer secretaries by no later than 10:00 on Monday, 31 July 2023. Forms of proxy not lodged with the transfer secretaries in time may be handed to the chairperson of the scheme meeting immediately before the commencement thereof. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the scheme meeting should the shareholder decide to do so. This form of proxy may be used at any adjournment or postponement of the scheme meeting, including any postponement due to a lack of quorum, unless withdrawn by the shareholder.

19. The aforegoing notes include a summary of the relevant provisions of section 58 of the Companies Act, as required in terms of that section.

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

FORM OF SURRENDER AND TRANSFER

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

This form should be read in conjunction with the circular.

Important notes concerning this form:

- This form is only for use in respect of the scheme of arrangement in terms of section 114 of the Companies Act (read with section 115 of the Companies Act) proposed by Zarclear between Zarclear and Zarclear shareholders in terms of which, if implemented, Zarclear will acquire the odd-lot shares from odd-lot repurchase participants.
- Full details of the scheme are contained in the circular to which this form is attached.
- Zarclear shareholders who are not resident in, or who have registered addresses outside South Africa, must satisfy themselves as to the full observance of any applicable law concerning the receipt of the odd-lot repurchase consideration, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes due in such jurisdiction. Zarclear shareholders who are in any doubt as to their positions should consult their professional advisors immediately.
- A dissenting Zarclear shareholder who subsequently becomes an odd-lot repurchase participant after the odd-lot repurchase record date will receive the odd-lot repurchase consideration, as the case may be, in terms of the scheme.
- **This form is attached for the convenience of Zarclear shareholders who may wish to surrender their documents of title prior to the odd-lot repurchase record date.**

INSTRUCTIONS:

1. This form is for use by an odd-lot repurchase participants.
2. Odd-lot repurchase participants must complete this form in BLOCK CAPITALS.
3. A separate form is required for each shareholder who is an odd-lot repurchase participant.
4. **Part A** must be completed by all odd-lot repurchase who return this form.
5. **Part B** must be completed by those shareholders who elect to receive the odd-lot repurchase consideration electronically transferred into their bank accounts.
6. **Part C and D** must be completed by shareholders who are emigrants from or non-residents of the Common Monetary Area.
7. If this form is returned with the relevant documents of title to scheme shares, it will be treated as a conditional surrender which is made subject to the terms of the circular and to the scheme becoming operative. Should the scheme not be implemented, any documents of title surrendered and held by the transfer secretaries will be returned to the relevant shareholders by the transfer secretaries, at the relevant shareholder's own risk, by registered post within five business days from the date of receipt of the document of title or the date on which it becomes known that the scheme will not be implemented, whichever is the later.
8. Persons who have acquired Zarclear shares after the date of the issue of the circular to which this form is attached, may obtain copies of the form and the circular from the transfer secretaries.
9. The odd-lot repurchase consideration will not be sent to odd-lot repurchase participants unless and until documents of title in respect of the scheme shares have been surrendered to the transfer secretaries.

10. If an odd-lot repurchase participant fails to complete this form in respect of all of the Zarclear shares held by such odd-lot repurchase participant, that odd-lot repurchase participant will be deemed to have elected to receive the odd-lot repurchase consideration in respect of such Zarclear shares.

To: Zarclear Holdings Limited

Care of: 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 odd-lot repurchase participants 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:

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	

against payment of the odd-lot repurchase consideration as follows:

	Number of Zarclear shares
Cash consideration in respect of	

Surname or name of corporate body

First names (in full)

Title (Mr, Mrs, Miss, Ms, etc)

Telephone number:

Cell number:

Email address:

Address

Postal code

Signature of Zarclear 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	
Cell phone 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: To be completed by shareholders who wish to have the odd-lot repurchase consideration transferred into their bank accounts

Name of bank account holder:
Account number:
Name of bank:
Branch:
Branch code:
Type of bank account (cheque, savings, transmission, etc.):

Notes:

1. *The odd-lot repurchase consideration will only be electronically transferred if Part B is properly completed and this form is returned to the transfer secretaries together with the documents of title on or before the odd-lot repurchase record date.*
2. *In terms of FICA requirements, the transfer secretaries will not record any bank mandate without certified true copies of the shareholder's identity document and bank statement.*

PART C: To be completed by emigrants of the Common Monetary Area.

