

This circular is important and requires your immediate attention. If you are in any doubt as to what action to take, please consult your CSDP, Broker, banker, attorney or other professional adviser immediately. If you have disposed of all your Shares in Alexander Forbes on or before 17 February 2017 you should forward this Circular immediately, with the enclosed Form of Proxy to the purchaser to whom, or the CSDP, Broker, banker, attorney or agent through whom, you disposed of such Shares.

This Circular should be read in its entirety, with particular attention paid to the Action Required by Shareholders section on page 5 of this Circular.



ALEXANDERFORBES

Securing your financial well-being

ALEXANDER FORBES GROUP HOLDINGS LIMITED

Incorporated in the Republic of South Africa
Registration number 2006/025226/06
Share code: AFH ISIN: ZAE000191516
("Alexander Forbes" or the "Company")

CIRCULAR TO SHAREHOLDERS

regarding:

- obtaining approval from Shareholders to enable the Board to effect a General Repurchase by Alexander Forbes of the Company's ordinary Shares upon such terms and conditions as the Board of Directors may from time to time determine, in terms of section 48 of the Companies Act and the Listings Requirements of the JSE;

and enclosing:

- a notice convening the General Meeting; and
- a Form of Proxy in respect of the General Meeting for use only by Certificated Shareholders and Dematerialised Shareholders with "own name" registration (*green*).

Sponsor



Date of issue: 24 February 2017

This Circular is only available in English. A copy hereof may be obtained from the registered offices of Alexander Forbes and the offices of the Transfer Secretaries, the addresses of which appear in the "Corporate Information and Advisers" section on the inside front cover of this Circular, from 24 February 2017 until 27 March 2017. This Circular is also available on Alexander Forbes' website (www.alexanderforbes.co.za).

CORPORATE INFORMATION AND ADVISERS

Company Secretary and registered office

Ms JE Salvado
115 West Street
Sandown
2196
(PO Box 787240, Sandton, 2146)

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank
2196
(PO Box 61051, Marshalltown, 2107)

Sponsor

Rand Merchant Bank
(a division of FirstRand Bank Limited)
(Registration number 1929/001225/06)
1 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandown
2196
(PO Box 786273, Sandton, 2146)

Date of incorporation

15 August 2006

Place of incorporation

Pretoria, South Africa

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SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 3 of this Circular shall apply to this “Salient Dates and Times” section.

| Event | 2017 |
|---|---------------------|
| Record date to determine which Shareholders are eligible to receive the Circular and notice of General Meeting | Friday, 17 February |
| Posting of the Circular to Shareholders and notice convening the General Meeting released on SENS | Friday, 24 February |
| Notice convening the General Meeting published in the South African press | Monday, 27 February |
| Last day to trade in order to be eligible to attend and vote at the General Meeting (Voting Last Day to Trade) | Tuesday, 14 March |
| Voting Record Date in order to be eligible to attend and vote at the General Meeting | Friday, 17 March |
| Last day to lodge Forms of Proxy for the General Meeting by 10:00 on | Thursday, 23 March |
| General Meeting to be held at 10:00 | Monday, 27 March |
| Results of General Meeting released on SENS | Monday, 27 March |
| Results of General Meeting published in the South African press | Tuesday, 28 March |

Notes:

1. All times indicated in this Circular are South African local times.
2. The above salient dates and times are subject to change. Any changes will be announced on SENS.
3. If the General Meeting is adjourned or postponed, the Forms of Proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless the context indicates a contrary intention, a word or an expression which denotes any gender includes the other genders, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa* and the following words and expressions bear the meanings assigned to them below:

