



STANDARD BANK GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1969/017128/06)

JSE share code: SBK

NSX share code: SNB

A2X share code: SBK

ISIN: ZAE000109815

("SBG")



LIBERTY

LIBERTY HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1968/002095/06)

JSE Ordinary Share code: LBH

ISIN: ZAE0000127148

JSE Preference share code: LBHP

ISIN code: ZAE000004040

("Liberty")

JOINT ANNOUNCEMENT OF SBG'S FIRM INTENTION TO MAKE (I) AN OFFER TO ACQUIRE ALL OF LIBERTY'S ISSUED ORDINARY SHARES NOT OWNED BY SBG OR A TREASURY SHARE HOLDING SUBSIDIARY OF LIBERTY AND (II) AN OFFER TO ACQUIRE ALL OF LIBERTY'S ISSUED PREFERENCE SHARES, WHICH WILL RESULT IN THE DELISTING OF ALL LIBERTY ORDINARY SHARES AND LIBERTY PREFERENCE SHARES

1. INTRODUCTION

Holders of Liberty ordinary shares ("**Ordinary Shareholders**"), holders of Liberty preference shares ("**Preference Shareholders**") and shareholders of SBG are advised that on 14 July 2021 ("**Signature Date**") Liberty and SBG concluded an implementation agreement ("**Implementation Agreement**") pursuant to which SBG intends to make an offer:

- 1.1 to acquire all of the issued ordinary shares of with a par value of 8.33 recurring cents each in Liberty ("**Ordinary Shares**") other than those Ordinary Shares held by SBG and Lexshell 615 Investments Proprietary Limited ("**Excluded Shareholders**") in terms of a scheme of arrangement ("**Ordinary Scheme**") which is described in paragraph 4 below. If the Ordinary Scheme becomes operative, participants therein will receive 0.5 SBG ordinary shares ("**SBG Consideration Shares**") plus an aggregate amount of R25.50 in cash per Ordinary Share, comprising (i) Ordinary Scheme Cash Consideration of R14.40 per Ordinary Scheme Share; and (ii) a Special Distribution of R11.10 per Ordinary Share, being an implied Aggregate Transaction Consideration of R89.46 per Ordinary Share as referred to in paragraph 4.2.2 below; and
- 1.2 to acquire all of the issued preference shares with a par value of 10 cents each in Liberty ("**Preference Shares**") for a price of R1.50 per Preference Share in terms of the Preference Share Offer which is described in paragraph 5 below,

(collectively, the "**Proposed Transaction**").

2. RATIONALE FOR THE PROPOSED TRANSACTION

SBG and Liberty have enjoyed a “special relationship” since 1974, as Liberty founder Sir Donald Gordon said in 1999. Over many years, the two groups of companies have cooperated at arm’s length through a highly successful and valuable bancassurance arrangement. The Proposed Transaction represents a natural progression in this special relationship, increasing the integration and ability to collaborate to provide the best financial service offerings to clients through the most efficient means.

SBG’s strategy is to be an Africa-focused, client centred and digitally enabled integrated financial services group. This strategy is underpinned by SBG’s purpose: Africa is our home, we drive her growth. SBG’s strategy and vision commits SBG to delivering simple, relevant and complete solutions to its clients through their preferred channel, whether online or in person. SBG has now begun the process of extending its range of services to become a trusted and preferred provider of an increasingly wide range of financial and associated services.

Liberty’s strategy is to become a human-augmented platform business whose purpose is to make its clients’ financial freedom possible. This naturally complements and reinforces SBG’s purpose and strategy.

The Boards of both SBG and Liberty believe that SBG’s acquisition of 100% of Liberty and integrating Liberty fully into the greater group will facilitate the creation of a united and formidable competitor in financial services in Africa with compelling scale.

The strategic benefits of the Proposed Transaction are numerous and compelling. A complete integration will enhance both entities’ ability to meet clients’ financial needs, making possible holistic advice and competitive solutions for clients, especially during major transition points in their lives. SBG’s banking, private client asset management and short-term insurance capabilities will complement Liberty’s strength in long term insurance and asset management, and this will enhance the competitive position of Liberty’s adviser force in the market. Liberty will be part of a larger and stronger entity and SBG will benefit from capital efficiencies following the Proposed Transaction. There is significant opportunity for rapid and efficient growth of fully integrated client offerings throughout SBG’s existing operations, as well as joint penetration of new market opportunities across Africa.

The Proposed Transaction is a strong vote of confidence by SBG in the strength of Liberty’s business, its client franchise, and very importantly its adviser networks and teams of people.

As is more fully set out in paragraph 9 below, the Independent Board of Liberty intends to recommend that the Ordinary Shareholders and Preference Shareholders vote in favour of the Ordinary Scheme and the Preference Scheme referred to in paragraph 5.1.1.1 below.

3. INFORMATION ABOUT SBG

SBG has controlled Liberty since 1999, when it acquired control from the late Sir Donald Gordon. SBG is Africa’s largest financial services group by assets, with total assets of R2.5 trillion and a market capitalisation of R208 billion at 31 December 2020. SBG is listed on the JSE and A2X with share code SBK, and the Namibian Stock Exchange, share code SNB. The SBG group, including Liberty, employed just over 50,000 people across all of the 20 geographies in which it has operations at 31 December 2020, and had 1,124 branches and 6,774 automatic teller machines to service clients’ needs. SBG had headline earnings of R15.9 billion for the year ended 31 December 2020.

SBG is an African-focused, client-centric, digitally enabled integrated financial services organisation. SBG’s strategy is designed to realise the opportunities presented by Africa’s longer-term structural trends. The SBG group places its clients at the heart of everything it does, ensuring that its businesses are always on, always there to deliver to clients’ needs in a secure, personalised and relevant way.

SBG has a 158-year history in South Africa and started building a franchise in sub-Saharan Africa almost 30 years ago. SBG has an on-the-ground presence in 20 countries on the African continent, and solid local knowledge required to operate a successful business in Africa. Its fit-for-purpose representation in, and connection with, global financial centres enables it to facilitate investment and development flows in Africa, and to access international capital to facilitate growth, diversification and development in Africa. SBG also has a strategic partnership with the

largest bank in the world, the Industrial and Commercial Bank of China Limited (ICBC), which is a 20% shareholder in SBG.

The long-term foreign currency ratings for The Standard Bank of South Africa Limited (“**SBSA**”), the single largest operating entity within the SBG group, are: Fitch Ratings BB- (negative) and Moody’s Ba2 (negative).

