

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you are in any doubt as to the action you should take, please consult your broker, CSDP, banker, legal advisor, accountant or other professional advisor immediately.

Action required

If you have disposed of all your African Phoenix shares, then this circular, together with the accompanying notice convening the general meeting and form of proxy, should be forwarded to the purchaser to whom, or the broker, agent, CSDP or banker through whom, you disposed of your shares.

Beneficial shareholders who hold dematerialised shares through a CSDP or broker who wish to attend the general meeting must request their CSDP or broker to provide them with the necessary letter of representation to attend the general meeting or must instruct their CSDP or broker to vote on their behalf in terms of their respective agreements with their CSDP or broker.

African Phoenix shareholders are referred to page 2 of this circular, which sets out the detailed action required of them in respect of the corporate actions set out in this circular.

African Phoenix does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of any holder of dematerialised African Phoenix shares to notify such shareholder of the corporate actions set out in this circular.

african phoenix

investments limited

African Phoenix Investments Limited

(Incorporated in the Republic of South Africa)

(Registration number 1946/021193/06)

JSE share code: AXL ISIN: ZAE000221370

("African Phoenix" or the "Company")

CIRCULAR TO AFRICAN PHOENIX SHAREHOLDERS

relating to:

- the delisting of all African Phoenix shares from the Main Board of the JSE following the passing of the delisting resolution by African Phoenix shareholders (excluding the votes of the offeror) and the implementation of the offer;
- an offer by the offeror to acquire some or all of the ordinary shares in the Company not already owned by the offeror for an offer consideration of 40 cents per African Phoenix ordinary share held;
- a responding circular by the independent board of African Phoenix containing their views in respect of the offer;
- the adoption of the new investment policy; and
- the adoption of a new memorandum of incorporation to take into account the delisting,

and enclosing:

- an independent fairness opinion regarding the offer;
- a notice of general meeting of African Phoenix shareholders;
- a form of proxy to vote at the general meeting of African Phoenix shareholders (for use by certificated African Phoenix shareholders and dematerialised African Phoenix shareholders who have elected "own-name" registration only);
- a form of acceptance, surrender and transfer (*blue*) (to be completed by certificated African Phoenix shareholders only); and

Corporate advisor and JSE sponsor

JAVACAPITAL

Independent expert

M A Z A R S

CORPORATE FINANCE (PTY) LTD

Date of issue: 8 May 2020

This circular is available in English only. Copies of this circular may be obtained from the registered office of the company between 09:00 and 16:30 on business days from Friday, 8 May 2020 to Monday, 8 June 2020, both days inclusive. The circular will also be available on African Phoenix's website (www.phoenixinvestments.co.za) from Friday, 8 May 2020.

TRP APPROVALS

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

CORPORATE INFORMATION

Registered offices

African Phoenix Investments Limited
(Registration number 1946/021193/06)
13th Floor, Illovo Point
68 Melville Road
Illovo
2196

Corporate advisor

Java Capital Proprietary Limited
(Registration number 2012/089864/07)
6A Sandown Valley Crescent
Sandown
Sandton
2196
(PO Box 522606, Saxonwold, 2132)

Independent expert

Mazars Corporate Finance Proprietary Limited
(Registration number 2003/029561/07)
54 Glenhove Road
Melrose Estate
2196
(PO Box 669, Johannesburg, 2000)

Company secretary

Acorim Proprietary Limited
(Registration number 2013/087325/07)
13th Floor, Illovo Point
68 Melville Road
Illovo
2196

Transaction sponsor

Java Capital Trustees and Sponsors Proprietary Limited
(Registration number 2006/005780/07)
6A Sandown Valley Crescent
Sandown
Sandton
2196
(PO Box 522606, Saxonwold, 2132)

Transfer secretaries

Link Market Services South Africa Proprietary Limited
(Registration number 2000/007239/07)
13th Floor
19 Ameshoff Street, Braamfontein
Johannesburg, 2001
(PO Box 4844, Johannesburg, 2000)

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ACTION REQUIRED BY AFRICAN PHOENIX SHAREHOLDERS

The definitions and interpretations commencing on page 7 of this circular apply to this section.

If you have disposed of all your African Phoenix shares, then this circular, together with the accompanying notice convening the general meeting and form of proxy, should be forwarded to the purchaser to whom, or the broker, agent, CSDP or banker through whom, you disposed of your shares.

Please take careful note of the following provisions regarding the action to be taken by shareholders.

1. THE GENERAL MEETING

A shareholders' general meeting will be held at 10:00 on Monday, 8 June 2020 at 9th Floor, Katherine Towers, 1 Park Lane, Wierda Valley, Sandton, 2196, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions required to approve, *inter alia*, the delisting of the Company's shares from the Main Board of the JSE. A notice convening such general meeting is attached hereto, and forms part of this circular.

1.1 Dematerialised shareholders who do not have "own-name" registration

- 1.1.1 If you wish to attend the general meeting, you should instruct your CSDP or broker to issue you with the necessary letter of representation to attend the general meeting in person, in the manner stipulated in the custody agreement governing the relationship between you and your CSDP or broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature.
- 1.1.2 If you do not wish to, or are unable to attend the general meeting, but wish to vote thereat, you should provide your CSDP or broker with your voting instructions in the manner stipulated in the custody agreement governing the relationship between you and your 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. If your CSDP or broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your CSDP or broker.
- 1.1.3 You must **not** complete the attached form of proxy.

1.2 Dematerialised shareholders who have "own-name" registration

- 1.2.1 You may attend, speak and vote at the general meeting in person, subject to section 57 and section 58 of the Companies Act.
- 1.2.2 If you do not wish to or are unable to attend the general meeting but wish to be represented thereat, you should complete the attached form of proxy in accordance with the instructions contained therein and ensure that it is received by the transfer secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000) by no later than 10:00 on Thursday, 4 June 2020, failing which forms of proxy may be handed to the chairman of the general meeting or the transfer secretaries at the general meeting at any time prior to the commencement of the general meeting or prior to voting on any resolution to be proposed at the general meeting.

1.3 Certificated shareholders

- 1.3.1 You may attend, speak at and vote at the general meeting, subject to section 57 and section 58 of the Companies Act.
- 1.3.2 If you do not wish to or are unable to attend the general meeting but wish to be represented thereat, you should complete the attached form of proxy in accordance with the instructions contained therein and ensure that it is received by the transfer secretaries Link Market Services South Africa Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000) by no later than 10:00 on Thursday, 4 June 2020, failing which, forms of proxy may be handed to the chairman of the general meeting or the transfer secretaries at the general meeting at any time prior to the commencement of the general meeting or prior to voting on any resolution to be proposed at the general meeting.

1.4 Electronic participation at the general meeting

- 1.4.1 In terms of section 61(10) of the Companies Act, every shareholders' meeting of a public company must be reasonably accessible within South Africa for electronic participation by shareholders. Therefore, shareholders or their proxies may participate in a meeting by way of a teleconference call if they wish to do so.

In this event:

- 1.4.1.1 written notice to participate via electronic communication must be sent to African Phoenix's company secretary, Acorim Proprietary Limited, to apil@acorim.co.za to be received by no later than 10:00 on Thursday, 4 June 2020;
- 1.4.1.2 a pin number and dial-in details for the conference call will be provided;
- 1.4.1.3 shareholders will be billed separately by their own telephone service providers for the teleconference call to participate in the general meeting; and
- 1.4.1.4 valid identification will be required:
- 1.4.1.4.1 if the shareholder is an individual, a certified copy of their identity document and/or passport;
- 1.4.1.4.2 if the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution, specifying the name of the individual that is authorised to represent the relevant entity at the general meeting by way of teleconference call; and
- 1.4.1.4.3 a valid email address and/or facsimile number.
- 1.4.2 Subject to 1.4.2 below, shareholders and their proxies will not be able to vote telephonically at the general meeting and will still need to appoint a proxy or representative to attend the general meeting in person and to vote on their behalf at the general meeting
- 1.4.3 In light of the directive announced on 23 March 2020 by the President of South Africa in terms of section 27(1) of the Disaster Management Act, No. 57 of 2002 implementing a nationwide lockdown with effect from 26 March 2020 and extended to the end of April 2020, which may be extended or re-instated from time to time, ("Lockdown") and the guidance from the South African Government regarding the need for social distancing, as a result of the COVID-19 pandemic, shareholders are encouraged to make use of proxies for purposes of voting at the general meeting.

In the event of a future Lockdown, future regulations or directives or preventative measures relating to COVID-19, shareholders or their proxies may be prevented from attending the general meeting in person. In such circumstances, African Phoenix may determine, by way of notice to shareholders published on SENS and in the South African press by no later than 10 (ten) business days prior to the general meeting, that the general meeting will take place entirely by electronic means and/or that shareholders or their proxies will be entitled to vote electronically, which notice will include details and instructions of such arrangement.

The Company does not accept responsibility and will not be held liable for any failure or omission on the part of the CSDP or broker of a dematerialised shareholder to notify such shareholder of the general meeting or any business to be conducted thereat. The Company does not accept responsibility for the failure of any shareholder to comply with any of the procedures set out above.

2. THE OFFER

2.1 Certificated shareholders

- 2.1.1 The provisions of this paragraph 2.1 do not apply to dematerialised shareholders who elect to accept the offer.
- 2.1.2 Certificated shareholders who wish to accept the offer are required to complete the attached form of acceptance and return it to the transfer secretaries together with their documents of title in respect of their offer shares, at their own risk, to be received by no later than 12:00 on the closing date. If a form of acceptance is not received by 12:00 on the closing date, such certificated shareholder will be deemed to have declined the offer. No late acceptances will be considered if received by the transfer secretaries after 12:00 on the closing date.

- 2.1.3 If the documents of title relating to the shares held by a certificated shareholder have been lost or destroyed, African Phoenix shareholders should nevertheless return a duly completed form of acceptance together with an indemnity on terms satisfactory to African Phoenix and the offeror. The offeror and African Phoenix may, in their sole discretion, dispense with the surrender of such documents of title upon production of satisfactory evidence that the documents of title have been lost or destroyed and upon provision of an indemnity on terms acceptable to the offeror and African Phoenix. Unless otherwise agreed by the offeror and African Phoenix, only indemnity forms obtained from the transfer secretaries (available on request) will be regarded as suitable. The offeror and African Phoenix shall be entitled, in their absolute discretion, by way of agreement to waive the requirement of an indemnity.
- 2.1.4 No receipt will be issued for documents of title surrendered unless specifically requested. In order to comply with the requirements of the JSE, lodging agents must prepare special transaction receipts, if required.

2.2 Dematerialised shareholders

- 2.2.1 Dematerialised shareholders who wish to accept the offer are required to notify their CSDPs or brokers of their acceptance in the manner and by the deadline stipulated in the custody agreement concluded between the holders of dematerialised African Phoenix shares and their CSDPs or brokers, as the case may be. If no instruction is given to their CSDPs or brokers, or if there is any doubt or dispute in respect of their acceptance, such dematerialised shareholders will be deemed to not have accepted the offer. Dematerialised shareholders must not complete the attached form of acceptance. The CSDP or broker of a dematerialised shareholder who wishes to accept the offer must notify the transfer secretaries of such acceptance of the offer.
- 2.2.2 The offeror reserves the right, in its sole and absolute discretion, to:
- 2.2.2.1 in respect of certificated shares, treat as invalid forms of acceptance, transfer and surrender not accompanied by valid documents of title;
 - 2.2.2.2 treat as invalid forms of acceptance, transfer and surrender not properly completed;
 - 2.2.2.3 require proof of the authority of the person signing the form of acceptance where such proof has not been lodged with or recorded by the transfer secretaries; and
 - 2.2.2.4 without prejudice to any of its rights, the offeror reserves the right to condone, in its sole discretion, the non-performance by any offeree of any of the terms of the offer.

2.3 Settlement of the offer consideration

- 2.3.1 Certificated shareholders who accept the offer will have the offer consideration transferred to them by way of EFT (depending on the election made by them in the form of acceptance) by no later than the payment date, being within six business days after the date on which such shareholders deliver forms of acceptance and documents of title to the transfer secretaries with the last payment date being the first business day after the closing date.
- 2.3.2 Dematerialised shareholders who accept the offer will have their accounts at their CSDP or broker updated with the offer consideration by no later than the payment date, being within six business days after the date on which the CSDPs or brokers of such African Phoenix shareholders notify the transfer secretaries of their acceptance of the offer with the last payment date being the first business day after the closing date.
- 2.3.3 If the offer consideration is not sent to shareholders entitled thereto because the relevant documents of title and forms of acceptance have not been surrendered, or if the offer consideration is returned undelivered to the transfer secretaries, the offer consideration will be held by the offeror or the transfer secretaries, on behalf of and for the benefit of such certificated shareholders, until claimed and no interest will accrue thereon. This paragraph does not apply to dematerialised shares held by shareholders.
- 2.3.4 The settlement of the offer consideration to which any offeree becomes entitled in terms of the offer will be implemented in full in accordance with the terms of the offer without regard to any lien, right of set-off, counter-claim or any other analogous right to which the offeror may be entitled.
- 2.3.5 The settlement of the offer consideration for both dematerialised shareholders and certificated shareholders will be made subject to the Exchange Control Regulations.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 7 of this circular apply to this section.