| | |
|--|---|
| “Alexander Forbes” | Alexander Forbes Group Holdings Limited (registration number 2006/025226/06), a limited liability public company duly registered and incorporated in accordance with the laws of South Africa and listed in the Financial Services sector of the Main Board of the JSE; |
| “Beneficial Owner” | a person on whose behalf any Dematerialised Share (not held in “own name” registration) is held by a CSDP or Broker or a nominee of a CSDP or Broker in accordance with a Custody Agreement; |
| “Board of Directors” or “Board” or “Directors” | the Board of Directors of Alexander Forbes as appointed from time to time; |
| “Broker” | any person registered as a broking member (equities) in terms of the rules of the JSE made in accordance with the provisions of the Financial Markets Act; |
| “Business Day” | any day other than a Saturday, Sunday or official public holiday in South Africa; |
| “cents” | South African cents, in the official currency of South Africa; |
| “Certificated Shares” | Shares that have not been Dematerialised, the title to which is evidenced by a share certificate or other Document of Title; |
| “Certificated Shareholders” | Shareholders who hold Certificated Shares; |
| “Circular” | this bound document dated 24 February 2017 together with its annexures and, where applicable, Form of Proxy; |
| “Companies Act” | the Companies Act, No. 71 of 2008, as amended, and, where appropriate, includes a reference to the Companies Regulations; |
| “CSDP” | a Central Securities Depository Participant registered as a participant in terms of the Financial Markets Act; |
| “Custody Agreement” | a custody mandate agreement between a person and a CSDP or Broker, regulating their relationship in respect of Dematerialised Shares held on Alexander Forbes’ uncertificated securities register administered by a CSDP or Broker on behalf of that person; |
| “Dematerialised” | the process whereby paper share certificates or other documents of title are replaced with electronic records of ownership of Shares or securities, with a CSDP or Broker, as contemplated in section 49(5) of the Companies Act and under the Strate system; |
| “Dematerialised Shares” | Shares that have been Dematerialised or have been issued in Dematerialised form, and which are held in electronic form on Alexander Forbes’ uncertificated securities register administered by a CSDP; |
| “Dematerialised Shareholders” | Shareholders who hold Dematerialised Shares; |
| “Financial Markets Act” | Financial Markets Act, No. 19 of 2012, as amended from time to time; |
| “Form of Proxy” | the green form of proxy attached to and forming part of this Circular, where applicable; |
| “General Meeting” | the meeting of Shareholders to be convened in connection with the granting of the general authority to the Company to repurchase its Shares for the purposes of considering and, if deemed fit, approving the General Meeting Resolutions, including any adjournment thereof; |

| | |
|--|--|
| “General Meeting Resolutions” | the ordinary and special resolutions to be considered and, if deemed fit, approved by the Shareholders at the General Meeting, which resolutions shall include: <ul style="list-style-type: none"> (i) the special resolution granting the general authority to Alexander Forbes to repurchase its Shares; and (ii) the ordinary resolution authorising the Board of Directors or other officers of Alexander Forbes to repurchase the Shares in terms of the general authority granted; |
| “General Repurchase” | the proposed general repurchase of Shares by the Company, in terms of a general authority granted by Shareholders, subject to the provisions of the Companies Act, the Listings Requirements and the MoI; |
| “Group” | Alexander Forbes and its subsidiaries from time to time; |
| “JSE” | the JSE Limited (registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa and licenced as an exchange under the Financial Markets Act; |
| “Last Practicable Date” | 22 February 2017, being the last practicable date prior to the finalisation of this Circular; |
| “Listings Requirements” | the Listings Requirements of the JSE in force as at the Last Practicable Date; |
| “MoI” | the memorandum of incorporation of the Company; |
| “Notice of General Meeting” | the Notice of General Meeting, attached to and forming part of this Circular, and convening the General Meeting; |
| “Own Name Dematerialised Shareholders” | Dematerialised Shareholders who/which have elected to have “own name” registration; |
| “Rand” or “R” | South African Rand, the official currency of South Africa; |
| “Register” | Alexander Forbes’ securities register maintained by the Transfer Secretaries in accordance with sections 50(1) and 50(3) of the Companies Act, including Alexander Forbes’ uncertificated securities register; |
| “SENS” | the Stock Exchange News Service, operated by the JSE; |
| “Share” | an ordinary share of no par value in the share capital of Alexander Forbes; |
| “Shareholders” | the registered holders of Shares; |
| “South Africa” | the Republic of South Africa; and |
| “Transfer Secretaries” | Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company incorporated in accordance with the laws of South Africa and the Transfer Secretaries of Alexander Forbes. |

ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations commencing on page 5 of this Circular shall apply to this “Action Required by Shareholders” section.

Please take careful note of the following provisions regarding the action to be taken by Shareholders. If you are in any doubt as to what action you should take, please consult your Broker, banker, legal advisor, CSDP or other professional advisor immediately.

1. IF YOU HAVE DEMATERIALISED SHARES WITHOUT “OWN NAME” REGISTRATION

1.1 Attendance and representation at the General Meeting

In accordance with the agreement between you and your CSDP or Broker, you must advise your CSDP or Broker if you wish to:

- attend, participate in and vote at the General Meeting; and/or
- appoint a proxy (including the chairman of the General Meeting) to represent you at the General Meeting.

Your CSDP or Broker will then issue the necessary letter of representation to you to attend the General Meeting. You will not be permitted to attend, participate in or vote at the General Meeting, nor appoint a proxy to represent you at the General Meeting, without the necessary letter of representation being issued to you.