4. THE ORDINARY SCHEME

4.1 Overview of the Ordinary Scheme

4.1.1 In order to give effect to the offer to acquire the Ordinary Shares, the Ordinary Scheme between Liberty and the Ordinary Shareholders other than the Excluded Shareholders (“**Ordinary Scheme Participants**”) will be proposed by the board of directors of Liberty (“**Liberty Board**”) in terms of Section 114(1)(c) as read with Section 115 of the Companies Act 71 of 2008 (“**Companies Act**”) and Chapter 5 of the Companies Regulations, 2011 (“**Companies Regulations**”).

4.1.2 The Ordinary Scheme will, subject to obtaining the approvals of the Financial Surveillance Department of the South African Reserve Bank (“**FinSurv**”), the Takeover Regulation Panel (“**TRP**”) and the JSE required for the posting of the Ordinary Scheme Circular (as defined in paragraph 10.1 below), be proposed by the Liberty Board, on the terms and conditions to be set out in the Ordinary Scheme Circular.

4.1.3 The Ordinary Scheme is subject to the fulfilment or waiver, as the case may be, of the Ordinary Scheme Conditions set out in paragraph 4.6 below.

4.2 Ordinary Scheme Consideration and Effects

4.2.1 If the Ordinary Scheme becomes operative, the Ordinary Scheme Participants will receive 0.5 SBG Consideration Shares plus an aggregate amount of R25.50 in cash per Ordinary Share in the following manner:

4.2.1.1 SBG will acquire all of the Ordinary Shares held by Ordinary Scheme Participants (“**Ordinary Scheme Shares**”) (free of encumbrances) for a consideration per Ordinary Scheme Share (“**Ordinary Scheme Consideration**”) consisting of:

4.2.1.1.1 0.5 SBG Consideration Shares (“**Ordinary Scheme Share Consideration**”), subject to the principles regarding settlement of fractional entitlements as regulated in the Listings Requirements (“**JSE Listings Requirements**”) of the securities exchange operated by JSE Limited (“**JSE**”);[†] and

4.2.1.1.2 a cash consideration of R14.40 (fourteen Rand and forty cents) per Ordinary Scheme Share, subject to any Ordinary Scheme Cash Consideration Adjustment (as defined in paragraph 4.4 below) (“**Ordinary Scheme Cash Consideration**”); and

4.2.1.2 Liberty will pay a Special Distribution of R11.10 (eleven Rand and ten cents) per Ordinary Share (“**Special Distribution**”) out of Liberty’s contributed tax capital as referred to in paragraph 4.3 below,

and all of the Ordinary Shares will be delisted from the Main Board of the JSE.

4.2.2 The Ordinary Scheme Consideration together with the Special Distribution translates into an aggregate transaction consideration of R89.46 (“**Aggregate Transaction Consideration**”) which represents a premium of 32.6% to the closing price of Ordinary Shares on the JSE on 14 July 2021 (based upon the closing price of SBG ordinary shares on that date) and a premium of 40.5% to the 30-day Volume-Weighted Average Price (“**30-**

[†] The Ordinary Scheme Share Consideration will be sold on behalf of non-South African Ordinary Scheme Participants where SBG is not satisfied that such Ordinary Scheme Participants are eligible to receive the Ordinary Scheme Share Consideration without the completion of registration or other formalities outside South Africa (the net proceeds thereof will be remitted to the persons on whose behalf such shares were sold).

day VWAP) of Ordinary Shares traded on the JSE prior to that date (based upon the 30-day VWAP of SBG ordinary shares prior to that date):

	As at 14 July 2021	Aggregate Transaction Consideration
Market price ⁽¹⁾	R67.48	R89.46
30-day VWAP ⁽²⁾	R64.65	R90.81

Notes:

- (1) The “market price” represents the closing price of Ordinary Shares on the JSE on 14 July 2021, being the last trading day prior to the publication of this announcement on the stock exchange news service of the JSE and Namibian Stock Exchange (“**SENS**”) and the A2X news service (“**ANS**”).
- (2) The “30-day VWAP” represents the VWAP at which Ordinary Shares traded on the JSE for the 30 trading days up to and including 14 July 2021, being the last trading day prior to the publication of this announcement on SENS and ANS.

4.2.3 The SBG Consideration Shares:

- 4.2.3.1 will be highly liquid and tradable should Ordinary Scheme Participants seek to monetize their investment;
- 4.2.3.2 represent a comparable instrument to that currently held by Ordinary Shareholders, being ordinary shares in a JSE-listed financial services group; and
- 4.2.3.3 will give Ordinary Scheme Participants the ability to participate in the realisation over time of synergies arising from the integration of Liberty into SBG.

To the extent that Ordinary Scheme Participants receive SBG Consideration Shares, they will be able to obtain the benefit of partial roll-over relief from South African capital gains tax. This roll-over relief only applies where the value of the Ordinary Scheme Consideration exceeds the Ordinary Scheme Participant's base cost in respect of its Ordinary Shares, and does not apply to the Ordinary Scheme Cash Consideration portion of the Ordinary Scheme Consideration. The tax consequences of the Proposed Transaction will be dealt with more fully in the circulars referred to below.

4.3 **Special Distribution**

- 4.3.1 The Ordinary Scheme will be conditional on the declaration by the Liberty Board of the Special Distribution, which will be payable simultaneously with the Ordinary Scheme Consideration on the date on which the Ordinary Scheme is to be implemented (“**Ordinary Scheme Implementation Date**”).
- 4.3.2 The payment of the Special Distribution will be subject to the Ordinary Scheme becoming operative, since it is only able to be paid by Liberty as a result of Liberty’s full integration into SBG.
- 4.3.3 The Special Distribution will be paid to all Ordinary Shareholders other than dissenting shareholders who have no further rights to their Ordinary Shares as a result of having exercised their appraisal rights in terms of Section 164 of the Companies Act (“**Appraisal Rights**”).

4.4 **Ordinary Scheme Cash Consideration Adjustment**

- 4.4.1 If Liberty declares, makes or pays any distribution in respect of its Ordinary Shares (other than the Special Distribution) after the Signature Date in an aggregate amount that exceeds 50% (i.e. dividend cover of 2.0 times) of Liberty’s underlying core operating earnings for the reporting period prior to the date of such declaration or payment (any amount in excess of that amount being a “**Post Signature Date Liberty Distribution**”), then the Ordinary Scheme Cash Consideration to be paid for each Ordinary Scheme Share shall be reduced by a Rand amount calculated by aggregating the amounts of all such Post Signature Date Liberty Distributions declared or paid on each Ordinary Scheme Share (an “**Ordinary Scheme Cash Consideration Adjustment**”).