Nominated authorised dealer in the case of an odd-lot repurchase participant who is an emigrant from the common monetary area (see note 1 below)

Name of dealer: _____

Account number: _____

Address: _____

_____

PART D: To be completed in BLOCK CAPITALS by odd-lot repurchase participants who are emigrants from the Common Monetary Area ("emigrants") and non-residents of the Common Monetary Area (see notes 1 and 2 below).

The odd-lot repurchase consideration will, in terms of the scheme, be forwarded to the authorised dealer in foreign exchange in South Africa controlling the emigrant's blocked assets in terms of the Exchange Control Regulations as nominated below for its control and credited to the emigrant's blocked assets account. Accordingly, odd-lot repurchase participants who are emigrants must provide the following information:

Name of authorised dealer:	
Account number:	
Address:	
Account number:	

If emigrants make no nomination above, Zarclear or the transfer secretaries will hold the odd-lot repurchase consideration in trust. Non-residents must complete Part D if they wish the relevant odd-lot repurchase consideration to be paid to an authorised dealer in South Africa.

Notes and instructions:

1. Emigrants from the Common Monetary Area must complete **Part C**.
2. All other non-residents of the Common Monetary Area must complete **Part D** if they wish the relevant odd-lot repurchase consideration to be paid to an authorised dealer in South Africa.
3. If **Part C** is not properly completed by emigrants, the odd-lot repurchase consideration will be held in trust by the transfer secretaries pending receipt of the necessary nomination or instruction.
4. No receipts will be issued for documents lodged unless specifically requested.
5. Persons who are emigrants from the Common Monetary Area should nominate the authorised dealer in foreign exchange in South Africa which has control of their blocked assets listed in **Part C** of this form. Failing such nomination, the odd-lot repurchase consideration due to such odd-lot repurchase participants in accordance with the provisions of the scheme will be held by the transfer secretaries, pending instructions from the odd-lot repurchase participants concerned.
6. Any alteration to this form must be signed in full and not initialled.
7. 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).
8. Where the odd-lot repurchase 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.
9. If this form is not signed by the odd-lot repurchase participant, such odd-lot repurchase participant will be deemed to have irrevocably appointed the transfer secretaries to implement the obligations of the odd-lot repurchase participant under the scheme on his or her behalf.
10. Where there are any joint holders of any scheme shares, only that holder whose name stands first in the register in respect of such shares need sign this form.
11. 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.

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

FORM OF SUBSCRIPTION

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

This form should be read in conjunction with the circular.

Important notes concerning this form:

- This form is for use by top-up issue participants, being odd-lot shareholders who elect to subscribe for top-up shares.
- A subscription for top-up shares may be made only for such number of Zarclear shares that will result in top-up issue participant holding the next highest multiple of 10 000 000 Zarclear shares.
- Full details of the top-up issue are contained in the circular to which this form is attached.
- Odd-lot shareholders who are not resident in, or who have registered addresses outside South Africa, must satisfy themselves as to the full observance of any applicable law concerning the subscription of the top-up shares, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes due in such jurisdiction. Odd-lot shareholders who are in any doubt as to their positions should consult their professional advisors immediately.
- Odd-lot shareholders who are not resident in, or who have registered addresses outside South Africa are precluded from electing to subscribe for top-up shares unless such shareholder provides satisfactory evidence to the Company that it is lawful to do so.
- If this form of subscription is not signed by the top-up issue participant and delivered to the transfer secretaries prior to or by 12:00 on Monday, 21 August 2023 and if the subscription price for the top-up shares is not paid prior to or by 12:00 on Monday, 28 August 2023, the top-up issue participant will be deemed not to have accepted the top-up issue and will be deemed to have agreed to sell its odd-lot shares to Zarclear for the odd-lot repurchase consideration in respect of the odd-lot repurchase as detailed in the circular.