1.2 Voting at the General Meeting

If you cannot or do not wish to attend or appoint a proxy to represent you at the General Meeting, you should notify your duly appointed CSDP or Broker in the manner stipulated in the Custody Agreement governing your relationship with your CSDP or Broker, of your instructions regarding the casting of your vote at the General Meeting.

If your CSDP or Broker does not obtain instructions from you, your CSDP or Broker will be obliged to act in accordance with the instructions contained in the Custody Agreement concluded between you and your CSDP or Broker.

If you have not been contacted, it would be advisable for you to contact your CSDP or Broker immediately and to furnish your CSDP or Broker with your instructions.

You must not complete the attached Form of Proxy (*green*).

2. IF YOU HAVE DEMATERIALISED SHARES WITH “OWN NAME” REGISTRATION

2.1 Voting, attendance and representation at the General Meeting

You may attend, speak and vote at the General Meeting in person.

Alternatively, if you are unable to attend the General Meeting, you may appoint a proxy to represent you at the General Meeting by completing the relevant attached Form of Proxy (*green*) in accordance with the instructions contained therein and returning it to the Transfer Secretaries, to be received by no later than 48 hours before the General Meeting, i.e. by 10:00 on Thursday, 23 March 2017. Should the Form of Proxy (*green*) not be lodged with the Transfer Secretaries by this time, it may be handed to the chairman of the General Meeting or adjourned General Meeting before the General Meeting is due to commence or recommence.

The Form of Proxy (*green*) may be delivered by hand or sent by mail to the following addresses:

If delivered by hand

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196, South Africa

If sent by mail

Computershare Investor Services Proprietary Limited
PO Box 61051 Marshalltown, 2107, South Africa

3. **IF YOU HAVE CERTIFICATED SHARES**

3.1 **Voting, attendance and representation at the General Meeting**

You may attend, speak and vote at the General Meeting in person.

Alternatively, if you are unable to attend the General Meeting, you may appoint a proxy to represent you at the General Meeting by completing the relevant attached Form of Proxy (*green*) in accordance with the instructions therein and returning it to the Transfer Secretaries, to be received by no later than 48 hours before the General Meeting, i.e. by 10:00 on Thursday, 23 March 2017. Should the Form of Proxy (*green*) not be lodged with the Transfer Secretaries by this time, it may be handed to the chairman of the General Meeting or adjourned General Meeting before the Meetings is due to commence or recommence.

The Form of Proxy (*green*) may be delivered by hand or sent by mail to the following addresses:

If delivered by hand

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ALEXANDER FORBES GROUP HOLDINGS LIMITED

Incorporated in the Republic of South Africa

Registration number 2006/025226/06

Share code: AFH ISIN: ZAE000191516

("Alexander Forbes" or the "Company")

DIRECTORS OF ALEXANDER FORBES

Executive

AA Darfoor¹ (*Group Chief Executive*)

DM Viljoen² (*Group Chief Financial Officer*)

BP Bydawell³ (*Acting Group Chief Financial Officer*)

Non-executive

MS Moloko (*Chairman*)

DJ Anderson⁴

MD Collier^{1,5}

RM Kgosana⁵

D Konar⁵

BJ Memela-Khambula⁵

HP Meyer⁵

WS O'Regan¹

1 – British

2 – Resigned with effect from 30 April 2017

3 – Appointed with effect from 30 April 2017

4 – Australian

5 – Independent directors

CIRCULAR TO SHAREHOLDERS

1. PURPOSE OF THIS CIRCULAR

The purpose of this Circular is to provide Shareholders with the necessary information regarding the approval of the general authority to allow Alexander Forbes, or a subsidiary of Alexander Forbes, to repurchase its Shares, upon such terms and conditions as the Board of Directors may from time to time determine and to convene the General Meeting at which Shareholders can vote on the General Meeting Resolutions required to grant the general authority to Alexander Forbes, or a subsidiary of Alexander Forbes, to repurchase its Shares.

2. TERMS OF THE GENERAL REPURCHASE

The General Repurchase of Shares by the Company, and/or any subsidiary of the Company, will be subject to the following:

- approval by Shareholders in terms of a special resolution;
- the general authority shall be valid until the Company's next annual general meeting or for 15 (fifteen) months from the date of passing of special resolution Number 1 to the Notice of General Meeting, whichever period is shorter;
- the Shares shall be repurchased through the order book of the trading system of the JSE and done without any prior understanding or arrangement between the Company and/or the relevant subsidiary and the counterparty (reported trades are prohibited);
- the General Repurchase of Shares, in the aggregate, in any one financial year shall not exceed 5% of the Company's issued ordinary Share capital, as at the beginning of the financial year;