4.4.2 The Ordinary Scheme Circular shall include a statement regarding the likelihood of an Ordinary Scheme Cash Consideration Adjustment being applied and an announcement will be published on SENS, ANS and, where required, in the South African press as soon as possible after any Ordinary Scheme Cash Consideration Adjustment.

4.5 **Ordinary Scheme Bank Guarantee and Funding**

4.5.1 SBG has furnished the TRP with an irrevocable unconditional bank guarantee issued by SBSA, a licensed bank in terms of the Banks Act, 1990, in accordance with Regulation 111(4)(a) and 111(5) of the Companies Regulations, in terms of which SBSA has guaranteed payment of the Ordinary Scheme Cash Consideration if SBG fails to discharge its obligation to pay the Ordinary Scheme Cash Consideration when it becomes due upon the Ordinary Scheme Implementation Date.

4.5.2 SBG confirms, in accordance with Regulation 101(7)(b)(vii) of the Companies Regulations, that it has sufficient authorised but unissued SBG Ordinary Shares available to settle the Ordinary Scheme Share Consideration.

4.5.3 The Special Distribution will be funded from Liberty's contributed tax capital.

4.6 **Ordinary Scheme Conditions**

4.6.1 The Ordinary Scheme will be subject to the fulfilment or, where applicable, waiver of each of the following conditions precedent ("**Ordinary Scheme Conditions**"):

4.6.1.1 the special resolution approving the Ordinary Scheme ("**Ordinary Scheme Resolution**") having been approved in accordance with Section 115(2) of the Companies Act by the requisite 75% majority of votes exercised on the Ordinary Scheme Resolution;

4.6.1.2 the Liberty Board: (i) having, in accordance with the requirements of Section 46 of the Companies Act, declared the Special Distribution; and (ii) not having resolved, prior to the date of the fulfilment or waiver, as applicable, of all of the Ordinary Scheme Conditions save for the obtaining of the TRP Compliance Certificate in respect of the Ordinary Scheme, to withdraw or revoke the resolution approving the Special Distribution;

4.6.1.3 either:

4.6.1.3.1 no Ordinary Shareholder having validly exercised its Appraisal Rights; or

4.6.1.3.2 if Appraisal Rights are validly exercised as aforesaid, they are not exercised in respect of more than 3.5% (three and a half per cent) of the Ordinary Shares not held by the Excluded Shareholders;

4.6.1.4 if the Ordinary Scheme Resolution is opposed by 15% (fifteen per cent) or more of the voting rights exercised on the Ordinary Scheme Resolution and, within 5 (five) Business Days after the vote, any person who voted against the Ordinary Scheme Resolution requires Liberty to seek approval of a South African court of competent jurisdiction ("**Court**") in terms of Section 115(3)(a) as read with Section 115(5)(a) of the Companies Act, the Court having approved the implementation of the Ordinary Scheme Resolution;

4.6.1.5 if any person who voted against the Ordinary Scheme Resolution applies to Court for a review of the Ordinary Scheme Resolution in terms of Section 115(3)(b) and Section 115(6) of the Companies Act, either: (i) the Court having declined to grant leave to that person for a review of the Ordinary Scheme Resolution; or (ii) if leave for a review of the Ordinary Scheme Resolution is granted by the Court, the Court having declined to set aside the Ordinary Scheme Resolution in accordance with Section 115(7) of the Companies Act;

4.6.1.6 the following approvals, authorisations, consents, exemptions, clearances or confirmations of non-opposition, from the following governmental authorities which are necessary in terms of any applicable Laws ("**Regulatory Approvals**") to implement the Ordinary Scheme having been duly obtained:

- 4.6.1.6.1 a compliance certificate issued by the TRP to Liberty in terms of Section 121(b) of the Companies Act ("**TRP Compliance Certificate**");
- 4.6.1.6.2 such approvals granted by FinSurv as are required in terms of the South African Exchange Control Regulations (promulgated in terms of the South African Currency and Exchanges Act No. 9 of 1933);
- 4.6.1.6.3 such approvals granted by the JSE as are required in terms of the JSE Listings Requirements;
- 4.6.1.6.4 such approvals granted by the Competition Commission, the Competition Tribunal and/or the Competition Appeal Court as are required in terms of the Competition Act 89 of 1998;
- 4.6.1.6.5 such approvals granted by the Prudential Authority or the Financial Sector Conduct Authority as are required in terms of applicable law; and
- 4.6.1.6.6 any other Regulatory Approvals required by applicable law in any country in which SBG and/or Liberty operates businesses,

in each case either unconditionally or, to the extent that any Regulatory Approval is subject to any obligation, undertaking, condition or qualification, SBG shall have confirmed in writing that such obligation, undertaking, condition or qualification is acceptable to SBG and SBG shall not unreasonably withhold or delay such confirmation; and

- 4.6.1.7 the Implementation Agreement has not been terminated in accordance with its terms, prior to the time at which all of the other Ordinary Scheme Conditions (other than the condition requiring the issue of the TRP compliance certificate) have been fulfilled or, if applicable, waived.
- 4.6.2 SBG and Liberty shall each use their reasonable endeavours to procure the fulfilment of the Ordinary Scheme Conditions as soon as reasonably practicable.
- 4.6.3 The Ordinary Scheme Conditions must be fulfilled or, where waiver is permitted, waived by no later than 28 February 2022, or such later date as may be agreed by Liberty and SBG in writing ("**Long Stop Date**"). If the Long Stop Date is extended, the amended date will be released on SENS, ANS and, if required, published in the South African press.
- 4.6.4 SBG is entitled to waive the Ordinary Scheme Condition referred to in paragraph 4.6.1.3, by notice in writing delivered to Liberty. The Ordinary Scheme Conditions in paragraphs 4.6.1.1, 4.6.1.2, 4.6.1.4, 4.6.1.5 and 4.6.1.6 cannot be waived.
- 4.6.5 An announcement will be released on SENS, ANS and, where required, published in the South African press as soon as possible after: (i) the fulfilment or waiver, as the case may be, of all of the Ordinary Scheme Conditions; or (ii) the non-fulfilment of any Ordinary Scheme Condition.