2020

Record date to receive circular (together with the notice convening the general meeting)	Friday, 24 April
Announcement relating to the issue of the circular (together with the notice convening the general meeting) released on SENS on	Friday, 8 May
Circular (together with the notice convening the general meeting) posted on	Friday, 8 May
Offer opens at 09:00 (see notes 7 and 8 below)	Monday, 11 May
Announcement relating to the issue of the circular (together with the notice convening the general meeting) published in the press	Monday, 11 May
Last day to trade in order to be eligible to vote at the general meeting	Tuesday, 26 May
Record date in order to be eligible to vote at the general meeting	Friday, 29 May
Last day forms of proxy should be lodged with the transfer secretaries for the general meeting (by 10:00)	Thursday, 4 June
General meeting held at 10:00	Monday, 8 June
Results of the general meeting released on SENS (offer becomes wholly unconditional)	Monday, 8 June
Results of the general meeting published in the press	Tuesday, 9 June
Publication of finalisation announcement relating to the offer released on SENS	Tuesday, 9 June
Publication of finalisation announcement relating to the offer published in the press	Wednesday, 10 June
Last day to trade in African Phoenix shares in order to participate in the offer	Tuesday, 23 June
Listing African Phoenix shares suspended on the JSE with effect from the commencement of trade on	Wednesday, 24 June
Expected date on which the offer closes at 12:00 on	Friday, 26 June
Record date on which African Phoenix shareholders must hold African Phoenix shares in order to accept the offer	Friday, 26 June
Results of the offer announced on SENS	Monday, 29 June
Offer consideration paid to offer participants as per notes 9 and 10 below, with the last payment on	Monday, 29 June
Results of the offer published in the press	Tuesday, 30 June
Termination of the listing of African Phoenix shares at the commencement of trade on the JSE on	Tuesday, 30 June

Notes:

1. All dates and times in this circular are local dates and times in South Africa.
2. The above dates and times are subject to change. Any changes will be released on SENS and, if required, published in the press.
3. Shareholders should note that as transactions in African Phoenix shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three business days after such trade. Therefore, shareholders who acquire African Phoenix shares after Tuesday, 26 May 2020 will not be eligible to vote at the general meeting.
4. In order to ensure an orderly arrangement of affairs at the general meeting, forms of proxy should be lodged with the transfer secretaries by Thursday, 4 June 2020, failing which forms of proxy may be handed to the chairman of the general meeting or the transfer secretaries at the general meeting at any time prior to the commencement of the general meeting or prior to voting on any resolution to be proposed at the general meeting.
5. If the general meeting is adjourned or postponed, forms of proxy submitted for the initial general meeting will remain valid in respect of any adjournment or postponement of the general meeting.
6. No dematerialisation and rematerialisation of African Phoenix shares may take place after the last day to trade in African Phoenix shares in order to participate in the offer.

7. The offer must remain open for at least 30 business days after the opening date.
8. African Phoenix shareholders should note that acceptance of the offer will, subject to paragraph 2.6.2, be irrevocable.
9. Certificated shareholders who accept the offer will have the offer consideration transferred to them by EFT by no later than the payment date, being on the first business day after the closing date.
10. Dematerialised shareholders who accept the offer will have their accounts at their CSDP or broker updated by no later than the payment date, being on the first business day after the closing date.

DEFINITIONS AND INTERPRETATIONS

In this circular and the annexures hereto, unless inconsistent with the context, an expression which denotes a 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 expressions set out in the first column bear the meaning assigned to them in the second column.

“African Phoenix” or the “Company”	African Phoenix Investments Limited (Registration number 1946/021193/06), a public company incorporated and registered in accordance with the laws of South Africa and listed on the JSE;
“African Phoenix minority shareholders”	all African Phoenix shareholders, other than the offeror, once the mandatory offer is triggered;
“African Phoenix preference shareholders” or “preference shareholders”	registered holders of African Phoenix preference shares;
“African Phoenix preference shares” or “preference shares”	1 252 598 non-redeemable, non-cumulative, non-participating preference shares of R0.01 of African Phoenix in respect of which appraisal rights have been exercised by the preference shareholders in terms of section 164 of the Companies Act, further details of which are set out in paragraph 2.13 of this circular;
“African Phoenix share” or “share” or “ordinary share”	A ordinary shares with a par value of R0.25 per share in the A share capital of African Phoenix and which are listed on the Main Board of the JSE;
“African Phoenix shareholders” or “shareholders” or “ordinary shareholders”	the registered holders of African Phoenix shares;
“API Capital”	API Capital Proprietary Limited (Registration number 2018/455832/07), a private company incorporated and registered in accordance with the laws of South Africa and a wholly-owned subsidiary of the Company;
“API Capital Fund”	the <i>en commandite</i> partnership constituted in terms of the partnership agreement;
“Companies Act”	the Companies Act, No. 71 of 2008, as amended from time to time;
“board” or “African Phoenix board”	the board of directors of African Phoenix;
“business day”	any day other than a Saturday, Sunday or official public holiday in South Africa;
“certificated shareholders” or “certificated African Phoenix shareholders”	shareholders who hold certificated shares;
“certificated shares” or “certificated African Phoenix shares”	shares which have not yet been dematerialised into the Strate system, title to which is represented by physical documents of title;
“circular”	this circular, dated Friday, 8 May 2020, including all annexures thereto;
“closing date”	the closing date of the offer at 12:00 as announced on SENS, a minimum of 10 businesses days prior thereto, and if required, published in the press, and which closing date shall be (i) a Friday (ii) not be earlier than 30 business days after the opening date and (iii) at least 10 business days after the offer becomes wholly-unconditional. The closing date is anticipated to be on Friday, 26 June 2020;
“combined circular”	the combined circular to preference shareholders and ordinary shareholders dated 18 February 2020;
“Common Monetary Area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;

“Competition Authorities”	the Competition Commission, the Competition Tribunal or the Competition Appeal Court, whichever has jurisdiction for the purposes of the offer, as established by the Competition Act, No. 89 of 1998, as amended from time to time;
“conditions precedent”	the conditions precedent to the offer as set out in paragraph 2.4 of this circular;
“CSDP”	Central Securities Depository Participant;
“delisting”	the delisting of African Phoenix from the Main Board of the JSE in terms of sections 1.14 and 1.15 of the JSE Listings Requirements;
“delisting resolution”	the ordinary resolution to be proposed at the general meeting for approval by shareholders of the delisting in terms of section 1.15 of the JSE Listings Requirements, as set out in the notice general meeting attached to and forming part of this circular;
“dematerialised shareholders” or “dematerialised African Phoenix shareholders”	shareholders who hold dematerialised shares;
“dematerialised shares” or “dematerialised African Phoenix shares”	shares which have been incorporated into the Strate system, title to which is no longer represented by physical documents of title;
“director”	a director of African Phoenix;
“directors of the offeror”	the directors of the offeror, being, P Baloyi, F Vawda, T Maseko, L Bailey, J Stewart and D Murgatroyd;
“documents of title”	share certificates, certified transfer deeds, balance receipts and any other documents of title to African Phoenix shares acceptable to the African Phoenix board;
“Exchange Control Regulations”	the Exchange Control Regulations, promulgated in terms of section 9 of the Currency and Exchanges Act, No. 9 of 1933, as amended from time to time;
“existing MOI”	the memorandum of incorporation of the Company;
“Financial Markets Act”	Financial Markets Act, No. 19 of 2012, as amended from time to time;
“firm intention announcement”	the announcement released on SENS on Thursday, 23 April 2020, advising shareholders of the offer and delisting;
“form of acceptance”	the form of acceptance, transfer and surrender (<i>blue</i>) attached to this circular for use by certificated shareholders only;
“general meeting”	the general meeting of African Phoenix shareholders (including any adjournment or postponement thereof), to be held at 10:00 on Monday, 8 June 2020, at 9 th Floor, Katherine Towers, 1 Park Lane, Wierda Valley, Sandton, 2196, called for the purpose of passing, with or without modification, the resolutions set out in the notice of general meeting attached to this circular;
“IFRS”	International Financial Reporting Standards;
“independent board”	the members of the independent board of African Phoenix comprising Koketso Mabe, Raisaka Ronald Masebelanga and Lungile Ngakane;
“independent expert” or “Mazars”	Mazars Corporate Finance Proprietary Limited (Registration number 2003/029561/07), a private company incorporated and registered in accordance with the laws of South Africa, full details of which are set out in the “Corporate Information” section of this circular;
“investment policy” or “new investment policy”	the Company’s investment policy, as set out in paragraph 15 of Part B of this circular, proposed to be approved by shareholders as set out in the notice of general meeting attached to this circular;

“Java Capital”	collectively, Java Capital Proprietary Limited (Registration number 2002/031862/07), and Java Capital Trustees and Sponsors Proprietary Limited (Registration number 2006/005780/07), private companies incorporated and registered in terms of the laws of South Africa, full details of which are set out in the “Corporate Information” section of this circular;
“JSE”	JSE Limited (Registration number 2005/022939/06), a public company incorporated and registered in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act;
“JSE Listings Requirements”	the Listings Requirements of the JSE as amended from time to time;
“last practicable date”	Thursday, 23 April 2020, being the last practicable date prior to the finalisation of this circular;
“Legae Peresec” or the “offeror”	Legae Peresec Proprietary Limited (Registration number 1999/010976/07), a private company incorporated and registered in accordance with the laws of South Africa;
“Legae Peresec Holdings”	Legae Peresec Holdings Proprietary Limited (Registration number 2018/416399/07), a private company incorporated and registered in accordance with the laws of South Africa and the holding company of the offeror;
“mandatory offer”	the potential mandatory offer of 40 cents per African Phoenix share in terms of section 123 of the Companies Act, that may be required to be made by the offeror to African Phoenix minority shareholders as a result of the offeror or persons related or inter-related to or acting in concert with the offeror acquiring a beneficial interest in 35% or more of the voting rights attaching to African Phoenix shares;
“MOI”	the existing memorandum of incorporation of African Phoenix;
“NAV”	net asset value;
“new MOI”	the new memorandum of incorporation which will replace the existing MOI in its entirety, to be filed with the CIPC pursuant to African Phoenix shareholders having approved the new memorandum of incorporation. Extracts of the new memorandum of incorporation are set out in Annexure 5 ;
the “offer” or the “general offer”	the general offer made by the offeror to African Phoenix shareholders, in terms of section 117(1)(iv) (read together with section 121(1)) of the Companies Act, to acquire all or part of their shareholding in African Phoenix, on the terms set out in this circular;
“offer consideration”	40 cents per African Phoenix share;
“offeree”	the African Phoenix shareholders to which the offer is made;
“offer participants”	the African Phoenix shareholders who validly and lawfully accept the offer by the closing date and who are thus entitled to receive the offer consideration;
“offer period”	the period from 09:00 on the opening date to 12:00 on the closing date;
“offer record date”	the date on which African Phoenix shareholders must be recorded in the securities register in order to participate in the offer, being the closing date;
“opening date”	the opening date of the offer, being 09:00 on Monday, 11 May 2020;
“own-name dematerialised shareholders”	dematerialised shareholders who/which have elected “own-name” registration;
“own-name registration”	dematerialised shareholders who have instructed their CSDP to hold their African Phoenix shares in their own-name on the uncertificated securities register;
“partnership agreement”	the <i>en commandite</i> partnership agreement entered into between the Company and API Capital on 20 March 2019 establishing and governing the API Capital Fund;
“payment date”	in respect of shareholders who accept the offer, the first business day after the closing date;
“R” or “Rand”	South African Rand;

“register”	African Phoenix’s securities register, including the uncertificated securities register;
“SARB”	the South African Reserve Bank;
“SENS”	the Stock Exchange News Service, the news service operated by the JSE;
“South Africa”	the Republic of South Africa;
“Strate”	Strate Proprietary Limited (Registration number 1998/022242/07), a private company incorporated and registered in accordance with the laws of South Africa, which is a registered central securities depository and which is responsible for the electronic settlement system used by the JSE;
“Takeover Regulations”	Chapter 5 of the Regulations to the Companies Act, 2011, published in terms of the Companies Act;
“transfer secretaries”	Link Market Services South Africa Proprietary Limited (Registration number 2000/007239/07), a private company incorporated and registered in accordance with the laws of South Africa, full details of which are set out in the “Corporate Information” section of this circular;
“TRP”	the Takeover Regulation Panel, established pursuant to section 196 of the Companies Act;
“update announcement”	the announcement published on SENS on 28 February 2020 relating to the termination of discussion in respect of the proposed merger, the delisting of the Company and the withdrawal of cautionary announcement;
“voting record date”	the date on, and the time at which a shareholder must be recorded in the securities register of the Company in order to vote at the general meeting, being the close of business on Friday, 29 May 2020 or such other date or time as the JSE may direct;
“VAT”	value added tax as defined in the Value Added Tax Act, 1991, as amended; and
“VWAP”	volume weighted average traded price per African Phoenix share.

african phoenix

investments limited

African Phoenix Investments Limited

(Incorporated in the Republic of South Africa)
(Registration number 1946/021193/06)
JSE ordinary share code: AXL ISIN: ZAE000221370
("African Phoenix" or the "Company")

Directors

Oyama Mabandla (*Executive Chairperson*)
Koketso Mercedes Mabe (*Lead independent non-executive director*)
Andrew James Hannington (*Chief financial officer*)
Warren Chapman (*Non-executive director*)
Raisaka Ronald Masebelanga (*Independent non-executive director*)
Lungile Ngakane (*Independent non-executive director*)

CIRCULAR TO AFRICAN PHOENIX SHAREHOLDERS

1. INTRODUCTION

- 1.1 In the update announcement and firm intention announcement released on SENS on 28 February 2020 and Thursday, 23 April 2020, respectively, African Phoenix shareholders were advised that the African Phoenix board had resolved that, subject to securing the requisite approval from its shareholders in a general meeting and the JSE approving the Company's delisting application, it would be in the best interests of the Company to seek a delisting of the Company's shares from the JSE.
- 1.2 In compliance with the JSE Listings Requirements, the delisting must be accompanied by an offer (that an independent expert has confirmed to be fair to shareholders) which is to be made to holders of all African Phoenix's listed securities, being the ordinary shares.
- 1.3 The Company has procured a commitment from the offeror, which currently holds (directly or indirectly) c.33.45% of the issued AXL share capital of the Company, in terms of which, subject to the delisting being approved in accordance with all regulatory requirements, Legae Peresec will make an offer to purchase all the African Phoenix shares from any shareholder who, post the approval of the delisting, either cannot or does not wish to continue to hold African Phoenix shares in an unlisted structure, at an offer price of 40 cents per share.
- 1.4 The delisting and offer will be implemented on the basis that shareholders are afforded an opportunity to either monetise their investment in African Phoenix at a fair price or to continue to hold shares in African Phoenix in an unlisted environment. All shareholders will be entitled to elect to remain invested in African Phoenix and, any shareholder who does not wish to accept the general offer may retain its shareholding in African Phoenix post the delisting.
- 1.5 As announced on SENS on 20 January 2020, following engagement with various shareholders, African Phoenix decided not to appoint a replacement general partner following the removal of API Capital. The API Capital Fund has accordingly been dissolved in accordance with the partnership agreement and the B ordinary shares held by API Capital have been cancelled.