INSTRUCTIONS:

1. This form is for use by top-up issue participants only.
2. Top-up issue participants must complete this form in BLOCK CAPITALS.
3. A separate form is required for each Zarclear shareholder who is a top-up issue participant
4. Top-up issue participants are requested to surrender their existing share certificates to the transfer secretaries by completing the form of surrender and transfer in accordance with the instructions contained therein and return the duly completed form of surrender and transfer together with this form of subscription and the relevant documents of title to scheme shares to the transfer secretaries.
5. Top-up issue participants must, within five (5) business days, but not earlier than Thursday, 3 August 2023 deposit the subscription amount into the Company's bank account:

   Zarclear Holdings Limited
   Bank: Standard Bank of South Africa Limited
   Account number 300863616
   Bank Code: 009953
   Ref: Shareholder name – Top-up issue

6. **Part A** must be completed by all top-up issue participants
7. **Part B and C** must be completed by shareholders who are emigrants from or non-residents of the Common Monetary Area.
8. Zarclear shareholders who have acquired Zarclear shares after the date of the issue of the circular to which this form is attached and who elect to subscribe for top-up shares, may obtain copies of the form and the circular from the transfer secretaries.

To: Zarclear Holdings Limited

Care of: 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 top-up issue participants

I/We hereby subscribe for such for the top-up shares in respect of my/our holdings of Zarclear shares, as per my/our instructions contained herein.

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	

against payment of the subscription consideration as follows:

	Number of Zarclear shares
Subscription consideration in respect of	

Surname or name of corporate body

First names (in full)

Title (Mr, Mrs, Miss, Ms, etc)

Telephone number:

Cell number:

Email address:

Address

Postal code

Signature of Zarclear shareholder	Stamp and address of agent lodging this form of subscription (if any)
Assisted by me (if applicable)	
(State full name and capacity)	
Date	
Telephone number	
Cell phone number	

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

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

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

Please note that copies of certified copies will not be accepted

PART B: To be completed by emigrants of the Common Monetary Area.

Nominated authorised dealer in the case of a top-up issue participant who is an emigrant from the common monetary area (see note 1 below)

Name of dealer: _____

Account number: _____

Address: _____

_____

PART C: To be completed in BLOCK CAPITALS by top-up issue participants who are emigrants from the Common Monetary Area ("emigrants") and non-residents of the Common Monetary Area (see notes 1 and 2 below).

Replacement share certificates in respect of the total number of Zarclear shares due following the top-up issue must be endorsed "non-resident" and placed under the control of the authorised dealer in South Africa controlling the emigrant's blocked assets in terms of the Exchange Control Regulations as nominated below for its control Accordingly, top-up issue participants who are emigrants must provide the following information:

Name of authorised dealer:	
Account number:	
Address:	
Account number:	

If emigrants make no nomination above, Zarclear or the transfer secretaries will hold the top-up issue replacement share certificates in trust.

Notes and instructions:

1. Emigrants from the Common Monetary Area must complete **Part B**.
2. All other non-residents of the Common Monetary Area must complete **Part C** if they wish to subscribe for top-up shares.
3. If **Part B or C** are not properly completed by emigrants, the top-up issue replacement share certificate will be held in trust by the transfer secretaries pending receipt of the necessary nomination or instruction.
4. No receipts will be issued for documents lodged unless specifically requested.
5. Persons who are emigrants from the Common Monetary Area should nominate the authorised dealer in foreign exchange in South Africa which has control of their blocked assets listed in **Part B** of this form. Failing such nomination, the top-up issue replacement share certificates will be held by the transfer secretaries, pending instructions from the top-up participants concerned.
6. Any alteration to this form must be signed in full and not initialled.
7. 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).
8. Where the top-up issue 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.
9. If this form is not signed by the top-up issue participant, such top-up issue participant will be deemed to have irrevocably appointed the transfer secretaries to implement the obligations of the top-up issue participant in terms of the top-up issue on his or her behalf.
10. Where there are any joint holders of any Zarclear shares, only that holder whose name stands first in the register in respect of such shares need sign this form.
11. 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.