5. **SALIENT TERMS OF THE PREFERENCE SHARE OFFER**

5.1 **Preference Share Offer**

- 5.1.1 The offer to acquire the Preference Shares ("**Preference Share Offer**") will be implemented by way of a single offer comprising:
 - 5.1.1.1 a scheme of arrangement ("**Preference Scheme**") in terms of Section 114(1)(c) as read with Section 115 of the Companies Act and Chapter 5 of the Companies Regulations between Liberty and the Preference Shareholders, in terms of which SBG will acquire all the Preference Shares for a cash consideration of R1.50 (one Rand and fifty cents) per Preference Share ("**Preference Scheme Consideration**"); and
 - 5.1.1.2 if the Preference Scheme lapses or otherwise fails, a general offer ("**Standby Offer**") by SBG to the Preference Shareholders to acquire all or a portion of the Preference Shares for a cash consideration of R1.50 (one Rand and fifty cents) per Preference Share ("**Standby Offer Consideration**").

- 5.1.2 The Preference Share Offer contemplates that all of the Preference Shares will be delisted from the JSE, either:
- 5.1.2.1 in terms of Paragraph 1.17(b) of the JSE Listings Requirements, if the Preference Scheme becomes operative and is implemented; or
- 5.1.2.2 if the Preference Scheme does not become operative and the Standby Offer becomes operative: (i) pursuant to the Preference Share Delisting Resolution (as defined in paragraph 5.5.1.2 below); or (ii) in terms of Paragraph 1.17(a) of the JSE Listings Requirements if, pursuant to the Standby Offer being accepted in respect of at least 90% (ninety per cent) of the Preference Shares in respect of which the Standby Offer is made ("**Standby Offer Shares**"), SBG is entitled to and does invoke the provisions of Section 124 of the Companies Act to acquire all of the remaining Preference Shares.

5.2 Overview and effects of the Preference Scheme

- 5.2.1 The Preference Scheme will, subject to obtaining the approvals of FinSurv, the TRP and the JSE required for the posting of the Preference Share Offer Circular (as defined in paragraph 12 below), be proposed by the Liberty Board on the terms and conditions to be set out in the Preference Share Offer Circular.
- 5.2.2 The Preference Scheme is subject to the fulfilment or waiver, as the case may be, of the Preference Scheme Conditions set out in paragraph 5.3 below.
- 5.2.3 If the Preference Scheme becomes operative:
- 5.2.3.1 SBG shall: (i) acquire the Preference Shares (free of encumbrances) from the participants in the Preference Scheme ("**Preference Scheme Participants**"); and (ii) pay the Preference Share Consideration for those Preference Shares to the Preference Scheme Participants; and
- 5.2.3.2 an application will be made to the JSE for the delisting of all of the Preference Shares from the JSE.

5.3 Preference Scheme Conditions

- 5.3.1 The Preference Scheme will be subject to the fulfilment or, where applicable, waiver of each of the following conditions precedent ("**Preference Scheme Conditions**"):
- 5.3.1.1 the Ordinary Scheme Conditions referred to in paragraphs 4.6.1.1, 4.6.1.3, 4.6.1.4 and 4.6.1.5 above having been fulfilled or waived, as the case may be;
- 5.3.1.2 the special resolution approving the Preference Scheme ("**Preference Scheme Resolution**") having been approved in accordance with Section 115(2) of the Companies Act by the requisite 75% majority of votes exercised on the Preference Scheme Resolution;
- 5.3.1.3 either:
- 5.3.1.3.1 no Preference Shareholder having exercised its Appraisal Rights; or
- 5.3.1.3.2 if Appraisal Rights are validly exercised as aforesaid, they are not exercised in respect of more than 3.5% (three and a half per cent) of the Preference Shares;
- 5.3.1.4 if the Preference Scheme Resolution is opposed by 15% (fifteen per cent) or more of the voting rights exercised on the Preference Scheme Resolution and, within 5 (five) Business Days after the vote, any Person who voted against the Preference Scheme Resolution requires Liberty to seek approval of a Court in terms Section 115(3)(a) as read with Section 115(5)(a) of the Companies Act, the Court having approved the implementation of the Preference Scheme Resolution;
- 5.3.1.5 if any Person who voted against the Preference Scheme Resolution applies to Court for a review of the Preference Scheme Resolution in terms of Section 115(3)(b) and Section 115(6) of the Companies Act, either: (i) the Court having declined to grant leave to that Person for a review of the Preference Scheme Resolution; or (ii) if leave for a review of the Preference Scheme Resolution is granted by the Court, the Court having

declined to set aside the Preference Scheme Resolution in accordance with Section 115(7) of the Companies Act;

- 5.3.1.6 all Regulatory Approvals required to implement the Preference Scheme having been duly obtained, in each case either unconditionally or, to the extent that any such Regulatory Approvals are subject to any obligation, undertaking, condition or qualification, such obligation, undertaking, condition or qualification is acceptable to SBG and SBG shall not unreasonably withhold or delay such confirmation; and
- 5.3.1.7 the Implementation Agreement is not terminated in accordance with its terms, prior to the time at which all of the other Preference Scheme Conditions (other than the condition requiring the issue of the TRP compliance certificate) have been fulfilled or, if applicable, waived.
- 5.3.2 SBG and Liberty shall use their reasonable endeavours to procure the fulfilment of the Preference Scheme Conditions as soon as reasonably practicable.
- 5.3.3 The Preference Scheme Conditions must be fulfilled or, where waiver is permitted, waived by no later than the Long Stop Date. Liberty and SBG shall be entitled to extend the Long Stop Date by written agreement. If the Long Stop Date is extended, the amended date will be released on SENS, ANS and, if required, published in the South African press.
- 5.3.4 SBG is entitled to, waive (in whole or in part) any of the Preference Scheme Conditions referred to in paragraphs 5.3.1.1 and 5.3.1.3 above. The Preference Scheme Conditions in paragraphs 5.3.1.2, 5.3.1.4, 5.3.1.5 and 5.3.1.6 are regulatory in nature and cannot be waived.
- 5.3.5 An announcement will be released on SENS, ANS and, where required, published in the South African press as soon as possible after the: (i) fulfilment or waiver, as the case may be, of all of the Preference Scheme Conditions; or (ii) non-fulfilment of any Preference Scheme Condition.