- any General Repurchase is subject to exchange control regulations and approval at that point in time;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the Shares, for the five business days immediately preceding the date on which the transaction is effected;
- an announcement complying with the Listings Requirements shall be published by the Company (i) when the Company and/or its subsidiaries have cumulatively repurchased 3% of the Ordinary Shares in issue as at the time when the general authority was given (the initial number); and (ii) for each 3% in the aggregate of the initial number of the Ordinary Shares acquired thereafter by the Company and/or its subsidiaries. Such announcement will be made as soon as possible and, in any event, by not later than 08:30 on the business day following the day on which the 3% threshold is reached or exceeded. The announcement will state the number of Shares purchased since the most recent announcement, the number of Shares that remain outstanding and when the securities repurchased are to be cancelled and the listing removed, if applicable;
- the number of Shares purchased and held by a subsidiary or subsidiaries of the Company shall not exceed 10% in aggregate of the number of issued Shares in the Company at the relevant times;
- at any point in time, the Company may only appoint one agent to effect any repurchase on the Company's behalf or on behalf of any subsidiary of the Company;
- subject to the exceptions contained in the Listings Requirements, the Company and the Group will not repurchase Ordinary Shares during a prohibited period (as defined in the Listings Requirements), unless they have in place a repurchase programme where the dates and quantities of shares to be traded during the relevant period are fixed (not subject to any variation), and full details of the programme have been disclosed, in writing, to the JSE prior to the commencement of the prohibited period; and
- prior to the repurchase, a resolution has been passed by the Board of Directors of the Company confirming that the Board has authorised the repurchase, that the Company satisfies the solvency and liquidity test contemplated in the Companies Act and that, since the test was done, there have been no material changes to the financial position of the Group, and such repurchases will be subject to the applicable provisions of the Companies Act (including sections 114 and 115 if section 48(8) is applicable in relation to the particular repurchase), the Company's MoI, the Listings Requirements and the Exchange Control Regulations 1961, as amended.

3. RATIONALE FOR THE GENERAL REPURCHASE

Following the disposal of Lane Clark & Peacock LLP, together with its subsidiaries in Ireland and the Netherlands ("LCP"), for a cash consideration of GBP75.4 million (as announced on SENS on 20 December 2016) and the introduction of African Rainbow Capital Proprietary Limited ("ARC") as a strategic empowerment partner through its subscription for 10% of the Group's African business for a net cash consideration of ZAR678.1 million (as announced on SENS on 20 January 2017), the Group now has significant cash resources at its disposal.

A portion of the Group's cash resources are earmarked for potential acquisitions and expansion of the businesses in line with its strategic growth areas. However, given the natural high ongoing cash generation of the Group, the Board is of the opinion that, despite these potential uses of cash, the Group will have excessive cash at its disposal, a portion of which should be returned to shareholders. The Board is of the view that a General Share Repurchase programme is an efficient and value-adding way of returning a component of the cash to shareholders.

4. MAJOR SHAREHOLDERS

Insofar as it is known to the Board, direct Shareholders, other than Directors, that are beneficially interested in 5% or more of Shares as at the Last Practicable Date are included in the table below. There are no major indirect holdings.

| | Number of Shares | Percentage of issued Share capital |
|---------------------------------------|-----------------------------|---|
| Mercer Africa Limited | 442 801 129 | 33.0 |
| STANLIB Asset Management Limited | 140 328 258 | 10.5 |
| Allan Gray Proprietary Limited | 120 340 522 | 9.0 |
| Public Investment Corporation Limited | 99 265 222 | 7.4 |
| Abax Investments Proprietary Limited | 68 757 344 | 5.1 |
| Total | 871 492 475 | 65.0 |

5. SHARE CAPITAL

The authorised and issued capital of Alexander Forbes at the Last Practicable Date, is set out below:

| | Total (Rand) |
|--|---------------------|
| Authorised | |
| 2 500 000 000 Ordinary Shares of no par value | |
| Issued | |
| 1 341 426 963 Ordinary Shares of no par value ¹ | 6 192 496 225 |

1. All issued Shares are listed on the Main Board of the JSE.

The Company, through its subsidiaries, holds 61 450 650 Shares in treasury, including 19 027 217 Investment Solutions policyholder shares.