Having regard to the above, the board has resolved, subject to obtaining the requisite shareholder approval, to adopt a new investment policy, further details of which are set out in paragraph 15 of Part B of this circular.

- 1.6 The board has further resolved, subject to the delisting being approved by the requisite majority of shareholders, that the Company adopt a new MOI which would be more suitable to an unlisted public company.

- 1.7 The purpose of this circular is, *inter alia*, to:
 - 1.7.1 provide African Phoenix shareholders with information regarding the offer and the delisting and the manner in which they will be implemented;
 - 1.7.2 provide African Phoenix shareholders with information regarding the new investment policy;
 - 1.7.3 provide African Phoenix shareholders with the new MOI; and
 - 1.7.4 convene a general meeting of shareholders to be held at 10:00 on Monday, 8 June 2020.

PART A: OFFER TO ALL AFRICAN PHOENIX MINORITY SHAREHOLDERS

1. RATIONALE FOR THE OFFER

- 1.1 As further detailed in Part B of this circular, the board is of the opinion that the Company's listing on the JSE no longer benefits the Company.
- 1.2 In terms of paragraph 1.15 of the JSE Listings Requirements, the delisting must be accompanied by an offer to all shareholders, which offer must be fair.
- 1.3 The Company is unable to make an offer to African Phoenix shareholders itself to repurchase African Phoenix shares and accordingly procured the offer from the offeror to facilitate the delisting.
- 1.4 The offeror has agreed to make the offer as a mechanism to facilitate the delisting.

2. THE OFFER

2.1 The offer and offer consideration

- 2.1.1 Legae Peresec hereby makes an offer, subject to the fulfilment of the condition precedent, to acquire from African Phoenix shareholders all the African Phoenix shares in respect of which it receives valid acceptances prior to the closing date.
- 2.1.2 The offer will be made for a cash consideration of 40 cents per African Phoenix share payable against delivery of registered and beneficial ownership of the relevant shares into the name of the offeror.
- 2.1.3 The offer consideration of 40 cents per African Phoenix share represents:
 - 2.1.3.1 a premium of 11.01% to the 5-day VWAP of 36.03 cents per African Phoenix share;
 - 2.1.3.2 a premium of 9.47% to the 10-day VWAP of 36.54 cents per African Phoenix share;
 - 2.1.3.3 a premium of 8.70% to the 20-day VWAP of 36.80 cents per African Phoenix; and
 - 2.1.3.4 a premium of 5.31% to the 30-day VWAP of 37.98 cents per African Phoenix share;as at Friday, 28 February 2020, being the date of the update announcement.
- 2.1.4 The offer consideration of 40 cents per African Phoenix share represents:
 - 2.1.4.1 a premium of 5.26% to the closing price of 38.00 cents per African Phoenix share;
 - 2.1.4.2 a premium of 10.25% to the 5-day VWAP of 36.28 cents per African Phoenix share;
 - 2.1.4.3 a premium of 9.41% to the 10-day VWAP of 36.56 cents per African Phoenix share;
 - 2.1.4.4 a premium of 5.32% to the 20-day VWAP of 37.98 cents per African Phoenix share;
 - 2.1.4.5 a premium of 5.46% to the 30-day VWAP of 37.93 cents per African Phoenix share;as at Thursday, 23 April 2020, being the date of the firm intention announcement.

2.2 Offer period

- 2.2.1 The offer will open at 09:00 on Monday, 11 May 2020 and will remain open until 12:00 on the closing date.
- 2.2.2 The offer will be open for acceptances by offerees for a period of at least 30 business days as required by Regulation 102(4) of the Takeover Regulations.
- 2.2.3 In terms of Regulation 105(5)(b) of the Takeover Regulations, an offer that has become unconditional must remain open for at least 10 business days after the date on which the offer is announced as being unconditional.
- 2.2.4 The offer remains conditional upon African Phoenix shareholder approval for the delisting. It is anticipated that the offer will become wholly unconditional on or about Monday, 8 June. Accordingly, it is anticipated that the offer will close on Friday, 26 June 2020.

2.3 **Remaining African Phoenix shares**

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

2.4 **Condition precedent**

The offer remains conditional upon the delisting being approved by African Phoenix shareholders (excluding the votes of the offeror) at a general meeting, in terms of the JSE Listings Requirements.

2.5 **Ability to proceed with the offer**

2.5.1 The offeror has confirmed to the African Phoenix board that the offeror has sufficient funds to fully satisfy the cash offer commitment.

2.5.2 The offeror has delivered an irrevocable unconditional confirmation in accordance with Regulations 111(4) and 11(5) of the Takeover Regulations from The Standard Bank of South Africa Limited to the TRP that sufficient funds are available to satisfy the cost of the offer consideration.

2.6 **Acceptances irrevocable**

2.6.1 Subject to paragraph 2.6.2 below, all acceptances of the offer received by the transfer secretaries, the offeror or the relevant CSDP or broker prior to the closing date will be irrevocable.

2.6.2 Acceptances of the offer may be withdrawn by written notice to the offeror, if the offer has not been declared wholly unconditional by midnight on the 65th business day after the opening date.

2.7 **Transaction receipts**

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

2.8 **Applicable law**

2.8.1 The offer is made in compliance with the requirements of the Takeover Regulations and is governed by and subject to the provisions of the laws of South Africa and will be subject to the exclusive jurisdiction of a South African court.

2.8.2 Each offer participant will be deemed by his acceptance to have consented and submitted to the jurisdiction of the courts of South Africa in relation to all matters arising out of or in connection with the offer and acceptance thereof.

2.9 **Offer not made where illegal**

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

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

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

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

2.9.5 Persons wishing to accept the offer should not use the mail of any of the affected jurisdictions or any such means, instrumentality or facility for any purpose, directly or indirectly, relating to the offer.

2.9.6 Envelopes containing forms of acceptance, transfer and surrender or other documents relating to the offer should not be post-marked in any of the affected jurisdictions or otherwise dispatched from any of the affected jurisdictions and all acceptors must provide addresses outside the affected jurisdictions for receipt of the offer consideration to which they are entitled under the offer.

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

2.10 Approvals, consents and undertakings received

2.10.1 The offeror has obtained the necessary authorisations and approvals from its board and shareholders, to the extent applicable, to proceed with the offer.

2.10.2 The TRP and the JSE have both approved this circular.

2.11 Tax implications for offerees

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

2.12 Other terms of the offer

2.12.1 The offer may be amended, varied or revised in such a manner as the offeror in its sole discretion may determine, provided that no such amendment, variation or revision shall be made unless:

2.12.1.1 the prior consent of the TRP has been obtained;

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

2.12.1.3 an announcement on SENS or press release containing the amended, varied or revised offer is made prior to the finalisation time and date of the offer or such other date which is approved by the TRP.

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

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

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

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

2.13 Preference shares

2.13.1 Pursuant to a scheme of arrangement (the “**Scheme**”) between African Phoenix and the holders of the preference shares which scheme was implemented on 24 June 2019, the preference shares were repurchased by African Phoenix from the preference shareholders. Appraisal rights were exercised by certain preference shareholders (the “**dissenting shareholders**”) in terms of section 164 of the Companies Act in respect of 1 252 598 preference shares (“**affected preference shares**”). An application to the High Court in terms of section 164(14) of the Companies Act has been made by the dissenting shareholders for, among other things, the determination by the court of the fair value of the affected preference shares. This process is ongoing.

2.13.2 In terms of section 164(9) of the Companies Act, the dissenting shareholders have no further rights in respect of the affected preference shares other than to be paid fair value.

2.13.3 Further, the preference shares are non-voting shares (save in standard circumstances where the issuer is in default of paying a preference dividend or in relation to a resolution which materially and adversely alters the rights attaching to the preference shares (as contemplated in Section 37(8) of the Companies Act) or in respect of a resolution for the issuer to dispose of the whole or substantially the whole of the undertaking of the company or greater part of the assets of the company).

- 2.13.4 In the premises, both by virtue of the fact that the preference shares are non-voting shares and, in any event, the only issued preference shares are the subject of section 164 appraisal rights valuation determination (pursuant to which on finalisation, the preference shares will be cancelled), a comparable offer is not required to be extended to the holders of the affected preference shares in terms of section 125 of the Companies Act.
- 2.13.5 The listing of the preference shares was terminated from the JSE in accordance with the scheme. The preference shares will be cancelled following the conclusion of the process referred to in paragraph 2.13.1 above.

3. PROCEDURE FOR ACCEPTANCE OF THE OFFER

3.1 Certificated shareholders

- 3.1.1 The provisions of this paragraph 3.1 do not apply to dematerialised shareholders who elect to accept the offer.
- 3.1.2 Certificated shareholders who wish to accept the offer are required to complete the attached form of acceptance and return it to the transfer secretaries together with their documents of title in respect of their offer shares, at their own risk, to be received by no later than 12:00 on the closing date. If a form of acceptance is not received by 12:00 on the closing date, such certificated shareholder will be deemed to have declined the offer. No late acceptances will be considered if received by the transfer secretaries after 12:00 on the closing date.
- 3.1.3 If the documents of title relating to the shares held by a certificated shareholder have been lost or destroyed, African Phoenix shareholders should nevertheless return a duly completed form of acceptance together with an indemnity on terms satisfactory to African Phoenix and the offeror. The offeror and African Phoenix may, in their sole discretion, dispense with the surrender of such documents of title upon production of satisfactory evidence that the documents of title have been lost or destroyed and upon provision of an indemnity on terms acceptable to the offeror and African Phoenix. Unless otherwise agreed by the offeror and African Phoenix, only indemnity forms obtained from the transfer secretaries (available on request) will be regarded as suitable. The offeror and African Phoenix shall be entitled, in their absolute discretion, by way of agreement to waive the requirement of an indemnity.
- 3.1.4 No receipt will be issued for documents of title surrendered unless specifically requested. In order to comply with the requirements of the JSE, lodging agents must prepare special transaction receipts, if required.

3.2 Dematerialised shareholders

- 3.2.1 Dematerialised shareholders who wish to accept the offer are required to notify their CSDPs or brokers of their acceptance in the manner and by the deadline stipulated in the custody agreement concluded between the holders of dematerialised African Phoenix shares and their CSDPs or brokers, as the case may be. If no instruction is given to their CSDPs or brokers, or if there is any doubt or dispute in respect of their acceptance, such dematerialised shareholders will be deemed to not have accepted the offer. Dematerialised shareholders must not complete the attached form of acceptance. The CSDP or broker of a dematerialised shareholder who wishes to accept the offer must notify the transfer secretaries of such acceptance of the offer.
- 3.2.2 The offeror reserves the right, in its sole and absolute discretion, to:
- 3.2.2.1 in respect of certificated shares, treat as invalid forms of acceptance, transfer and surrender not accompanied by valid documents of title;
 - 3.2.2.2 treat as invalid forms of acceptance, transfer and surrender not properly completed;
 - 3.2.2.3 require proof of the authority of the person signing the form of acceptance where such proof has not been lodged with or recorded by the transfer secretaries; and
 - 3.2.2.4 without prejudice to any of its rights, the offeror reserves the right to condone, in its sole discretion, the non-performance by any offeree of any of the terms of the offer.

3.3 Settlement of the offer consideration

- 3.3.1 Certificated shareholders who accept the offer will have the offer consideration transferred to them by way of EFT (depending on the election made by them in the form of acceptance) by no later than the

payment date, being within six business days after the date on which such shareholders deliver forms of acceptance and documents of title to the transfer secretaries with the last payment date being the first business day after the closing date.

- 3.3.2 Dematerialised shareholders who accept the offer will have their accounts at their CSDP or broker updated with the offer consideration by no later than the payment date, being within six business days after the date on which the CSDPs or brokers of such African Phoenix shareholders notify the transfer secretaries of their acceptance of the offer with the last payment date being the first business day after the closing date.
- 3.3.3 If the offer consideration is not sent to shareholders entitled thereto because the relevant documents of title and forms of acceptance have not been surrendered, or if the offer consideration is returned undelivered to the transfer secretaries, the offer consideration will be held by the offeror or the transfer secretaries, on behalf of and for the benefit of such certificated shareholders, until claimed and no interest will accrue thereon. This paragraph does not apply to dematerialised shares held by shareholders.
- 3.3.4 The settlement of the offer consideration to which any offeree becomes entitled in terms of the offer will be implemented in full in accordance with the terms of the offer without regard to any lien, right of set-off, counter-claim or any other analogous right to which the offeror may be entitled.
- 3.3.5 The settlement of the offer consideration for both dematerialised shareholders and certificated shareholders will be made subject to the Exchange Control Regulations.