5.4 **Overview and effects of the Standby Offer**

- 5.4.1 If, after the Preference Scheme is proposed: (i) any of the Preference Scheme Conditions is not fulfilled or, where applicable, waived; or (ii) the Preference Scheme otherwise fails (each a “**Standby Offer Trigger Event**”), then the Preference Scheme will not become effective and, instead, the Standby Offer will proceed on the terms and conditions to be set out in the Preference Share Offer Circular; provided that, if the Preference Scheme lapses or fails as a result of the Preference Scheme Condition in paragraph 5.3.1.1 not having been fulfilled or waived, in such circumstances, no Standby Offer Trigger Event will have occurred and the Standby Offer will terminate simultaneously with the lapsing or failure of the Preference Scheme.
- 5.4.2 If a Standby Offer Trigger Event occurs, the timeline applicable to the Standby Offer, including when the Standby Offer will open for acceptance (which will be after the occurrence of a Standby Offer Trigger Event), will be announced on SENS.
- 5.4.3 The Standby Offer is subject to the fulfilment or waiver, as the case may be, of the Standby Offer Conditions set out in paragraph 5.5 below.
- 5.4.4 If the Standby Offer Conditions are fulfilled or, where applicable, waived, the Standby Offer shall be implemented, in which case:
 - 5.4.4.1 SBG shall: (i) acquire the Preference Shares (free of encumbrances) from the Preference Shareholders who accept the Standby Offer (“**Standby Offer Participants**”); and (ii) pay the Standby Offer Consideration to the Standby Offer Participants;
 - 5.4.4.2 if, pursuant to the Standby Offer being accepted in respect of at least 90% (ninety per cent) of the Standby Offer Shares, SBG is entitled to and does invoke the provisions of Section 124 of the Companies Act to acquire all of the remaining Preference Shares, SBG will compulsorily acquire all of the Standby Offer Shares not already tendered by the Preference Shareholders; and

5.4.4.3 an application will be made to the JSE for the delisting of all of the Preference Shares from the JSE.

5.5 Standby Offer Conditions

5.5.1 The Standby Offer will be subject to the fulfilment or, if applicable, waiver of the following conditions ("**Standby Offer Conditions**") by no later than the Long Stop Date:

5.5.1.1 the occurrence of a Standby Offer Trigger Event;

5.5.1.2 the resolution to delist the Preference Shares ("**Preference Share Delisting Resolution**") having been approved by the requisite majority of votes of the Preference Shareholders entitled to vote on the Preference Share Delisting Resolution, as contemplated in Paragraph 1.16 of the JSE Listings Requirements;

5.5.1.3 Preference Shareholders accepting the Standby Offer in respect of so many Standby Offer Shares as will result in SBG acquiring more than 50% (fifty per cent) of the Standby Offer Shares;

5.5.1.4 the Regulatory Approvals required to implement the Standby Offer having been duly obtained, in each case either unconditionally or , to the extent that any Regulatory Approvals are subject to any obligation, undertaking, condition or qualification, such obligation, undertaking, condition or qualification is acceptable to SBG and SBG shall not unreasonably withhold or delay such confirmation; and

5.5.1.5 the Implementation Agreement is not terminated in accordance with its terms.

5.5.2 The Standby Offer Conditions must be fulfilled or, where waiver is permitted, waived by no later than the Long Stop Date.

5.5.3 SBG is entitled to waive (in whole or in part) any of the Standby Offer Conditions referred to in paragraphs 5.5.1.2 and 5.5.1.3 above. The Standby Offer Condition in paragraph 5.5.1.4 is regulatory in nature and cannot be waived. An announcement will be released on SENS and, where required, published in the South African press as soon as possible after: (i) the fulfilment or waiver, as the case may be, of all of the Standby Offer Conditions; or (ii) the non-fulfilment of any Standby Offer Condition.

5.6 Preference Scheme Consideration and Standby Offer Consideration

The Preference Scheme Consideration and Standby Offer Consideration each represent a premium of 36.4% to the closing price of Preference Shares on the JSE on 14 July 2021. The Preference Shares have not traded in the last 30 trading days and accordingly the last traded price has been set out, to which the Preference Scheme Consideration and Standby Offer Consideration represent a premium of 36.4%%:

	As at 14 July 2021	Preference Scheme Consideration	Standby Offer Consideration
Market price ⁽¹⁾	1.10	R1.50	R1.50
Last traded price ⁽²⁾	1.10	R1.50	R1.50

Notes:

(1) The "market price" represents the closing price of Preference Shares on the JSE on 14 July 2021, being the last trading day prior to the publication of this announcement on SENS and the ANS.

(2) The "last traded price" represents the last price at which Preference Shares traded on the JSE on 17 February 2021.

5.7 Preference Share Offer Bank Guarantee

SBG has furnished the TRP with an irrevocable unconditional bank guarantee issued by SBSA, in terms of which SBSA has guaranteed payment of the Preference Scheme Consideration and the Standby Offer Consideration, respectively, if SBG fails to discharge its obligation to pay the Preference Scheme Consideration or Standby Offer Consideration, as the case may be, when it becomes due.

6. TERMINATION EVENTS

6.1 The Implementation Agreement will terminate with immediate effect and all rights and obligations of Liberty and SBG under the Implementation Agreement shall cease only in the following circumstances:

6.1.1 on written notice of termination by SBG to Liberty if:

6.1.1.1 the Independent Board: (i) withdraws, modifies or qualifies its recommendation to vote in favour of the Ordinary Scheme Resolution; and/or (ii) does not express and maintain a majority view that the Ordinary Scheme Consideration is fair and reasonable to Ordinary Shareholders; or

6.1.1.2 the Independent Board: (i) withdraws, modifies or qualifies its recommendation to vote in favour of the Preference Scheme Resolution and the Preference Share Delisting Resolution; and/or (ii) does not express and maintain a majority view that the Preference Share Consideration and the Standby Offer Consideration is fair and reasonable to Preference Shareholders; or

6.1.1.3 Liberty commits a material breach of the provisions of the Implementation Agreement and, if such breach is capable of remedy, Liberty fails to remedy such breach within the remedy period provided in the Implementation Agreement (or if no such remedy period is provided, then within 10 (ten) Business Days of a written notice from SBG to Liberty requiring the same); or

6.1.1.4 an insolvency event has occurred in respect of Liberty or any material member of the Liberty group;

6.1.2 on written notice of termination by Liberty to SBG if:

6.1.2.1 SBG commits a material breach of the provisions of the Implementation Agreement and, if such breach is capable of remedy, SBG fails to remedy such breach within the remedy period provided in the Implementation Agreement (or if no such remedy period is provided, then within 10 (ten) Business Days of a written notice from Liberty to SBG requiring the same); or

6.1.2.2 an insolvency event has occurred in respect of SBG or SBSA; or

6.1.3 on written notice of termination by one Party to the other if it has been finally determined that it would be illegal to implement all or a material part of the Ordinary Scheme; or

6.1.4 by mutual written agreement between Liberty and SBG.