6. MATERIAL CHANGE

Other than as set out hereunder, there has been no material change in the financial or trading position of the Company and the Group since the release of the Company's interim financial results in respect of the period ended 30 September 2016. These changes are:

- Disposal of its 60% interest in LCP to the LCP individual partners and funds managed by Inflexion Private Equity for a total consideration of GBP75.4 million as announced on SENS on 20 December 2017; and
- Introduction of ARC as a strategic empowerment shareholder in Alexander Forbes Limited, a wholly-owned subsidiary of Alexander Forbes, as published in the Circular to Shareholders dated 2 December 2016 and approved by Shareholders at the General Meeting of the Company held on 20 January 2017. ARC subscribed for newly issued shares in Alexander Forbes Limited, resulting in net proceeds of R678.1 million for the Group.

7. ADEQUACY OF CAPITAL

The Board of Directors undertakes that it will not implement any repurchase while the general authority is valid, unless, after considering the effect of the General Repurchase and having regard to the provisions of section 48 of the Companies Act:

- 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 the General Repurchase;
- the assets of the Company and the Group will exceed their liabilities for a period of 12 months after the date of the General Repurchase. For this purpose, the assets and liabilities are recognised and measured in accordance with the accounting policies used in the Company's latest Group audited annual financial statements;
- the Company and the Group will have adequate Share capital and reserves for ordinary business purposes for a period of 12 months after the date of the General Repurchase;
- the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the General Repurchase; and
- a resolution by the Board of Directors has been passed authorising the General Repurchase and that the Company and its subsidiary/ies have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Company or the Group.

The Group's Own Funds exceeds the Solvency Capital Requirement based on the Financial Soundness Standards issued by the Financial Services Board in November 2016. The Group has a regulatory capital surplus, at both a solo entity level as well as when measured on a consolidated basis as envisaged under the new Solvency Assessment and Management ("SAM") regulatory capital adequacy requirements due to come into effect during 2017.

8. VOTING RIGHTS

All the issued Shares rank *pari passu*.

At the General Meeting, every Shareholder present in person or represented by proxy shall have one vote on a show of hands and, on a poll, shall have that number of votes determined in accordance with the voting rights associated with the Shares held by that Shareholder.

9. **GENERAL MEETING**

Approval of the General Meeting Resolutions will be put to a vote at the General Meeting to be held at 10:00 on Monday, 27 March 2017 at the registered office of Alexander Forbes, in the Table Mountain Board Room at 115 West Street, Sandown, Sandton.

Each Certificated Shareholder and Dematerialised Shareholder recorded in the Register on the Voting Record Date with “own name” registration can attend, participate in and vote at the General Meeting in person or give a proxy to someone else (including the chairman of the General Meeting) to represent him/her at the General Meeting by completing the attached Form of Proxy (*green*).

The Form of Proxy (*green*) must be completed in accordance with the instructions therein and returned to the Transfer Secretaries. Should the Form of Proxy (*green*) not be lodged with the Transfer Secretaries by this time, they may be handed to the chairman of the General Meeting or adjourned General Meeting before the meeting is due to commence or recommence.

Should a Dematerialised Shareholder recorded in the Register on the Voting Record Date who does not have “own name” registration:

- wish to attend, speak and vote at the General Meeting, such a Shareholder must arrange with his/her CSDP or Broker to obtain the necessary letter of representation; or
- be unable to or not wish to attend the General Meeting but wish to vote at the General Meeting, he/she should provide his/her CSDP or Broker with their voting instruction in the manner stipulated in the Custody Agreement governing the relationship between such Shareholder and his/her CSDP or Broker. These instructions must be provided to the CSDP or Broker by the cut off time and date advised by the CSDP or Broker for instructions of this nature. The CSDP or Broker will then provide the Transfer Secretaries with the relevant Forms of Proxy in terms of such individual Dematerialised Shareholders’ instructions.

Dematerialised Shareholders recorded in the Register on the Voting Record Date who do not have “own name” registration will not be permitted to attend, speak or vote at the General Meeting without the necessary letter of representation being issued to them by their CSDP or Broker.

If you are a Shareholder recorded in the Register on the Voting Record Date who wishes to address the General Meeting, then you will be given the opportunity to do so.

10. **RESPONSIBILITY STATEMENT**

The Directors, whose names are set out on page 7 of this Circular, individually and collectively, accept full responsibility for the accuracy of the information contained in this Circular which relates to Alexander Forbes and certify that, to the best of their knowledge and belief, there are no facts which have been omitted which would make any statement in this Circular false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by the Listings Requirements.

11. **ADVISERS’ CONSENTS**

The sponsor and the Transfer Secretaries, whose names appear in the Corporate Information and Advisers section of this Circular have each consented in writing to act in the capacities stated in this Circular and to their names being stated in this Circular and have not withdrawn their consent prior to the publication of this Circular.