4. SOUTH AFRICAN EXCHANGE CONTROL REGULATIONS

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

4.1 Residents of the Common Monetary Area:

In the case of:

- 4.1.1 certificated shareholders whose registered addresses in the register are within the Common Monetary Area and whose documents of title are not restrictively endorsed in terms of the Exchange Control Regulations, the offer consideration will be transferred to such certificated shareholders, in accordance with paragraph 3.1 above; or
- 4.1.2 dematerialised shareholders whose registered addresses in the register are within the Common Monetary Area and whose accounts with their CSDP or broker have not been restrictively designated in terms of the Exchange Control Regulations, the offer consideration will be credited directly to the accounts nominated for the relevant dematerialised shareholders by their duly appointed CSDP or broker in terms of the provisions of the custody agreement with their CSDP or broker.

4.2 Emigrants from the Common Monetary Area

In the case of shareholders who are emigrants from the Common Monetary Area and whose shares form part of their blocked assets, the offer consideration will:

- 4.2.1 in the case of certificated shareholders whose documents of title are restrictively endorsed in terms of the Exchange Control Regulations, be forwarded to the authorised dealer in foreign exchange in South Africa controlling the offeree's blocked assets in terms of the Exchange Control Regulations, against delivery of the relevant documents of title. The attached form of acceptance makes provision for the details of the authorised dealer concerned to be given; or
- 4.2.2 in the case of dematerialised shareholders whose registered addresses in the register are within the Common Monetary Area and whose accounts with their CSDP or broker have not been restrictively designated in terms of the Exchange Control Regulations, be paid to their CSDP or broker which shall arrange for same to be credited directly to the blocked Rand bank account of the shareholder concerned with their authorised dealer in foreign exchange in South Africa.

4.3 All other non-residents of the Common Monetary Area

The offer consideration accruing to non-resident remaining shareholders whose registered addresses are outside the Common Monetary Area and who are not emigrants from the Common Monetary Area will, in the case of:

4.3.1 certificated shareholders whose documents of title have been restrictively endorsed in terms of the Exchange Control Regulations, be deposited with their authorised dealer in foreign exchange in South Africa nominated by such certificated shareholder; or

4.3.2 dematerialised shareholders, be paid to their duly appointed CSDP or broker and credited to such remaining shareholders in terms of the provisions of the custody agreement with their CSDP or broker.

4.4 Information not provided

If the information regarding authorised dealers is not given or the instructions are not given as required in terms of paragraph 4.2 to 4.3, the offer consideration will be held in trust by the offeror or the transfer secretaries on behalf of the offeror for the remaining shareholders concerned, pending receipt of the necessary information or instructions. Should no information or instructions be received for three years after the closing date, the offer consideration will be donated to a charitable organisation of the offeror's choice.

5. INTERESTS OF THE OFFEROR AND ITS DIRECTORS IN AFRICAN PHOENIX AND THE OFFEROR

5.1 Interest of the offeror in African Phoenix

5.1.1 The offeror has disclosed the following shareholdings in African Phoenix held by the offeror, persons related to the offeror and/or persons acting in concert with the offeror:

Shareholder	Number of shares	% of issued shares
Legae Peresec	477 333 263	33.5
Total	477 333 263	33.5

5.1.2 There has been no trade by the offeror, persons related to the offeror and/or persons acting in concert with the offeror in African Phoenix securities in the period commencing six months before the date of the firm intention announcement, being Thursday, 23 April 2020, and ending on the last practicable date save for:

5.1.2.1 the on-market-purchase on 24 December 2019 of 364 879 903 shares at 80 cents per share for an aggregate consideration of R291 903 922.40 pursuant to the exercise of a put/call option arrangement entered into between the offeror and Steyn Capital Proprietary Limited on 31 October 2019.

5.2 Interests of the directors of the offeror in the offeror and African Phoenix

5.2.1 As at the last practicable date, the directors of the offeror are J Stewart, P Baloyi, F Vawda, T Maseko, L Bailey, and D Murgatroyd.

The interests of the directors of the offeror in offeror in the offeror's shares as at the last practicable date were as follows:

Director	Direct Beneficial	Indirect Beneficial	Total	% of issued share capital
J Stewart	86	–	86	4.3
P Baloyi	–	136	136	6.8
F Vawda	–	276	276	13.8
T Maseko	132	–	132	6.6
L Bailey	112	–	112	5.6
D Murgatroyd	–	39	39	1.9
Total	330	451	781	38.95

- 5.2.2 There have been no dealings in the offeror shares by directors of the offeror during the period commencing six months before the date of the firm intention announcement, being Thursday, 23 April 2020, and ending on the last practicable date.
- 5.2.3 None of the directors of the offeror have any interest, direct or indirect, in African Phoenix shares.
- 5.2.4 There has been no trade by the directors of the offeror in African Phoenix shares in the period commencing six months before the date of the firm intention announcement, being Thursday, 23 April 2020 and ending on the last practicable date.

5.3 Directors' interests in the offer

Save as set out in paragraph 5.2 above, the directors of the offeror will not benefit directly or indirectly, in any manner as a consequence of the implementation of the offer.

5.4 Directors' interests in other transactions

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

6. ARRANGEMENTS IN RELATION TO THE OFFER

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

7. RELATED AND CONCERT PARTIES

- 7.1 There are no related and concert party relationships that will arise as a result of the offer.
- 7.2 Save as disclosed in paragraph 8 below, no agreements exist between the offeror and any of the parties mentioned in paragraphs (i) to (iii) of Regulation 106(4)(e) of the Takeover Regulations.

8. AFRICAN PHOENIX SHAREHOLDER SUPPORT

- 8.1 Irrevocable undertakings to vote in favour of the delisting and not accept the offer have been received from the following African Phoenix shareholders holding in aggregate 558 397 460 African Phoenix shares, representing 39.68% of all African Phoenix shares (excluding treasury shares) and 60.06% of African Phoenix shares excluding treasury shares and shares held by the offeror.

Shareholder/asset manager	Number of shares	% of issued shares (excluding treasury shares) ¹	% of issued shares (excluding the shares held by the offeror and treasury shares)
Zarclear Holdings Limited	335 435 546	23.84	36.08
Ancilla Capital Proprietary Limited	192 936 914	13.71	20.75
SBSA ITF SUI GENERIS LPFP H4 QHF	30 025 000	2.13	3.23
Total	558 397 460	39.68	60.06

1. API Capital, a wholly-owned subsidiary of the Company, holds 20 million AXL shares which constitute treasury shares section 48(2)(b)(ii) of the Companies Act and as such no voting rights are attached to these shares.

- 8.2 Other than as disclosed in **Annexure 4**, there have been no dealings in African Phoenix shares by the African Phoenix shareholders set out in the paragraph 8.1 above, for the period commencing six months before the date of the firm intention announcement, being Thursday, 23 April 2020, and ending on the last practicable date.

- 8.3 None of the African Phoenix shareholders set out in the paragraph 8.1 above have any interests in the offeror's shares.
- 8.4 The offeror has entered into a forward sale agreement with Ancilla Capital Proprietary Limited ("**Ancilla Capital**") and SBSA ITF SUI GENERIS LPFP H4 QHF ("**SBSA ITF**") in terms of which, if the mandatory offer is accepted by African Phoenix shareholders at a level that, on transfer of the African Phoenix shares to the offeror, the offeror's shareholding in African Phoenix would exceed 675 362 531 shares, being 48% of African Phoenix shares in issue (excluding treasury shares) ("**threshold number**"), the offeror shall be deemed to have sold to each of Ancilla Capital and SBSA ITF in a ratio of 75:25 respectively ("**agreed ratio**"), which purchasers shall be deemed to have purchased at a purchase price of 40 cents per share, the excess African Phoenix shares such that the offeror's registered holding of African Phoenix shares (and ability to exercise voting rights in African Phoenix) will not exceed the threshold number of African Phoenix shares.

9. THE MANDATORY OFFER

The offeror currently holds 477 333 263 shares, being 33.45% of the issued shares of African Phoenix. The offer, if accepted by shareholders holding at least 22 118 583 African Phoenix shares, will result in the offeror acquiring African Phoenix shares equal to or exceeding 35% of the issued share capital of African Phoenix. In consequence, a mandatory offer at a price of 40 cents per African Phoenix share will be triggered by the offeror in favour of holders of African Phoenix shares. The offer will, accordingly, be in fulfilment of the offer obligations imposed by both paragraph 1.15 of the JSE Listings Requirements and the mandatory offer provisions of Chapter 5 of the Companies Act and the Takeover Regulations.

10. CONSENTS

Each of the corporate advisor, transaction sponsor, transfer secretaries, independent expert and company secretary have consented in writing to act in the capacities stated and to their names appearing in this circular and have not withdrawn their consent prior to the publication of this circular.

11. PRELIMINARY AND ISSUE EXPENSES

- 11.1 The expenses (excluding VAT) relating to the offer and the delisting which have been incurred or that are expected to be incurred are presented in the table below.

Expense	Recipient	R'000
Corporate advisor and JSE sponsor fees	Java Capital	1 600
Independent expert fees	Mazars	150
JSE documentation inspection fees	JSE	19
JSE fees – fairness opinion	JSE	9
TRP documentation inspection fees	TRP	100
Printing, publication and distribution costs	Ince	90
Transfer secretaries	Link	50
Contingency costs		52
Total		2 070

- 11.2 The offeror has agreed to contribute to the aggregate fee of R2 070 000 based on the ratio of shares ultimately purchased by Legae Peresec relative to the 66.55% of the issued shares in African Phoenix not already owned by Legae Peresec.

12. OFFEROR RESPONSIBILITY STATEMENT

The directors of the offeror:

- 12.1 confirm that Part A of this circular contains all information required by the TRP and the JSE Listings Requirements;
- 12.2 accepts, individually and collectively, full responsibility for the accuracy of the information given in Part A of this circular;

- 12.3 has considered all statement of fact and opinion in this circular and accepts full responsibility for the information contained in Part A of this circular;
- 12.4 certifies that, to the best of his knowledge and belief, the information contained in Part A of this circular is true and correct;
- 12.5 certifies that, to the best of his knowledge and belief, there are no omissions of material facts or considerations which would make any statement of fact or opinion contained in this document false or misleading; and
- 12.6 has made all reasonable enquiries in this regard.

13. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or copies thereof will be available for inspection during normal business hours at the registered offices of African Phoenix and on the Company's website (www.phoenixinvestments.co.za), from the date of issue of this circular to the closing date:

- 13.1 a signed copy of this circular;
- 13.2 the MOI of the offeror;
- 13.3 copies the irrevocable undertakings referred to in paragraph 8 of Part A of this circular;
- 13.4 the letter issued by the TRP approving this circular in terms of Regulation 117 of the Takeover Regulations; and
- 13.5 the signed letters of consent referred to in paragraph 12 of this circular.

For and on behalf of Legae Persec Proprietary Limited

This circular was signed in Johannesburg on behalf of all the directors in terms of a written resolution signed by each of the directors on or about Thursday, 23 April 2020.

Signed on behalf of the board

Tshepo Maseko

Director

23 April 2020

african phoenix

investments limited

African Phoenix Investments Limited

(Incorporated in the Republic of South Africa)

(Registration number 1946/021193/06)

JSE ordinary share code: AXL ISIN: ZAE000221370

Hybrid instrument code: AXLP ISIN: ZAE000221388

("African Phoenix" or the "Company")

Directors

Oyama Mabandla (*Executive Chairperson*)

Koketso Mercedes Mabe (*Lead independent non-executive director*)

Andrew James Hannington (*Chief financial officer*)

Warren Chapman (*Non-executive director*)

Raisaka Ronald Masebelanga (*Independent non-executive director*)

Lungile Ngakane (*Independent non-executive director*)

PART B: AFRICAN PHOENIX RESPONSE CIRCULAR

1. INTRODUCTION

This circular contains the response by the independent board of African Phoenix to the offer proposed by Legae Persec, as described in Part A of this circular, details of the new investment policy and the new MOI.

2. RATIONALE FOR THE DELISTING AND THE OFFER

2.1 The board is of the opinion that the Company's listing on the JSE no longer benefits the Company due to:

2.1.1 the significant costs and expenses associated with maintaining a listing;

2.1.2 poor market ratings achieved by small capitalisation investment holding companies; and

2.1.3 the Company's private equity strategy being best served in an unlisted environment.

2.2 In terms of paragraph 1.15 of the JSE Listings Requirements, the delisting must be accompanied by an offer to all shareholders, which offer must be fair.

2.3 The Company is unable to make an offer to African Phoenix shareholders itself to repurchase African Phoenix shares and accordingly procured the offer from the offeror to facilitate the delisting.

2.4 The offeror has agreed to make the offer as a mechanism to facilitate the delisting.

3. THE DELISTING

3.1 The JSE has granted approval for the delisting of African Phoenix's shares from the Main Board of the JSE in terms of sections 1.14 and 1.15 of the JSE Listings Requirements, resulting in the termination of the Company's listing on the JSE, with effect from the commencement of trade on the second business day after the closing date, subject to the delisting being approved by more than 50% of the votes of all shareholders present in person or represented by proxy at the general meeting.