7. LETTERS OF SUPPORT – ORDINARY SCHEME

SBG has received letters of support in connection with the Ordinary Scheme from the following Ordinary Shareholders who collectively hold approximately 41,064,827 Ordinary Shares (other than the Ordinary Shares held by the Excluded Shareholders) ("**Voting Shares**"), representing 35.42% of the Voting Shares, confirming their intention to vote in favour of the Ordinary Scheme Resolution, and to recommend that their clients vote in favour of the Ordinary Scheme Resolution.

Ordinary Shareholder	Ordinary Shares held	% of the Voting Shares
Allan Gray (Pty) Ltd ⁽¹⁾	14,716,439	12.69%
Laurium Capital (Pty) Ltd ⁽²⁾	10,187,702	8.79%
Visio Fund Management (Pty) Ltd ⁽³⁾	9,759,068	8.42%
Truffle Asset Management (Pty) Ltd	3,603,577	3.11%
Fairtree Asset Management (Pty) Ltd	2,798,041	2.41%
Total	41,064,827	35.42%

Notes:

(1) Allan Gray is acting as investment manager on behalf of its clients, and not as principal, and the

- relevant Ordinary Shares are held by Allan Gray's clients and not by Allan Gray as principal.
- (2) Laurium Capital holds 6,430,470 Ordinary Shares in terms of discretionary mandates is able to exercise voting rights in respect of such Ordinary Shares, and 3,757,232 Ordinary Shares in terms of non-discretionary mandates and will recommend to its clients that they vote in favour of the Ordinary Scheme Resolution.
 - (3) Ordinary Shares held by funds managed on behalf of clients in terms of discretionary and non-discretionary mandates. Visio Fund Management will recommend to its clients that they vote in favour of the Ordinary Scheme Resolution.

8. BENEFICIAL INTERESTS

8.1 SBG holds 153,456,360 Ordinary Shares, representing 53.62% of all issued Ordinary Shares.

8.2 SBG has had no dealings in Ordinary Shares during the six-month period prior to the Signature Date.

8.3 Lexshell 615 Investments Proprietary Limited, which is a wholly-owned subsidiary of Liberty and indirectly controlled by SBG, holds 13,307,757 Ordinary Shares, representing 4.65% of all issued Ordinary Shares.

8.4 The following SBG directors have a beneficial interest in Ordinary Shares:

Director	Ordinary Shares held	Beneficial interest
Mr JH Maree	100,000	0.035%
Mr SK Tshabalala	43,000	0.015%

8.5 None of SBG's directors have had any dealings in Ordinary Shares during the six-month period prior to the Signature Date.

8.6 SBG does not hold any Preference Shares, and SBG has not had any dealings in Preference Shares during the six-month period prior to the Signature Date.

8.7 No SBG directors have a beneficial interest in Preference Shares.

8.8 None of SBG's directors have had any dealings in Preference Shares during the six-month period prior to the Signature Date.

9. OPINION OF THE INDEPENDENT BOARD AND INDEPENDENT EXPERT

9.1 Liberty has, in accordance with Companies Regulation 108(8), constituted an independent board ("**Independent Board**"), comprising: (i) Yunus Goolam Hoosen Suleman; (ii) Carol Lynette Roskruge; (iii) James Harry Sutcliffe; (iv) Nooraya Khan; (v) Howard Walker; (vi) Thembisa Skweyiya; (vii) Nick Criticos; (viii) Laura Nicole Hartnady; and (ix) Prins Mhlanga, to consider the Ordinary Scheme Consideration, the Preference Scheme Consideration and the Standby Offer Consideration.

9.2 Ernst & Young Advisory Services Proprietary Limited has been appointed as independent expert ("**Independent Expert**") for purposes of preparing an opinion in respect of the Ordinary Scheme Consideration, the Preference Scheme Consideration and the Standby Offer Consideration, in accordance with the Companies Regulations and the Companies Act ("**Independent Expert Report**").

9.3 A draft of the Independent Expert Report ("**Draft Independent Expert Report**") has been delivered to the Independent Board prior to the Signature Date in which the Independent Expert has, on a preliminary basis, concluded that:

9.3.1 in the context of the Special Distribution, the Ordinary Share Consideration is fair and reasonable; and

9.3.2 the Preference Share Consideration and the Standby Offer Consideration are fair and reasonable.

9.4 The Independent Board has, taking into account the Draft Independent Expert Report and on a preliminary basis, concluded that:

- 9.4.1 in the context of the Special Distribution, the Ordinary Share Consideration is fair and reasonable; and
- 9.4.2 the Preference Share Consideration and the Standby Offer Consideration are fair and reasonable,
- as a result of which the Independent Board intends to recommend in the circulars referred to below that the Ordinary Shareholders and Preference Shareholders vote in favour of the Ordinary Scheme and the Preference Scheme.
- 9.5 The final Independent Expert Report and final views and recommendations of the Independent Board will be included in the Ordinary Scheme Circular and the Preference Share Offer Circular.

10. PRO FORMA FINANCIAL INFORMATION

- 10.1 The tables below set out the pro forma financial effects of the Ordinary Scheme on both SBG ordinary shareholders and Ordinary Scheme Participants and have been prepared for illustrative purposes only, in order to enable Ordinary Scheme Participants and SBG ordinary shareholders to assess the impact of the Proposed Transaction.
- 10.2 The pro forma financial effects set out below are the responsibility of the directors of Liberty and SBG, and have not been reviewed or reported on by their respective reporting accountants or auditors.
- 10.3 Due to their nature, the pro forma financial effects may not fairly present the financial position or the effect on earnings, changes in equity or cash flows of SBG ordinary shares or of Ordinary Shareholders after implementation of the Ordinary Scheme.
- 10.4 The pro forma financial effects have been prepared in accordance with the JSE Listings Requirements, the Takeover Regulations, International Financial Reporting Standards (IFRS), the accounting policies adopted by SBG and Liberty and the SAICA Guide On Pro Forma Financial Information.
- 10.5 Pro forma financial effects per Ordinary Share principally reflect that Ordinary Scheme Participants will receive 0.5 SBG Consideration Shares per Ordinary Share and an aggregate cash consideration of R25.50 per Ordinary Share. Ordinary Scheme Participants will effectively exchange their earnings from Liberty for: (i) earnings from SBG; plus (ii) an illustrative after tax return (as outlined below) on the R25.50 aggregate cash consideration. The pro forma financial effects reflect the earnings position as if the Ordinary Scheme had been effective from 1 January 2020 and the net asset position as if the Ordinary Scheme had been effective on 31 December 2020 as outlined below:
- 10.6 Pro forma financial effects on Ordinary Scheme Participants