12. **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents, or copies thereof, will be available for inspection by Shareholders at Alexander Forbes’ registered office and the offices of the Transfer Secretaries (the addresses of which appear in the “Corporate Information and Advisers” section of this Circular) during normal office hours from the date of posting of this Circular up to and including the date of the General Meeting:

- 12.1 a signed copy of this Circular;
- 12.2 the MoI; and
- 12.3 the written consents referred to in paragraph 11 above.

**SIGNED AT JOHANNESBURG ON BEHALF OF THE BOARD OF DIRECTORS ON 24 FEBRUARY 2017 IN
TERMS OF RESOLUTIONS PASSED BY THE BOARD OF DIRECTORS**

By order of the Board of Directors

ALEXANDER FORBES GROUP HOLDINGS LIMITED

JE Salvado

Company Secretary

24 February 2017



Securing your financial well-being

ALEXANDER FORBES GROUP HOLDINGS LIMITED

Incorporated in the Republic of South Africa

Registration number 2006/025226/06

Share code: AFH ISIN: ZAE000191516

("Alexander Forbes" or the "Company")

NOTICE OF GENERAL MEETING

The definitions and interpretations commencing on page 3 of the Circular shall apply *mutatis mutandis* to the notice of the General Meeting.

Notice is hereby given that a General Meeting of Shareholders of will be held at 10:00 on Monday, 27 March 2017 at the registered office of Alexander Forbes, in the Table Mountain Board Room at 115 West Street, Sandown, Sandton, to consider and, if deemed fit, to pass, with or without modification, the General Meeting Resolutions set out in this Notice of General Meeting. The Voting Record Date in terms of section 59 of the Companies Act for General Meeting participants to be recorded on the Register in order to be able to attend, participate, speak and vote at the General Meeting is Friday, 17 March 2017.

Important dates to note

2017

| | |
|---|--------------------|
| Last day to trade in order to be eligible to attend and vote at the General Meeting | Tuesday, 14 March |
| Voting Record Date in order to be eligible to attend and vote at the General Meeting | Friday, 17 March |
| Forms of Proxy to be received by no later than 10:00 on | Thursday, 23 March |
| General Meeting to be held at 10:00 on | Monday, 27 March |

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

- a Shareholder who is entitled to attend and vote at the General Meeting is entitled to appoint a proxy, or two or more proxies, to attend and participate in and vote at the General Meeting in the place of the Shareholder, by completing the Form of Proxy and election in accordance with the instructions set out therein;
- a proxy need not be a Shareholder; and
- Shareholders recorded in the Register on the Voting Record Date (including Shareholders and their proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in the General Meeting. Forms of identification include valid identity documents, driving licences and passports.

SPECIAL RESOLUTION NUMBER 1 – GENERAL AUTHORITY TO REPURCHASE COMPANY SHARES

“RESOLVED THAT, the Board of Directors of the Company be hereby authorised, by way of a renewable general authority, to approve the purchase of its own Ordinary Shares by the Company, or to approve the purchase of Ordinary Shares in the Company by any subsidiary of the Company, upon such terms and conditions as the Board of Directors of the Company may from time to time determine, provided that:

- the general authority shall be valid until the Company’s next annual general meeting or for 15 (fifteen) months from the date of passing of special resolution Number 1 to the Notice of General Meeting, whichever period is shorter;
- the Shares shall be repurchased through the order book of the trading system of the JSE and done without any prior understanding or arrangement between the Company and/or the relevant subsidiary and the counterparty (reported trades are prohibited);
- the General Repurchase of Shares, in the aggregate, in any one financial year shall not exceed 5% of the Company’s issued ordinary Share capital, as at the beginning of the financial year;
- any General Repurchase is subject to exchange control regulations and approval at that point in time;