3.2 The offeror will be excluded from voting on the delisting resolution at the general meeting.

4. THE GENERAL MEETING

A general meeting of African Phoenix shareholders will be held at 10:00 on Monday, 8 June 2020 at 9th Floor, Katherine Towers, 1 Park Lane, Wierda Valley, Sandton, 2196, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions set out in the notice of general meeting. A notice convening such general meeting is attached to and forms part of this circular.

In light of the directive announced on 23 March 2020 by the President of South Africa in terms of section 27(1) of the Disaster Management Act, No. 57 of 2002 implementing a nationwide lockdown with effect from 26 March 2020 and extended to the end of April 2020, which may be extended or re-instated from time to time, (“Lockdown”) and the guidance from the South African Government regarding the need for social distancing, as a result of the COVID-19 pandemic, shareholders are encouraged to make use of proxies for purposes of voting at the general meeting.

In the event of a future Lockdown, future regulations or directives or preventative measures relating to COVID-19, shareholders or their proxies may be prevented from attending the general meeting in person. In such circumstances, African Phoenix may determine, by way of notice to shareholders published on SENS and in the South African press by no later than 10 (ten) business days prior to the general meeting, that the general meeting will take place entirely by electronic means and/or that shareholders or their proxies will be entitled to vote electronically which notice will include details and instructions of such arrangement.

5. COMPOSITION OF THE INDEPENDENT BOARD

The independent board comprises Koketso Mercedes Mabe, Raisaka Ronald Masebelanga and Lungile Ngakane.

6. APPOINTMENT OF INDEPENDENT EXPERT

The independent board has appointed Mazars as its independent expert to provide the independent board with its opinion as to whether the terms of the offer are fair and reasonable to African Phoenix shareholders, in accordance with the requirements of the Takeover Regulations as well as the JSE Listings Requirements.

7. OPINION OF THE INDEPENDENT EXPERT

Mazars, acting as independent expert, has considered the terms of the offer and is of the opinion that, as at the date of the issue of its opinion, the offer is fair and reasonable to African Phoenix shareholders. The independent expert’s opinion is set out in **Annexure 1** of this circular.

8. VIEWS OF THE INDEPENDENT BOARD

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

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

8.3 For the purposes of this circular, in determining whether the offer consideration may generally be considered to be “fair” and “reasonable” the meaning ascribed to the word “fair” and “reasonable” in the Takeover Regulations are applied. In this regard it is noted that:

8.3.1 in accordance with Regulation 110(8) of the Takeover Regulations, an offer with a consideration per offeree regulated company security within a fair-value range is generally considered to be fair;

8.3.2 an offer with an offer consideration per offeree regulated company security above the offeree regulated company’s traded security price at the time the offer consideration per security was announced, or at some more appropriate identifiable time, is generally considered to be reasonable in terms of Regulation 110(9) of the Takeover Regulations.

8.4 In terms of paragraph 1.15 of the JSE Listings Requirements, a delisting must be accompanied by an offer to all shareholders, which offer must be fair.

8.5 The independent board, after due consideration of the report of the independent expert, has determined that it will place reliance on the valuation performed by the independent expert for the purposes of reaching its own opinion regarding the offer and the offer consideration as contemplated in Regulation 110(3)(b) of the Takeover Regulations.

- 8.6 The independent board has considered the following factors which are difficult to quantify or are unquantifiable (as contemplated in Regulation 110(6) of the Takeover Regulations) in forming its opinion:
- 8.6.1 the factors identified in the independent expert's report;
 - 8.6.2 the significant costs and expenses associated with maintaining a listing; and
 - 8.6.3 poor market ratings achieved by small capitalisation investment holding companies.
- 8.7 The independent expert determined a fair value range of between 39 cents and 43 cents per African Phoenix share with a core value of 41 cents per African Phoenix share.
- 8.8 The independent board has formed a view of the range of the fair value of the African Phoenix shares, which accords with the valuation range contained in the independent expert's report, in considering its opinion and recommendation.
- 8.9 **The view of the independent board is that the general offer is fair.** This is a function of the offer consideration falling within the fair value range determined in respect of the African Phoenix shares.
- 8.10 **The independent board has concluded that the offer consideration is reasonable.** In this regard it is noted that the offer consideration per African Phoenix share is above the closing price of African Phoenix shares on the day prior to the date of the update announcement and above the VWAP for African Phoenix shares for 5, 10 and 30 days prior to the date of the firm intention announcement. In addition, the offer consideration above the VWAP for African Phoenix shares for the 5, 10 and 30 days prior to the date of the firm intention announcement.

9. MAJOR AND CONTROLLING SHAREHOLDERS

- 9.1 Set out below are the names of shareholders (other than directors) that are directly or indirectly, beneficially interested in 5% or more of the issued shares of African Phoenix shares as at the last practicable date.

Name of shareholder	Number of shares	% of shares in issue (excluding treasury shares) ¹
Legae Persec	477 333 263	33.93
Zarclear	335 435 546	23.84
Ancilla Capital Proprietary Limited	192 936 914	13.71
Total	1 005 705 723	71.48

1. API Capital, a wholly-owned subsidiary of the Company, holds 20 million AXL shares which constitute treasury shares section 48(2)(b)(ii) of the Companies Act.

- 9.2 As at the last practicable date African Phoenix does not have a controlling shareholder.

10. INTERESTS OF AFRICAN PHOENIX AND ITS DIRECTORS IN THE OFFEROR AND AFRICAN PHOENIX

10.1 Interests of African Phoenix in the offeror

- 10.1.1 As at the last practicable date, African Phoenix held no interest in any shares of the offeror.
- 10.1.2 There has been no trade by African Phoenix in the shares of the offeror in the period commencing six months before the date of the firm intention announcement, being Thursday, 23 April 2020 and ending on the last practicable date.

10.2 Interests of the directors of African Phoenix in African Phoenix and the offeror

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

Director	Direct Beneficial	Indirect Beneficial	Total	% of issued share capital (excluding treasury shares)
Warren Chapman	–	348 890 027	348 890 027	24.80
Total	–	348 890 027	348 890 027	24.80

10.2.2 There have been no dealings in African Phoenix shares by the directors of African Phoenix in the period commencing six months before the date of the firm intention announcement, being Thursday, 23 April 2020, and ending on the last practicable date save for:

10.2.2.1 the on-market purchase on 24 December 2019 of 364 879 903 shares by the offeror at 80 cents per share for an aggregate consideration of R291 903 922.40 pursuant to the exercise of a put/call option arrangement entered into between the offeror and Steyn Capital Proprietary Limited on 31 October 2019. Warren Chapman is an indirect beneficial shareholder of the offeror;

10.2.2.2 the on-market purchase on 24 March 2020 of 40 820 000 shares by Ancilla Capital Proprietary Limited (“**Ancilla**”) at 38 cents per share for an aggregate consideration of R15 511 600. Warren Chapman is a director and indirect shareholder of Ancilla; and

10.2.2.3 the on-market purchase on 25 March 2020 of 152 804 427 shares by Ancilla at 38 cents per share for an aggregate consideration of R57 804 427.00. Warren Chapman is a director and indirect shareholder of Ancilla.

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

Director	Direct Beneficial	Indirect Beneficial	Total	% of issued share capital
Warren Chapman	–	344	344	17.42
Total	–	344	344	17.42

10.2.4 Save as stated in this paragraph 10.2, none of the directors of African Phoenix held any interest in the shares of the offeror.

10.2.5 There have been no dealings in any shares of the offeror during the period commencing six months before the date of the firm intention announcement, being Thursday, 23 April 2020, and ending on the last practicable date.

10.3 Directors’ service contracts

10.3.1 There will be no material change in the remuneration of directors of African Phoenix as a consequence of the offer. It is anticipated that the board will be reconstituted upon implementation and as a consequence of the delisting and the offer.

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

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

10.4 Directors’ interests in the offer

Save as set out in paragraph 10.2 above, no directors of African Phoenix will benefit directly or indirectly, in any manner as a consequence of the implementation of the offer or the delisting.

10.5 **Directors' interests in other transactions**

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

11. **HISTORICAL FINANCIAL INFORMATION**

11.1 The audited consolidated financial statements of African Phoenix for the years ended 30 September 2019, 30 September 2018 and 30 September 2017 are set out in **Annexure 2** of this circular.

11.2 The historical financial information of African Phoenix is the responsibility of the directors of African Phoenix.

12. **TRADING INFORMATION**

The trading history of African Phoenix's shares on the JSE is set out in **Annexure 3**.

13. **CONSENTS**

Each of the corporate advisor, transaction sponsor, transfer secretaries, independent expert and company secretary have consented in writing to act in the capacities stated and to their names appearing in this circular and have not withdrawn their consent prior to the publication of this circular.

14. **COSTS OF THE OFFER**

The preliminary issue and expenses in respect of the offer and the delisting are set out in paragraph 13 of Part A of this circular.

15. **INVESTMENT POLICY**

As announced on SENS on 20 January 2020, following engagement with various shareholders, African Phoenix decided not to appoint a replacement general partner following the removal of API Capital. The API Capital Fund has accordingly been dissolved in accordance with the partnership agreement and the B ordinary shares held by API Capital have been cancelled. Having regard to the this, the board has resolved, subject to obtaining the requisite shareholder approval, to adopt the new investment policy, details of which are set out below:

15.1 ***Investment focus***

15.1.1 The Company will either in its own name or through fund structures or investment vehicles that it establishes and that allows for co-investment:

15.1.1.1 have a primary investment focus of maintaining and growing a portfolio of significant equity interests in listed and unlisted companies with sound growth records or potential for growth that are expected to earn above average returns over a period; and

15.1.1.2 have a secondary investment focus of holding cash, bonds, short term investments, debt instruments, collateralised notes and fund participations, as well as growth, early-maturity stage, greenfield and special situation investments, depending on market conditions, availability of suitable opportunities, the investment maturity cycles of its portfolio, excess liquidity not invested in its primary portfolio and relevant macro-economic cycles.

15.2 ***Focus sectors***

African Phoenix will not limit its investments to any sector, but will likely focus those related to the African consumer and financial technology.

15.3 ***Geographies***

The Company will focus on investments related to South Africa and sub-Saharan Africa.

15.4 *Size, spread and stage*

African Phoenix intends to:

- 15.4.1 limit its investment in any one single to 50% of the market cap;
- 15.4.2 hold between 1 and 20 investments;
- 15.4.3 invest in full range of stages from early stage investments requiring capital and management expertise to mature cash generating businesses with strong management teams; and
- 15.4.4 screen for potential delistings, management buyouts and expansion or replacement capital opportunities.

15.5 *Other parameters*

The Company:

- 15.5.1 will seek influential minority or controlling positions in portfolio companies;
- 15.5.2 may implement the new investment policy through a variety of types of financial instruments, including equity, quasi-equity, debt, hybrid and equity-related investments;
- 15.5.3 may make use financial gearing in its underlying investments; and
- 15.5.4 will seek to leverage off the resources and skills and capital and partnerships of its shareholders.

16. **NEW MOI**

- 16.1 Subject to the delisting being approved by the requisite majority of shareholders, the board proposes that the existing MOI will be abrogated in its entirety and replaced by the new MOI.
- 16.2 The principles contained in the new MOI are more suitable to African Phoenix operating in an unlisted environment. The salient features of the new MOI are set out in **Annexure 5**.

17. **INDEPENDENT BOARD RESPONSIBILITY STATEMENT**

The independent board:

- 17.1 confirms that Part B of this circular contains all information required by the TRP and the JSE Listings Requirements;
- 17.2 accepts, individually and collectively, full responsibility for the accuracy of the information given in Part B of this circular;
- 17.3 has considered all statements of fact and opinion in this circular and accepts full responsibility for the information contained in Part B of this circular;
- 17.4 certifies that, to the best of its knowledge and belief, the information contained in Part B of this circular is true and correct;
- 17.5 certifies that, to the best of its knowledge and belief, there are no omissions of material facts or considerations which would make any statement of fact or opinion contained in this document false or misleading; and
- 17.6 has made all reasonable enquiries in this regard.

18. **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents or copies thereof will be available for inspection during normal business hours at the registered offices of African Phoenix and on the Company's website (www.phoenixinvestments.co.za), from the date of issue of this circular to the closing date:

- 18.1 a signed copy of this circular;
- 18.2 the MOI of African Phoenix and its subsidiaries;
- 18.3 the independent fairness opinion regarding the offer;
- 18.4 the new MOI;

- 18.5 the audited consolidated financial statements of African Phoenix for the years ended 30 September 2019, 30 September 2018 and 30 September 2017;
- 18.6 the irrevocable undertakings referred to in paragraph 10 of Part A of this circular;
- 18.7 the letter issued by the TRP approving this circular in terms of Regulation 117 of the Takeover Regulations; and
- 18.8 the signed letters of consent referred to in paragraph 13 of Part B of this circular.

19. CONFLICTS OF INTEREST

Java Capital is acting in the capacities of corporate advisor and transaction sponsor to African Phoenix. As required in terms of the JSE Listings Requirements, it is confirmed that in order to manage any potential or perceived conflicts of interest that might arise as a result of Java Capital acting in these roles, Java Capital has in place appropriate checks and balances, including procedures to assess the independence of Java Capital in respect of the offer and the delisting and divisions of the responsibility amongst the persons involved in fulfilling these various functions.

For and on behalf of African Phoenix Group Limited

This circular was signed in Johannesburg on behalf of all the directors in terms of a written resolution signed by each of the directors on or about Thursday, 23 April 2020.