Cents per Ordinary Share / equivalent share	Before ¹	Pro forma after	% Change
Basic earnings ³	(612)	438	>100
Diluted earnings ³	(589)	437	>100
Headline earnings ³	(583)	547	>100
Diluted headline earnings ³	(561)	546	>100
Net asset value ⁴	7,824	8,037	3
Tangible net asset value ⁴	7,549	7,284	(4)
Weighted average ordinary shares in issue ('000) ⁵	264,036	-	-
Ordinary shares in issue ('000) ⁵	268,371	-	-

Notes to the pro forma financial effects on Ordinary Scheme Participants:

- (1) Based on the audited annual financial statements of Liberty for the year ended 31 December 2020.
- (2) The "pro forma after" reflects the effects on an Ordinary Share and includes the impact of the Special Distribution, the Ordinary Scheme Cash Consideration and the Ordinary Scheme Share Consideration.
- (3) The basic earnings, diluted earnings, headline earnings and diluted headline earnings pro forma financial effects are based on the following principal assumptions:

- a. the Ordinary Scheme was effective on 1 January 2020;
 - b. it was assumed Ordinary Shareholders earn an after tax yield of 3.6% on the Special Distribution and Ordinary Scheme Cash Consideration, totaling R25.50 per Ordinary Share; and
 - c. the pro forma financial effect of the Ordinary Scheme Share Consideration reflects the pro forma financial effects on SBG presented below.
- (4) The net asset value and tangible net asset value pro forma financial effects per Ordinary Share are based on the following principal assumptions:
- a. the Ordinary Scheme was effective on 31 December 2020;
 - b. the Special Distribution and Ordinary Scheme Cash Consideration totaling R25.50 per share; and
 - c. the pro forma financial effect of the Ordinary Scheme Share Consideration, reflecting the pro forma financial effects on SBG as presented below.
- (5) Represents the weighted average Ordinary Shares and number of Ordinary Shares in issue before the Ordinary Scheme.
- (6) Shareholders are referred to the detailed pro forma financial information to be presented in the circular to be posted to shareholders in respect of the Ordinary Scheme.

10.7 Pro forma financial effects on SBG ordinary shares

Cents per SBG ordinary share	Before ¹	Pro forma after	% Change
Basic earnings ²	777	690	(11)
Diluted earnings ²	775	688	(11)
Headline earnings ²	1,003	908	(9)
Diluted headline earnings ²	1,000	905	(9)
Net asset value ³	11,072	10,975	(1)
Tangible net asset value ³	9,510	9,467	(1)
Weighted average SBG ordinary shares in issue ('000) ⁴	1,590,414	1,648,382	3.6
SBG ordinary shares in issue ('000) ⁴	1,592,905	1,650,873	3.6

Notes to the pro forma financial effects on SBG ordinary shares:

- (1) Based on the audited annual financial statements of SBG for the financial year ended 31 December 2020.
- (2) The basic earnings, diluted earnings, headline earnings and diluted headline earnings pro forma financial effects per SBG ordinary share are based on the following principal assumptions:
 - a. the Ordinary Scheme and the Preference Scheme were effective on 1 January 2020;
 - b. the after-tax yield that was assumed to be foregone on the cash distributed to Ordinary Scheme Participants in terms of the Special Distribution and the Ordinary Scheme Cash Consideration, was 7.4% per annum; that is earnings would have been lower based on the outflow of cash from SBG as a result of the Proposed Transaction;
 - c. the estimated earnings impact of amendments to the Liberty share incentive plans, as a consequence of the Ordinary Scheme were incorporated from that date; and
 - d. estimated once-off transaction costs.
- (3) The net asset value and tangible net asset value pro forma financial effects per SBG ordinary share are based on the following principal financial assumptions:
 - a. the Ordinary Scheme and the Preference Scheme were effective on 31 December 2020;
 - b. the impact of amendments to the Liberty share incentive plans, as a consequence of the Ordinary Scheme were incorporated from that date; estimated once-off transaction costs;
 - c. the issue of SBG ordinary shares to Ordinary Scheme Participants pursuant to the Ordinary Scheme was assumed to take place on 31 December 2020; and
 - d. the premium to net asset value paid by SBG through the Ordinary Scheme has been accounted for through SBG's retained earnings consistent with SBG's accounting policies.
- (4) The weighted average ordinary shares and number of ordinary shares in issue includes an adjustment for the issuance of 57,968,175 SBG shares as the Ordinary Scheme Share Consideration.

11. ORDINARY SCHEME CIRCULAR

- 11.1 Liberty and SBG will issue a combined offer circular setting out the full terms and conditions of the Ordinary Scheme and including the notice convening the general meeting to consider the Ordinary Scheme Resolution ("**Ordinary Scheme Circular**").
- 11.2 The Ordinary Scheme Circular is expected to be posted on or about 13 September 2021. A further announcement relating to the posting of the Ordinary Scheme Circular, further

important details related to the Ordinary Scheme and the salient dates and times will be published on SENS and ANS in due course.

12. PREFERENCE SHARE OFFER CIRCULAR

- 12.1 Liberty and SBG will issue a combined offer circular setting out the full terms and conditions of the Preference Share Offer (comprising the Preference Scheme and the Standby Offer) and including the notice convening the meeting to consider the Preference Scheme Resolution and the Preference Share Delisting Resolution ("**Preference Share Offer Circular**").
- 12.2 The Preference Share Offer Circular is expected to be posted on or about 13 September 2021. A further announcement relating to the posting of the Preference Share Offer Circular, further important details related to the Preference Share Offer and the salient dates and times will be published on SENS in due course.

13. CATEGORISATION FOR SBG

- 13.1 The Proposed Transaction will be categorised as a Category 2 transaction in terms of the JSE Listings Requirements for SBG, and accordingly SBG shareholder approval is not required.
- 13.2 If successfully concluded, SBG will ensure that the provisions of Liberty's memorandum of incorporation do not frustrate SBG in any way from compliance with its obligations in terms of the JSE Listings Requirements.