- repurchases must not be made at a price more than 10% above the weighted average of the market value of the Shares, for the five business days immediately preceding the date on which the transaction is effected;
- an announcement complying with the Listings Requirements shall be published by the Company (i) when the Company and/or its subsidiaries have cumulatively repurchased 3% of the Ordinary Shares in issue as at the time when the general authority was given (the initial number); and (ii) for each 3% in the aggregate of the initial number of the Ordinary Shares acquired thereafter by the Company and/or its subsidiaries. Such announcement will be made as soon as possible and, in any event, by not later than 08:30 on the business day following the day on which the 3% threshold is reached or exceeded. The announcement will state the number of Shares purchased since the most recent announcement, the number of Shares that remain outstanding and when the securities repurchased are to be cancelled and the listing removed, if applicable;
- the number of Shares purchased and held by a subsidiary or subsidiaries of the Company shall not exceed 10% in aggregate of the number of issued Shares in the Company at the relevant times;
- at any point in time, the Company may only appoint one agent to effect any repurchase on the Company's behalf or on behalf of any subsidiary of the Company;
- subject to the exceptions contained in the Listings Requirements, the Company and the Group will not repurchase Ordinary Shares during a prohibited period (as defined in the Listings Requirements), unless they have in place a repurchase programme where the dates and quantities of shares to be traded during the relevant period are fixed (not subject to any variation), and full details of the programme have been disclosed, in writing, to the JSE prior to the commencement of the prohibited period; and
- prior to the repurchase, a resolution has been passed by the Board of Directors of the Company confirming that the Board has authorised the repurchase, that the Company satisfies the solvency and liquidity test contemplated in the Companies Act and that, since the test was done, there have been no material changes to the financial position of the Group, and such repurchases will be subject to the applicable provisions of the Companies Act (including sections 114 and 115 if section 48(8) is applicable in relation to the particular repurchase), the Company's MoI, the Listings Requirements and the Exchange Control Regulations 1961, as amended.

The Board of Directors undertakes that it will not implement any such repurchases while this general authority is valid, unless:

- 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 the General Repurchase;
- the assets of the Company and the Group will exceed their liabilities for a period of 12 months after the date of the General Repurchase. For this purpose, the assets and liabilities are recognised and measured in accordance with the accounting policies used in the Company's latest Group audited annual financial statements;
- the Company and the Group will have adequate Share capital and reserves for ordinary business purposes for a period of 12 months after the date of the General Repurchase;
- the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the General Repurchase; and
- a resolution by the Board of Directors has been passed authorising the General Repurchase and that the Company and its subsidiary/ies have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Company or the Group.

The percentage of voting rights that will be required in terms of the Companies Act for this special resolution Number 1 to be adopted is at least 75% of the voting rights exercised on the resolution.

Reason for and effect of special resolution number 1

The reason for and the effect of special resolution Number 1 is to grant the Company's Board of Directors a general authority to approve the Company's repurchase of its own Ordinary Shares and to permit a subsidiary of the Company to purchase Ordinary Shares in the Company.

ORDINARY RESOLUTION NUMBER 1 – AUTHORISATION OF DIRECTORS

“RESOLVED THAT, any of the Directors on the Board of Directors and the Company Secretary are hereby authorised to do all things and sign all documents required to give effect to and implement special resolution Number 1, set out above.”

The percentage of voting rights that will be required for this Ordinary Resolution Number 1 to be adopted is more than 50% of the voting rights exercised on the resolution.

QUORUM

The General Meeting may not begin until sufficient persons are present (in person or represented by proxy) at the General 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 General Meeting. A matter to be decided at

the General Meeting may not begin to be considered unless sufficient persons are present at the meeting (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 on that matter at the time the matter is called on the agenda. In addition, a quorum shall consist of at least three Shareholders personally present or represented by proxy (and if the Shareholder is a body corporate, it must be represented) and entitled to vote at the General Meeting on matters to be decided by Shareholders.

FORM OF PROXY

A Form of Proxy (*green*) is attached for the convenience of any Certificated Shareholders and “own name” Dematerialised Shareholders who are unable to attend the General Meeting who wish to be represented thereat. Forms of Proxy may also be obtained on request from Alexander Forbes’ registered office. The duly completed Forms of Proxy must be deposited at or posted to the office of the Transfer Secretaries to be received by not later than 48 hours prior to the General Meeting, i.e. by 10:00 on 23 March 2017. The Form of Proxy may also be handed to the chairman of the General Meeting or adjourned General Meeting before the General Meeting is due to commence or recommence. Any Shareholder who completes and lodges a Form of Proxy will nevertheless be entitled to attend and vote in person at the General Meeting should the Shareholder subsequently decide to do so.

Attached to the Form of Proxy (*green*) is an extract of section 58 of the Companies Act, to which Shareholders are referred.

Shareholders who have already dematerialised their Shares through a CSDP or Broker and who wish to attend the General Meeting must instruct their CSDP or Broker to issue them with the necessary letter of representation to attend.

Dematerialised Shareholders who have elected “own name” registration in the Register through a CSDP and who are unable to attend but who wish to vote at the General Meeting must complete and return the attached Form of Proxy and lodge it with the Transfer Secretaries to be received by no later than 10:00 on 23 March 2017.