Signed on behalf of the board

Koketso Mercedes Mabe

Independent non-executive director

23 April 2020

INDEPENDENT FAIRNESS OPINION

24 April 2020

African Phoenix Investments Limited

13th Floor, Illovo Point
68 Melville Road
Illovo
2196

The Board of Directors,

INDEPENDENT OPINION TO THE INDEPENDENT BOARD OF DIRECTORS OF AFRICAN PHOENIX INVESTMENTS LIMITED (“AXL”) IN TERMS OF SECTION 117(1)(C)(IV) OF THE COMPANIES ACT 71 OF 2008 (“COMPANIES ACT”), REGULATION 90(1) OF THE REGULATIONS TO THE COMPANIES ACT (“TAKEOVER REGULATIONS”) AND SCHEDULE 5.8 OF THE JSE LIMITED’S (“JSE”) LISTING REQUIREMENTS IN RESPECT OF THE GENERAL OFFER MADE BY LEGAE PERESEC (PTY) LTD (“LEGAE PERESEC”) TO AXL SHAREHOLDERS TO ACQUIRE ALL OR PART OF THEIR SHAREHOLDING IN AXL (“GENERAL OFFER”) AND THE SUBSEQUENT DELISTING OF AXL FROM THE JSE

INTRODUCTION

The Independent Board of Directors of AXL (“**AXL Board**”) has appointed Mazars Corporate Finance (Pty) Ltd (“**Mazars**”) as the independent expert in accordance with sections 117 (1)(c)(iv) and 123 of the Companies Act and Regulation 90 of the Takeover Regulations, and Section 1.15 (d) of the JSE Listing Requirements to advise the shareholders of AXL whether, in our opinion, the general offer described below is fair to the ordinary shareholders of AXL.

AXL has procured a commitment from Legae Peresec, which currently holds (directly or indirectly) c.33.45% of the issued AXL share capital of the Company, in terms of which, subject to the delisting being approved in accordance with all regulatory requirements, Legae Peresec will make a cash offer to purchase all the African Phoenix shares from any shareholder who, post the approval of the delisting, either cannot or does not wish to continue to hold African Phoenix shares in an unlisted structure, at an offer price of 40 cents per share.

Full details of the acquisition of the Offer Shares and the subsequent delisting of AXL are contained in the circular to shareholders (“**Circular**”), to be posted to shareholders on or about 8 May 2020, which will include a copy of this opinion.

The General Offer, if successful, will result in the removal of AXL’s securities from the JSE. Section 1.15(d) of the JSE Listing Requirements requires the AXL Board to obtain a fairness opinion from an independent expert, prepared in accordance with Schedule 5 of the JSE Listings Requirements.

EXPLANATION OF THE TERM “FAIR” AND “REASONABLE”

The term “fairness” is defined in Schedule 5 of the JSE Listings Requirements as being primarily based on quantitative issues. Therefore, the consideration payable to AXL shareholders would be considered fair if the consideration received by AXL shareholders is equal or greater than the value of the ordinary shares given up.

The assessment of reasonableness is based on qualitative considerations. Therefore, when all the circumstances surrounding the transaction are taken into account, it may be reasonable for the shareholders to proceed with the transaction, even though the transaction may not be fair on a quantitative basis.

The term “reasonable” is described in Regulation 110 of the Takeover Regulations as an offer with an offer consideration per offeree regulated company security above the offeree regulated company’s traded security price at the time the offer consideration(s) per security was announced, or at some other more appropriate identifiable time, is generally considered to be reasonable.

SOURCES OF INFORMATION

In the course of our analysis, we relied upon financial and other information obtained from AXL’s management and from various public, financial and industry sources. Our conclusion is dependent on such information being accurate in all material respects. For the purpose of compiling this report and the opinion contained herein, we have considered all information relevant to the securities affected by the General Offer.

The principal sources of information used in formulating our opinion regarding the acquisition of the Offer Shares are as follows:

- Information and assumptions made available by the management of AXL;
- Audited annual financial statements of AXL for the period ended 30 September 2017, 30 September 2018 and 30 September 2019 used for the comparison between the historic and the *pro forma* balance sheet;
- Unaudited consolidated management accounts for the four-month period ending 31 January 2020;
- The signed sale and purchase agreement for the Standard General Insurance Company Limited (“Stangen”) Investment dated 28 June 2019, which disposal was announced on SENS on 28 June 2019 and 1 October 2019;
- The Standard Bank statement for the period 14 February 2020 to 13 March 2020;
- Publicly available information relating to AXL and other comparable companies in the sector that we deemed to be relevant;
- The firm intention announcement on the General Offer and the subsequent delisting of AXL shares from the JSE; and
- The terms and conditions of the Transaction (as detailed in the Circular).

Where practical, we have corroborated the reasonability of the information provided to us for the purpose of our opinion, including publicly available information, whether in writing or obtained in discussions with management and the Independent Board.

ASSUMPTIONS

We arrived at our opinion based on the following assumptions:

- That reliance can be placed on information and assumptions made available by AXL’s management;
- That reliance can be placed on audited annual financial statements of AXL for the period ended 30 September 2017, 30 September 2018 and 30 September 2019;
- That reliance can be placed on the unaudited management accounts of AXL for the 4 months ended 31 January 2020;
- That reliance can be placed on the sale and purchase agreement for the Stangen Investment;
- That reliance can be placed on the Standard Bank statement for the period 14 February 2020 to 13 March 2020;
- That reliance can be placed on the presentations prepared by management;
- That reliance can be placed on trading and market data obtained from external data providers; and
- That the terms and conditions of the Transaction (as detailed in the Circular) are correct.

EFFECT OF THE TRANSACTION

Having analysed the effects of the General Offer and the subsequent delisting, we have concluded that the acquisition of ordinary shares from minority shareholders will not have material adverse effect on the rights and interests of the minority shareholders. The minority shareholders will be compensated in cash in exchange for their rights and interests in AXL.

Having analysed the effects of the General Offer and the subsequent delisting, we have concluded that the General Offer and the subsequent delisting will not have an adverse effect on the compensation receivable by minority shareholders, as the compensation will be settled in cash.

The direct and indirect beneficial interests of the directors (and their associates) in the ordinary share capital of AXL as at the last practicable date were as follows:

Name	Direct	Indirect	Total	%
W H Chapman	–	348 890 027	348 890 027	24.80%
Total		348 890 027	348 890 027	24.80%

LIMITING CONDITIONS AND RELATED PARTY RELATIONSHIPS

Mazars Corporate Finance is accredited to perform fair and reasonable opinions and JSE-related work. Mazars Corporate Finance has a substantial internal resource base with extensive experience in providing independent expert opinions.

We have relied upon the accuracy of information provided to us or otherwise reviewed by us, for the purposes of this opinion, whether in writing or obtained through discussion with the management of AXL. We express no opinion on this information.

There were no limiting conditions, or any restrictions of scope imposed by either Legae Peresec or AXL whilst this opinion was being prepared.

Our opinion is based on current economic, regulatory, market as well as other conditions. Subsequent developments may affect this opinion, which we are under no obligation to update, review or re-affirm.

This opinion is provided to the AXL Board solely to assist the AXL Board in forming and expressing an opinion for the benefit of the shareholders of AXL in connection with and for the purposes of their consideration in respect of the General Offer.

There is no relationship between Mazars and any other parties involved in the transaction. Mazars has no shares in Legae Peresec or AXL or any other party involved in the transaction. Mazars' fee in respect of this opinion is R150,000 excluding VAT and is not payable in Legae Peresec nor AXL shares and is not contingent or related to the outcome of the General Offer.

Each shareholder's individual decision may be influenced by such shareholder's particular circumstances and accordingly each shareholder should consult an independent advisor if in any doubt as to the merits or otherwise of the General Offer.

Our procedures and enquiries did not constitute an audit in terms of International Standards on Auditing. Accordingly, we cannot express any opinion on the financial data or other information used in arriving at our opinion.

PROCEDURES

In order to assess the fairness of the terms and conditions relating to the General Offer, we have performed, amongst others, the following procedures:

- Reviewed the audited annual financial statements of AXL for the period ended 30 September 2017, 30 September 2018 and 30 September 2019;
- Reviewed the unaudited management accounts of AXL for the four months ended 31 January 2020;
- Reviewed the sale and purchase agreement for the Stangen Investment date 28 June 2019;
- Reviewed the Standard Bank statement for the period 13 March 2020 to 14 March 2020;
- Considered the contingent liability noted in the annual financial statements of AXL for the period ended 30 September 2019;
- Considered the marketability and minority discount;
- Considered information made available by and from discussions held with the management of AXL;
- Reviewed the firm intention announcement;
- Reviewed general economic, market and related conditions in which AXL operates in;
- Reviewed the methodologies available for performing valuations of businesses operating in this industry;
- Performed an indicative valuation of AXL; and
- Conducted appropriate sensitivity analyses given a reasonable range of key assumptions on the valuations below.

In arriving at our opinion, we have considered, in addition to the procedures performed above, the following key qualitative considerations in assessing the reasonableness of the Proposed Transaction:

- Considered the rationale for the Proposed Transaction, from the perspective of AXL;
- Considered the ability to eliminate listing costs and general costs;
- Considered the prospects of AXL and whether the Proposed Transaction will be beneficial to both AXL and its shareholders;
- Assessed the reasonableness of the consideration against the 30-day volume weighted average price as at the date of the valuation;
- Considered the cash consideration offered to the closing share price of AXL as at the date of the valuation;
- The general state of the economy and the impact this will have on current and future industry and company specific performance.

VALUATION

We have performed a valuation of AXL to determine whether the acquisition of the Offer Shares represents fair value to the AXL shareholders. We confirm that we have performed a valuation of AXL utilising the Net Asset Value ("NAV") methodology as valuation basis.

Based on discussions with management, along with research into the sector, the following key value drivers were assessed for the valuation methodologies:

Key value drivers are as follows:

Internal

- Specific risk factors;
- Fair market value of assets, taking into account the realisable value of these; and
- Fair market value of liabilities and claims based on the outstanding amounts payable.

External

- The market in which AXL, subsidiaries and associates operate; and
- Stability of the economy and other macroeconomic factors. This included an analysis of publicly available information in respect of macroeconomic outlook.

VALUATION RESULTS

The outcome of the valuation of AXL resulted in an indicative valuation range between R0.39 and R0.43 with a core value R0.41. The General Offer consideration of R0.40 is within this valuation range and is therefore fair and reasonable to the minority ordinary shareholders of AXL.

OPINION

Our opinion is based upon the market, regulatory and trading conditions as they currently exist and can only be evaluated at the date of this letter. It should be understood that subsequent developments may affect our opinion, which we are under no obligation to update, revise or re-affirm.

The offer and subsequent delisting of AXL from the JSE is fair to the shareholders of AXL in terms of the JSE Listings Requirements.

We have considered the terms and conditions of the Proposed Transaction, and subject to the foregoing, we are of the opinion that the offer is fair and reasonable to the shareholders of AXL in terms of the Companies Act and Takeover Regulations.

We have considered the qualitative factors of the Proposed Transaction and we have considered the general offer price against the trading price and VWAP on JSE for a reasonable period immediately prior to the firm intention announcement and the offer price was above the trading price and therefore the proposed transaction is reasonable in terms of the Companies Act and Takeover Regulations.

CONSENT

We hereby consent to the inclusion of this opinion and references hereto, in the form and context in which it appears in any required regulatory announcement or document.

Yours faithfully

Anoop Ninan
Managing Director

Mazars Corporate Finance (Pty) Ltd
54 Glenhove Road
Melrose Estate, 2196

**HISTORIC FINANCIAL INFORMATION OF AFRICAN PHOENIX FOR THE YEARS ENDED
30 SEPTEMBER 2019, 30 SEPTEMBER 2018 AND 30 SEPTEMBER 2017**

The consolidated annual financial statements of African Phoenix for the years ended 30 September 2019, 30 September 2018 and 30 September 2017 are set out below. The notes to the consolidated annual financial statements of African Phoenix for the years ended 30 September 2019, 30 September 2018 and 30 September 2017 have been incorporated by reference and are available on African Phoenix's website at <http://www.phoenixinvestments.co.za>.