14. THE LIBERTY BOARD RESPONSIBILITY STATEMENT

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

15. SBG RESPONSIBILITY STATEMENT

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

Thursday, 15 July 2021

Joint Transaction Sponsors to SBG	Transaction Sponsor to Liberty
<p data-bbox="312 1536 831 1592">Merrill Lynch South Africa (Pty) Ltd t/a BofA Securities</p> <p data-bbox="368 1675 767 1715">BofA SECURITIES </p> <p data-bbox="316 1823 823 1850">The Standard Bank of South Africa Limited</p> <p data-bbox="392 1861 743 1955"> Standard Bank</p>	<p data-bbox="1007 1536 1270 1563">Investec Bank Limited</p> <p data-bbox="1015 1592 1222 1664"> Investec Investment Banking</p>

<p align="center">Financial advisors to SBG</p> <p>Merrill Lynch South Africa (Pty) Ltd t/a BofA Securities</p> <p align="center">BofA SECURITIES </p> <p>The Standard Bank of South Africa Limited</p> <p align="center"> Standard Bank</p>	<p align="center">Financial advisor to Liberty</p> <p align="center">Goldman Sachs International</p> <p align="center"></p>
<p align="center">Legal advisor to SBG</p> <p align="center">Bowman Gilfillan</p> <p align="center"> BOWMANS</p>	<p align="center">Legal advisor to Liberty</p> <p align="center">Webber Wentzel</p> <p align="center">WEBBER WENTZEL in alliance with > Linklaters</p>
<p align="center">Independent Expert to Liberty</p> <p align="center">Ernst & Young</p> <p align="center"></p>	

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.

This announcement is for information purposes only. It is not intended to and does not constitute, or form part of, any offer, invitation or the solicitation of any offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the acquisitions of securities contemplated hereby or otherwise nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law.

This announcement includes “forward-looking statements.” These statements may not be based on historical facts, but are statements about future expectations. When used in this release, the words “aims,” “anticipates,” “assumes,” “believes,” “could,” “estimates,” “expects,” “intends,” “may,” “plans,” “should,” “will,” “would” and similar expressions as they relate to SBG, Liberty or the Proposed Transaction identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements are set forth in a number of places in this announcement, including wherever this announcement includes information on the future results, plans and expectations with regard to the businesses of Liberty and SBG, including strategic plans and plans on growth and profitability, and the general economic conditions. These forward-looking statements are based on present plans, estimates, projections and expectations and are not guarantees of future performance. They are based on certain expectations, which may turn out to be incorrect. Such forward-looking statements are based on assumptions and are subject to various risks and uncertainties. Liberty’s shareholders should not rely on these forward-looking statements. Numerous factors may cause the actual results of operations or financial condition of Liberty or SBG to differ materially from those expressed or implied in the forward-looking statements. Neither Liberty or SBG, nor any of their respective affiliates, advisors or representatives or any other person undertakes any obligation to review or confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise after the date of this release.

Additional Information for US Investors

The Proposed Transaction relates to the securities of South African public companies and is proposed to be effected by means of two schemes of arrangement and a general offer under South African law. This announcement, the Ordinary Scheme Circular, the Preference Share Offer Circular and certain other documents relating to the Proposed Transaction have been, or will be prepared, in accordance with South African law, the Companies Act and South African disclosure requirements, format and style, all of which differ from those in the United States. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Securities Exchange Act of 1934, as amended (the “**US Exchange Act**”). Accordingly, the Proposed Transaction is subject to the disclosure requirements of and practices applicable in South Africa to schemes of arrangement, which differ from the disclosure requirements of the US tender offer and proxy solicitation rules.

However, if SBG elects to implement the Preference Share transaction by way of the Standby Offer and determines to extend the offer into the United States, the Standby Offer will be made in compliance with the applicable US tender offer rules.

The SBG Consideration Shares to be issued pursuant to the Ordinary Scheme have not been, and will not be, registered under the US Securities Act of 1933, as amended (the “**US Securities Act**”) or under any laws or with any securities regulatory authority of any state, district or other jurisdiction, of the United States, and may only be offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable state and other securities laws. There will be no public offer of any securities in the United States. This announcement does not constitute an offer to sell or solicitation of an offer to buy any of the shares in the United States. Further details of which US and other Ordinary Shareholders are eligible to receive the SBG Consideration Shares, and the procedural steps required to be taken by such persons to so receive such shares, as well as the procedures for those US and other Ordinary Shareholders who do not so qualify to receive the SBG Consideration Shares, will be set forth in the Ordinary Scheme Circular.

Neither the U.S. Securities and Exchange Commission (SEC) nor any US state securities commission has approved or disapproved of the SBG Consideration Shares to be issued in connection with the Ordinary Scheme, or determined if this announcement or the Ordinary Scheme Circular is accurate or complete. Any representation to the contrary is a criminal offence in the United States.

The SBG Consideration Shares have not been and will not be listed on a U.S. securities exchange or quoted on any inter-dealer quotation system in the United States. Neither SBG nor Liberty intends to take any action to facilitate a market in the SBG Consideration Shares in the United States.

Financial statements, and all financial information that is included in this announcement or that may be included in the Ordinary Scheme Circular, the Preference Share Offer Circular or any other documents relating to the Proposed Transaction, have been or will be prepared in accordance with International Financial Reporting Standards (IFRS) or other reporting standards or accounting practice which may not be comparable to financial statements of companies in the United States or other companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States (US GAAP).

The receipt of cash and shares by Ordinary Scheme Participants in the United States (each, a “**US Ordinary Holder**”) as consideration for the transfer of such person’s Ordinary Shares pursuant to the Ordinary Scheme, and the receipt of cash by Preference Shareholders in the United States (each, a “**US Preference Holder**”) as consideration for the transfer of such person’s Preference Shares pursuant to the Preference Scheme, may each be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each Ordinary Scheme Participant (including US Ordinary Holders) and each Preference Shareholder (including US Preference Holders) is urged to consult its independent professional adviser immediately regarding the tax consequences of the Proposed Transaction applicable to them.

It may be difficult for US Ordinary Holders and US Preference Holders (collectively, “**US Holders**”) to enforce their rights and claims arising out of the US federal securities laws, since Liberty and SBG are located in countries other than the United States, and the majority or all of their officers and directors are residents of non-US jurisdictions. Judgments of US courts are generally, subject to certain requirements, enforceable in South Africa. US Holders may not be able to sue a non-US company or

its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement. In addition, it may be difficult to enforce in South Africa original actions, or actions for the enforcement of judgments of US courts, based on the civil liability provisions of the US federal securities laws.

Consistent with Rule 14e-5(b) under the US Exchange Act, SBG, certain affiliated companies and their nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, Preference Shares, other than pursuant to the Proposed Transaction, until the Proposed Transaction with respect to the Preference Shares is completed, lapses or withdrawn (including during any offer period with respect to the Standby Offer). If such purchases or arrangements to purchase were to be made, they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including South African law and the US Exchange Act. Any information about such purchases or arrangements to purchase will be disclosed as required under South African law.