By order of the Board of Directors

JE Salvado

Company Secretary

Computershare Investor Services Proprietary Limited

Rosebank Towers
15 Biermann Avenue
Rosebank
2196
(PO Box 61051 Marshalltown, 2107, South Africa)

Registered office

115 West Street
Sandown
2196
South Africa
(PO Box 787240, Sandton, 2146, South Africa)

24 February 2017



Securing your financial well-being

ALEXANDER FORBES GROUP HOLDINGS LIMITED

Incorporated in the Republic of South Africa

Registration number 2006/025226/06

Share code: AFH ISIN: ZAE000191516

("Alexander Forbes" or the "Company")

FORM OF PROXY

(FOR USE BY CERTIFICATED AND "OWN NAME" DEMATERIALISED SHAREHOLDERS ONLY)

For use by Certificated Shareholders and Dematerialised Shareholders with "own name" registration only, at the General Meeting of shareholders of the Company to be held at 10:00 on Monday, 27 March 2017 at the registered office of Alexander Forbes, in the Table Mountain Board Room at 115 West Street, Sandown, Sandton.

Dematerialised Shareholders without "own name" registration must inform their CSDP or Broker of their intention to attend the General Meeting, and request their CSDP or Broker to issue them with the necessary letter of representation to attend the General Meeting in person and vote, or provide their CSDP or Broker with their voting instructions should they not wish to attend the General Meeting in person. These Shareholders must not use this Form of Proxy.

I/We

(Full names in BLOCK LETTERS)

of

(address)

being the holders of Ordinary Shares in the capital of the Company do hereby appoint (see note):

1. _____ or failing him/her;

2. _____ or failing him/her;

3. the chairman of the General Meeting,

as my/our proxy to act for me/us at the General Meeting for purposes of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment thereof; and to abstain from voting for and/or against the resolutions in respect of the ordinary Shares registered in my/our name in accordance with the following instructions:

| | *For | *Against | *Abstain |
|---|-------------|-----------------|-----------------|
| General Meeting Resolutions | | | |
| Special Resolution Number 1 – General authority to repurchase Company Shares | | | |
| Ordinary Resolution Number 1 – Authorisation of Directors | | | |

* One vote per share held by Shareholders recorded in the Register on the Voting Record Date.

Signature

Assisted by (if applicable)

Address

Telephone number

Cell phone number

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, speak and vote in place of that shareholder at the meeting.

In compliance with the provisions of section 58(8)(b)(i) of the Companies Act, a summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Companies Act, is set out below:

Notes:

1. The Form of Proxy must only be used by Certificated Shareholders or Dematerialised Shareholders with "own name" registration.
2. Shareholders are reminded that the onus is on them to communicate with their CSDP or Broker.
3. A Shareholder that is entitled to attend and vote at the General Meeting may appoint any individual (or two or more individuals) as a proxy or proxies to attend, participate in and vote at the General Meeting in the place of the shareholder. A proxy need not be a shareholder of the Company. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the chairman of the General Meeting". The person whose name stands first on the Form of Proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
4. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each share held. A shareholder's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the shareholder in the appropriate box(es). Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the General Meeting as he/she deems fit in respect of all the shareholder's votes.
5. A vote given in terms of an instrument of proxy shall be valid in relation to the General Meeting notwithstanding the death of the person granting it, or the revocation of the proxy, or the transfer of the Ordinary Shares in respect of which the vote is given, unless an intimation in writing of such death, revocation or transfer is received by the transfer secretaries not less than 48 hours before the commencement of the General Meeting.
6. If a shareholder does not indicate on this form that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the General Meeting be proposed, the proxy shall be entitled to vote as he/she thinks fit.
7. The chairman of the General Meeting may reject or accept any Form of Proxy and election which is completed and/or received other than in compliance with these notes.
8. The completion and lodging of this Form of Proxy and election will not preclude the relevant shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
9. Documentary evidence establishing the authority of a person signing the Form of Proxy in a representative capacity must be attached to this Form of Proxy and election, unless previously recorded by the Company or unless this requirement is waived by the chairman of the General Meeting.
10. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the Company.
11. Where there are joint holders of Ordinary Shares:
 - i. any one holder may sign the Form of Proxy; and
 - ii. the vote(s) of the senior shareholders (for that purpose seniority will be determined by the order in which the names of shareholders appear on the Company's register of shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
12. Form of Proxy should be lodged with or mailed to Computershare Investor Services Proprietary Limited

If delivered by hand
Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank
2196

If sent by mail
Computershare Investor Services Proprietary Limited
PO Box 61051 Marshalltown, 2107, South Africa

to be received, for administrative purposes, by no later than 10:00 on 23 March 2017 (or 48 hours before any adjournment of the General Meeting to be held at 10:00 on 27 March 2017).
13. Any alteration or correction made to this Form of Proxy, other than the deletion of alternatives, must be initialled by the signatory/ies.