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

Consolidated statement of financial position

as at 30 September 2019

R'000	2019	2018	2017
Assets			
<i>Non-current assets</i>	503 114	57 291	15 228
Investments	501 386	16 462	–
Equipment	1 555	5 207	1 147
Intangible assets	173	16 377	12 585
Deferred tax asset	–	18 608	1 170
Reinsurance assets	–	637	326
<i>Current assets</i>	897 209	2 013 401	2 003 093
Other assets	31 645	55 205	100 530
Investments held for sale: RDS stub instruments	34 409	–	–
Investment held for sale: Stangen	140 000	–	–
Taxation	–	1 622	1 230
Financial assets	–	300 127	20 000
Cash and cash equivalents	691 155	1 656 447	1 881 333
Total assets	1 400 323	2 070 692	2 018 321
Liabilities and equity			
<i>Non-current liabilities</i>	–	141 016	151 559
Borrowings	–	23 377	23 377
Policyholders' liabilities under insurance contracts	–	117 639	128 182
<i>Current liabilities</i>	114 445	57 849	40 513
Other liabilities	42 196	40 391	37 395
Creditor – Appraisal Rights claims	46 972	–	–
GEMS liability	23 568	–	–
Reinsurance creditor	–	272	72
Taxation	1 709	17 186	3 046
Total liabilities	114 445	198 865	192 072

R'000	2019	2018	2017
Ordinary share capital and share premium	14 649 959	14 649 929	14 649 929
Reserves	(13 364 081)	(13 907 905)	(13 953 483)
Ordinary shareholders' equity	1 285 878	742 024	696 446
Preference shareholders' equity	–	1 129 803	1 129 803
Total equity (capital and reserves)	1 285 878	1 871 827	1 826 249
Total liabilities and equity	1 400 323	2 070 692	2 018 321
Net asset value per ordinary share (NAV) (cents)	90.1	52.0	48.8
Tangible net asset value per ordinary share (TNAV) (cents)	90.1	50.9	47.9
Number of shares in issue (thousand)	1 427 005	1 427 005	1 427 005

Consolidated statement of profit or loss and other comprehensive income
for the year ended 30 September 2019

R'000	2019	2018	2017
Continuing operations			
Insurance premium and reinsurance income	41 638	66 711	63 838
Interest income	108 989	155 977	139 852
Dividend income	382 044	–	–
Fair value gains and losses on investments	(427 203)	–	–
Fair value losses due to dividends received	(382 044)	–	–
Other fair value gains or losses	(45 159)	–	–
Other income	1 893	17 598	47 078
Net income	107 361	240 286	250 768
Net insurance claims	(4 368)	(9 424)	38 241
Operating expenses	(148 362)	(151 143)	(92 933)
Interest expense (SARS)	–	(308)	(96)
(Loss)/Profit before capital items and equity accounted items	(45 369)	79 411	195 980
Capital items	(11 884)	(5 367)	46 115
(Fair value loss)/Reversal of impairment of RDS stub note instruments	(11 884)	1 977	46 115
Impairment of goodwill	–	(2 555)	–
Deemed loss on stepped acquisition of associate	–	(4 789)	–
Share of profit/(loss) from associate	158	(205)	–
(Loss)/Profit before taxation	(57 095)	73 839	242 095
Tax expense	(21 770)	(28 261)	(47 410)
(Loss)/Profit for the year from continuing operations	(78 865)	45 578	194 685
Loss for the year from discontinuing operations	–	–	(8 563)
(Loss)/Profit for the year	(78 865)	45 578	186 122
Other comprehensive income	–	–	–
Total comprehensive (loss)/income for the year	(78 865)	45 578	186 122
Basic (loss)/earnings per share (cents) – continuing operations	(5.53)	3.2	13.7
Basic loss per share (cents) – discontinuing operations	–	–	(0.6)
Basic earnings per share (cents)	(5.53)	3.2	13.0

Consolidated statement of changes in equity
for the year ended 30 September 2019

R'000	Ordinary share capital and premium	Accumulated loss	Preference share capital and premium	Total
Balance at 30 September 2016	16 649 929	(14 139 605)	1 129 803	1 640 127
Total comprehensive income for the year	–	186 122	–	186 122
Balance at 30 September 2017	16 649 929	(13 953 483)	1 129 803	1 826 249
Total comprehensive income for the year	–	45 578	–	45 578
Balance at 30 September 2018	14 649 929	(13 907 905)	1 129 803	1 871 827
Total comprehensive loss for the year	–	(78 865)	–	(78 865)
Issue of B shares	30	–	–	30
Preference share repurchase	–	622 689	(1 129 803)	(507 114)
Balance at 30 September 2019	14 649 959	(13 364 081)	–	1 285 878

Consolidated statement of cash flows
for the year ended 30 September 2019

R'000	2019	2018	2017
Cash inflow from continuing operations	350 132	72 414	131 534
Cash receipts from policyholders and investments	494 378	240 159	250 768
Cash paid to policyholders, suppliers and employees	(144 246)	(167 745)	(119 234)
Direct taxation paid	(39 200)	(31 951)	(43 532)
Interest paid	–	(308)	(96)
Net cash inflow from continuing operating activities	310 932	40 155	87 906
Net cash outflow from discontinuing operating activities		–	(11 893)
Net cash inflow from operating activities	310 932	40 155	76 013
Cash flows from investing in continuing operations	(816 113)	(265 041)	(27 605)
Acquisition of equipment	(601)	(3 022)	(239)
Acquisition of intangible assets	(141)	(7 535)	(13 791)
Acquisition of investment in Different Life	–	(1 456)	(20 000)
Acquisition from business combination	–	(4 435)	–
Other investing activities	300 000	(300 000)	–
Loans received from GEMS	23 568		
Return of capital from GEMS	13 743		
RDS stub instrument capital received	2 255		
Investment in API Capital Fund	(500 000)		
Proceeds from other assets	–	51 407	6 425
Adjustment on becoming an investment entity – Stangen and GEMS*	(654 937)		
Net cash outflow from investing	(816 113)	(265 041)	(27 605)

R'000	2019	2018	2017
Cash flows from financing activities			
Preference share repurchase	(460 141)	–	–
Issue of B ordinary shares	30	–	–
Net cash flows from financing activities	(460 111)	–	–
(Decrease)/increase in cash and cash equivalents	(965 292)	(224 886)	48 408
Cash and cash equivalents at the beginning of the year	1 656 447	1 881 333	1 832 925
Cash and cash equivalents at the end of the year	691 155	1 656 447	1 881 333

*African Phoenix became an investment entity as defined in IFRS 10 during the current period, and therefore ceased to consolidate Stangen and GEMS from 31 March 2019. This results in the cash held at Stangen and GEMS no longer being consolidated but rather being included in the value of investments on the statement of financial position at 30 September 2019. The cash held in Stangen and GEMS at 31 March 2019 was R654 937 000.

TRADING INFORMATION OF AFRICAN PHOENIX

A table of the aggregate volumes and values traded and the highest and lowest prices traded in African Phoenix shares for each month over the 12 months prior to the offer period and for each day over the 30 days preceding the last practicable date prior to the date of the circular is set out below.

Period	High (cents)	Low (cents)	Close (cents)	Volume	Value (R)
Monthly					
2019					
April	59	54	57	39 203 084	22 347 431
May	60	55	57	15 815 885	9 102 870
June	64	54	57	23 914 013	14 025 889
July	70	55	69	60 288 747	40 024 774
August	75	63	73	346 544 899	275 888 308
September	79	65	78	3 354 381	2 380 867
October	84	71	76	150 516 806	119 713 504
November	79	70	73	10 784 542	7 946 290
December	78	71	78	435 855 202	348 451 038
2020					
January	82	35	40	43 246 292	17 945 432
February	40	30	38	4 448 225	1 645 814
March	40	34	37	232 712 577	88 292 899
Daily					
2020					
11 March	38	37	38	1 946 680	739 636
12 March	38	37	38	230 931	87 194
13 March	39	37	38	596 746	226 346
16 March	39	36	37	586 468	216 987
17 March	38	34	38	81 598	28 339
18 March	38	36	38	147 440	53 118
19 March	37	36	37	923 406	334 648
20 March	36	36	36	616 791	222 044
23 March	38	35	36	4 202 179	1 512 676
24 March	38	35	38	65 196 126	24 769 762
25 March	38	36	38	152 184 366	57 829 416
26 March	38	37	37	220 154	83 538
27 March	38	37	38	3 002	1 132
30 March	38	37	38	77 863	29 122
31 March	38	37	37	180 883	67 076
1 April	38	37	38	556 915	206 745
2 April	37	37	37	65 000	24 050
3 April	38	37	38	346 915	128 483
6 April	37	37	37	86 489	32 000
7 April	37	37	37	36 140	13 371
8 April	38	37	37	38 772	14 502
9 April	38	37	37	82 500	30 570

Period	High (cents)	Low (cents)	Close (cents)	Volume	Value (R)
14 April	38	37	37	96 916	36 428
15 April	37	37	37	159 000	58 830
16 April	38	34	38	45 598	16 243
17 April	38	35	38	26 410	9 645
20 April	36	36	36	282 331	101 639
21 April	38	35	37	128 824	45 526
22 April	37	36	37	20 771	7 479
23 April	38	36	38	266 088	98 564

Source: TimBukOne

DEALINGS IN AFRICAN PHOENIX SHARES BY PERSONS WHO PROVIDED IRREVOCABLE UNDERTAKINGS

The parties who provided irrevocable undertakings to vote in favour of the delisting and not accept the offer have had the following dealings in African Phoenix shares for the six months before the firm intention announcement, being Thursday, 23 April 2020, and ending on the last practicable date.

African Phoenix shareholder	Date	Purchase/ Sale	Number of shares bought/sold	Consideration per share (R)	Aggregate consideration (R)
SBSA ITF SUI GENERIS LPFP H4 QHF	2 September 2019	Purchase	295 155	0.702603	207 376.87
SBSA ITF SUI GENERIS LPFP H4 QHF	3 September 2019	Purchase	63 188	0.708144	44 746.18
SBSA ITF SUI GENERIS LPFP H4 QHF	5 September 2029	Purchase	91 946	0.652489	59 993.74
SBSA ITF SUI GENERIS LPFP H4 QHF	6 September 2019	Purchase	17 407	0.652981	11 366.44
SBSA ITF SUI GENERIS LPFP H4 QHF	9 September 2019	Purchase	55 000	0.679966	37 398.12
SBSA ITF SUI GENERIS LPFP H4 QHF	10 September 2019	Purchase	168	0.715238	120.16
SBSA ITF SUI GENERIS LPFP H4 QHF	27 September 2019	Purchase	5 000	0.784958	3 924.79
SBSA ITF SUI GENERIS LPFP H4 QHF	30 September 2019	Purchase	25 000	0.783271	19 581.77
SBSA ITF SUI GENERIS LPFP H4 QHF	8 October 2019	Sale	3 000	0.705663	2 116.99
SBSA ITF SUI GENERIS LPFP H4 QHF	10 October 2019	Purchase	210 202	0.72268	151 908.76
SBSA ITF SUI GENERIS LPFP H4 QHF	15 October 2019	Purchase	137 979	0.752643	103 848.96
SBSA ITF SUI GENERIS LPFP H4 QHF	16 October 2019	Sale	618	0.732039	452.40
SBSA ITF SUI GENERIS LPFP H4 QHF	18 October 2019	Purchase	41 925 812	0.802924	33 663 243.10
SBSA ITF SUI GENERIS LPFP H4 QHF	21 October 2019	Sale	42 088	0.798827	33 621.04
SBSA ITF SUI GENERIS LPFP H4 QHF	11 December 2019	Purchase	5 764	0.734497	4 233.64
SBSA ITF SUI GENERIS LPFP H4 QHF	12 December 2019	Purchase	65 709	0.734834	48 285.22
SBSA ITF SUI GENERIS LPFP H4 QHF	13 December 2019	Purchase	90 000	0.752556	67 730

African Phoenix shareholder	Date	Purchase/ Sale	Number of shares bought/sold	Consideration per share (R)	Aggregate consideration (R)
SBSA ITF SUI GENERIS LPFP H4 QHF	17 December 2019	Purchase	104 380	0.742804	77 533.88
SBSA ITF SUI GENERIS LPFP H4 QHF	18 December 2019	Purchase	3 070	0.746143	2 290.66
SBSA ITF SUI GENERIS LPFP H4 QHF	8 January 2020	Sale	300 000	0.412789	123 836.58
SBSA ITF SUI GENERIS LPFP H4 QHF	8 January 2020	Purchase	731 077	0.469339	343 122.93
SBSA ITF SUI GENERIS LPFP H4 QHF	17 January 2020	Purchase	21 069 674	0.381392	8 035 811.15
SBSA ITF SUI GENERIS LPFP H4 QHF	21 January 2020	Purchase	32 807	0.38171	12 522.75
SBSA ITF SUI GENERIS LPFP H4 QHF	22 January 2020	Purchase	8 199 282	0.381399	3 127 199.71
SBSA ITF SUI GENERIS LPFP H4 QHF	3 March 2020	Purchase	362 788	0.380912	138 190.39
SBSA ITF SUI GENERIS LPFP H4 QHF	4 March 2020	Purchase	240 002	0.381428	91 543.37
SBSA ITF SUI GENERIS LPFP H4 QHF	5 March 2020	Purchase	1 479	0.387816	573.58
SBSA ITF SUI GENERIS LPFP H4 QHF	6 March 2020	Purchase	125 951	0.381463	48 045.69
SBSA ITF SUI GENERIS LPFP H4 QHF	9 March 2020	Purchase	872 570	0.381212	332 634.55
SBSA ITF SUI GENERIS LPFP H4 QHF	9 March 2020	Purchase	501 781	0.381413	191 385.89
SBSA ITF SUI GENERIS LPFP H4 QHF	10 March 2020	Purchase	250 000	0.381426	95 356.46
SBSA ITF SUI GENERIS LPFP H4 QHF	10 March 2020	Purchase	415 410	0.381413	158 442.86
SBSA ITF SUI GENERIS LPFP H4 QHF	11 March 2020	Purchase	1 936 529	0.381413	738 617.68
SBSA ITF SUI GENERIS LPFP H4 QHF	12 March 2020	Purchase	175 039	0.381442	66 767.26
SBSA ITF SUI GENERIS LPFP H4 QHF	13 March 2020	Purchase	542 711	0.381413	206 997.15
SBSA ITF SUI GENERIS LPFP H4 QHF	16 March 2020	Purchase	300 000	0.371383	111 414.90
SBSA ITF SUI GENERIS LPFP H4 QHF	17 March 2020	Purchase	25 000	0.361694	9 042.36
SBSA ITF SUI GENERIS LPFP H4 QHF	18 March 2020	Purchase	125 000	0.361391	45 173.84

African Phoenix shareholder	Date	Purchase/ Sale	Number of shares bought/sold	Consideration per share (R)	Aggregate consideration (R)
SBSA ITF SUI GENERIS LPFP H4 QHF	19 March 2020	Purchase	200 000	0.361362	72 272.46
SBSA ITF SUI GENERIS LPFP H4 QHF	20 March 2020	Purchase	453 435	0.361339	163 843.67
SBSA ITF SUI GENERIS LPFP H4 QHF	23 March 2020	Purchase	71 565	0.361448	25 867.00
SBSA ITF SUI GENERIS LPFP H4 QHF	24 March 2020	Purchase	50 000	0.361505	18 075.23
SBSA ITF SUI GENERIS LPFP H4 QHF	25 March 2020	Sale	50 243 382	0.37956	19 070 382.62
SBSA ITF SUI GENERIS LPFP H4 QHF	25 March 2020	Purchase	25 000	0.361694	9 042.36
Zarclear Holdings Limited	24 March 2020	Purchase	24 200 000	0.381392	9 229 688.82
Ancilla Capital Proprietary Limited	24 March 2020	Purchase	20 000	0.381644	7 632.88
Ancilla Capital Proprietary Limited	24 March 2020	Purchase	40 800 000	0.381172	15 551 812.72
Ancilla Capital Proprietary Limited	25 March 2020	Purchase	152 116 914	0.38117	57 982 411.15

EXTRACTS FROM THE NEW MOI

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

“4 POWERS OF THE COMPANY

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

6 SHARES

- 6.1 The Company is authorised to issue –
 - 6.1.1 2 000 000 000 ordinary par value Shares of R0,025 each, of the same class, each of which ranks *pari passu* in respect of all rights and the holder shall be entitled:
 - 6.1.1.1 in respect of each ordinary Share to have the voting rights contemplated in clause 20.1; and
 - 6.1.1.2 participate proportionally in any distribution made by the Company; and receive proportionally the net assets of the Company upon its liquidation;
 - 6.1.2 20 000 000 non-redeemable, non-cumulative, non-participating preference par value Shares of a par value of R0,01, of one or more classes of non-redeemable, non-cumulative, non-participating preference Shares. The Shares in each such class of non-redeemable, non-cumulative, non-participating preference Shares shall rank *pari passu* with the other non-redeemable, non-cumulative, non-participating preference Shares of such class in respect of all rights and be subject to the preferences, rights, limitations and other terms associated with each such class as contemplated in this Memorandum of Incorporation,

which Shares were created prior to 1 May 2011 and the Company does not, for the time being, elect to convert any of the shares into shares with no par value as contemplated in the Act.

- 6.2 Any issue of Shares, Securities convertible into Shares, or rights exercisable for Shares in a transaction, or a series of integrated transactions shall, in accordance with the provisions of section 41(3), require the approval of the Shareholders by special resolution if the voting power of the class of Shares that are issued or are issuable as a result of the transaction or series of integrated transactions will be equal to or exceed 30% of the voting power of all the Shares of that class held by Shareholders immediately before that transaction or series of integrated transactions.
- 6.3 The Board may, subject to clause 6.2, resolve to issue Shares of the Company at any time, but only within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation.
- 6.4 Preference Shares may be issued and existing Shares may be converted into preference Shares on the basis that they are, or at the option of the Company are liable, to be redeemed on such terms and in such manner as shall be prescribed in this Memorandum of Incorporation or the resolution authorising or effecting such issue or conversion.
- 6.5 The authorisation and classification of Shares, the numbers of authorised Shares of each class, and the preferences, rights, limitations and other terms associated with each class of Shares as set out in this Memorandum of Incorporation may not be changed in response to any objectively ascertainable external fact or facts as provided for in sections 37(6) and 37(7) of the Act and may be changed (unless otherwise provided by the terms of issue of the Shares of that class) only by –
 - 6.5.1 an amendment of this Memorandum of Incorporation by special resolution of the Shareholders; or
 - 6.5.2 the consent in writing of the holders of not less than three-fourths of the issued Shares of that class, or with the sanction of a resolution passed in the same manner as a special resolution of the Company but at a separate meeting of the holders of the Shares of that class; and

- 6.5.3 if any such resolution is proposed at any general meeting of the Company, the holders of the Shares of such class shall be entitled to vote in respect of such resolution at such general meeting, provided that, the voting provisions in clause 18.2 shall be of application.
- 6.6 The Board shall not have the power to –
- 6.6.1 increase or decrease the number of authorised Shares of any class of Shares; or
 - 6.6.2 consolidate and reduce the number of the Company's issued and authorised Shares of any class;
 - 6.6.3 subdivide its Shares of any class by increasing the number of its issued and authorised Shares of that class without an increase of its capital;
 - 6.6.4 reclassify any classified Shares that have been authorised but not issued; or
 - 6.6.5 classify any unclassified Shares that have been authorised but not issued; or
 - 6.6.6 determine the preferences, rights, limitations or other terms of any Shares,
- and such powers shall only be capable of being exercised by the Shareholders by way of ordinary resolution of the Shareholders.
- 6.7 Each Share issued by the Company has associated with it an irrevocable right of the Shareholder to vote on any proposal to amend the preferences, rights, limitations and other terms associated with that Share.
- 6.8 Subject to any relevant provisions of this Memorandum of Incorporation and the statutes and without prejudice to any special rights previously conferred on the holders of any existing Shares or classes of Shares in the Company, any Shares whether in the initial or in any increased capital may be issued with such preferred, deferred, or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may from time to time determine.
- 6.9 Notwithstanding any other provision of this Memorandum of Incorporation, the Board may only issue unissued Shares if such Shares have first been offered to existing ordinary Shareholders in proportion to their shareholding on such terms and in accordance with such procedures as the Board may determine, unless such Shares are issued for the acquisition of assets by the Company, provided that the Shareholders may at a general meeting, by way of ordinary resolution, authorise the Directors to issue Shares of the Company at any time and/or grant options to subscribe for Shares as the Directors in their discretion think fit.
- 6.10 Except to the extent that any right is specifically included as one of the rights, preferences or other terms upon which any class of Shares is issued or as may otherwise be provided in this Memorandum of Incorporation, no Shareholder shall have any pre-emptive or other similar preferential right to be offered or to subscribe for any additional Shares issued by the Company.

14 FINANCIAL ASSISTANCE

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

15 ACQUISITION BY THE COMPANY OF ITS OWN SHARES

- 15.1 In accordance with and subject to the provisions of section 48 and subject to the further provisions of this clause 15 –
- 15.1.1 the Board may determine that the Company acquire a number of its own Shares; and
 - 15.1.2 the board of any subsidiary of the Company may determine that such subsidiary acquire Shares of the Company, but –
 - 15.1.2.1 not more than 10%, in aggregate, of the number of issued Shares of any class may be held by, or for the benefit of, all the subsidiaries of the Company, taken together; and
 - 15.1.2.2 no voting rights attached to those Shares may be exercised while the Shares are held by that subsidiary and it remains a subsidiary of the Company.
- 15.2 Any decision by the Company to acquire its own Shares must satisfy the requirements of section 46 and, accordingly, the Company may not acquire its own Shares unless –

- 15.2.1 the acquisition –
 - 15.2.1.1 is pursuant to an existing legal obligation of the Company, or a court order; or
 - 15.2.1.2 the Board, by resolution, has authorised the acquisition;
 - 15.2.2 it reasonably appears that the Company will satisfy the Solvency and Liquidity Test immediately after completing the said acquisition; and
 - 15.2.3 the Board, by resolution, has acknowledged that it has applied the Solvency and Liquidity Test and reasonably concluded that the Company will satisfy the Solvency and Liquidity Test immediately after completing the said acquisition.
- 15.3 A decision of the Board referred to in clause 15.1.1 –
- 15.3.1 must be approved by a special resolution of the Shareholders if any Shares are to be acquired by the Company from a Director or prescribed officer of the Company, or a person related to a Director or prescribed officer of the Company; and
 - 15.3.2 is subject to the requirements of sections 114 and 115 if considered alone, or together with other transactions in an integrated series of transactions, it involves the acquisition by the Company of more than 5% of the issued Shares of any particular class of the Company's Shares.
- 15.4 Notwithstanding any other provision of this Memorandum of Incorporation, the Company may not acquire its own Shares, and no subsidiary of the Company may acquire Shares of the Company if, as a result of that acquisition, there would no longer be any Shares of the Company in issue other than –
- 15.4.1 Shares held by one or more subsidiaries of the Company; or
 - 15.4.2 convertible or redeemable Shares.
- 15.5 The Company is entitled to apply its Share premium account for the payment of the premium over the par value of the Shares so acquired in terms of this clause 38 and section 48 of the Act.

18 SHAREHOLDERS' MEETINGS

18.1 Calling of Shareholders' Meetings

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

18.2 Annual General Meetings

- 18.2.1 Notwithstanding any provision of the Act to the contrary, and in addition to other meetings of the Company that may be convened from time to time, the Company shall convene an annual general meeting of its Shareholders –

- 18.2.1.1 initially, no more than 18 months after the date of its incorporation;
- 18.2.1.2 thereafter, once in each calendar year, but no more than 15 months after the date of the previous annual general meeting,

provided that any such annual general meeting shall be capable of being held by Electronic Communication in accordance with the further provisions of this Memorandum of Incorporation.

18.2.2 Each annual general meeting of the Company contemplated in clause 18.2.1 shall provide for at least the following business to be transacted –

- 18.2.2.1 the presentation of the directors' report, audited financial statements for the immediately preceding financial year of the Company and an audit committee report;
- 18.2.2.2 the election of Directors, to the extent required by the Act or by this Memorandum of Incorporation;
- 18.2.2.3 the appointment of an auditor and an audit committee for the following financial year; and
- 18.2.2.4 any matters raised by the Shareholders, with or without advance notice to the Company.

18.2.3 Save as otherwise provided herein, the Company is not required to hold any other Shareholders' meetings other than those specifically required by the Act.

18.3 Location and Notices of Meetings

18.3.1 The Board may determine the location of any Shareholders' meeting, and the Company may hold any such meeting in the Republic, and the authority of the Board and the Company in this regard is not limited or restricted by this Memorandum of Incorporation.

18.3.2 All meetings (whether called for the passing of special or ordinary resolutions) shall be called on not less than 15 business days' notice.

18.4 Quorum and Adjournment of Meetings

18.4.1 The quorum requirement for a Shareholders' meeting to begin or for a matter to be considered are as set out in section 64(1) without variation and, accordingly –

- 18.4.1.1 a Shareholders' meeting may not begin until sufficient persons are present at the meeting to exercise, in aggregate, at least 25% of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the meeting; and
- 18.4.1.2 a matter to be decided at a Shareholders' meeting may not begin to be considered unless sufficient persons are present at the meeting to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised in respect of that matter at the time the matter is called on the agenda,

provided that, if the Company has more than 2 Shareholders, a meeting may not begin, or a matter begin to be debated, unless –

- 18.4.1.3 at least 3 Shareholders are present at the meeting; and
- 18.4.1.4 the requirements of clauses 18.4.1.1 and 18.4.1.2 are satisfied.

18.4.2 The time periods allowed in sections 64(4) and (5) apply to the Company without variation and, accordingly, if within 1 hour after the appointed time for a meeting to begin, the requirements of clause 18.4.1 –

18.4.2.1 for that meeting to begin have not been satisfied, the meeting shall be postponed, without any motion, vote or further notice, for 1 week;

18.4.2.2 for consideration of a particular matter to begin have not been satisfied –

- 18.4.2.2.1 if there is other business on the agenda of the meeting, consideration of that matter may be postponed to a later time in the meeting without any motion or vote; or
- 18.4.2.2.2 if there is no other business on the agenda of the meeting, the meeting shall be adjourned, without any motion or vote, for 1 week,

provided that the person intended to chair a meeting that cannot begin due to the operation of clause 18.4.1 may extend the 1 hour limit allowed in clause 18.4.2 for a reasonable period on the grounds that –

- 18.4.2.3 exceptional circumstances affecting weather, transportation or Electronic Communication have generally impeded or are generally impeding the ability of Shareholders to be present at the meeting; or
 - 18.4.2.4 one or more particular Shareholders, having been delayed, have communicated an intention to attend the meeting, and those Shareholders, together with others in attendance, would satisfy the requirements of clause 18.4.1.
- 18.4.3 The accidental omission to give notice of any meeting to any particular Shareholder or Shareholders, or an immaterial defect in the manner or form of giving notice of any such meeting, shall not invalidate any resolution passed at any such meeting.
- 18.4.4 The Company shall not be required to give further notice of a meeting that has been postponed or adjourned in terms of clause 18.4.2 unless the location for the meeting is different from –
- 18.4.4.1 the location of the postponed or adjourned meeting; or
 - 18.4.4.2 the location announced at the time of adjournment, in the case of an adjourned meeting.
- 18.4.5 If at the time appointed in terms of clause 18.4.2 for a postponed meeting to begin, or for an adjourned meeting to resume, the requirements of clause 18.4.1 have not been satisfied, the Shareholders present in person or by proxy will be deemed to constitute a quorum.
- 18.4.6 After a quorum has been established for a meeting, or for a matter to be considered at a meeting, the meeting may continue, or the matter may be considered, so long as at least 1 Shareholder with voting rights entitled to be exercised at the meeting, or on that matter, is present at the meeting, and the provisions of section 64(9) are not limited or restricted by this Memorandum of Incorporation.
- 18.4.7 The maximum period allowable for an adjournment of a Shareholders' meeting is as set out in section 64(12), without variation.

18.5 Conduct of Meetings

- 18.5.1 The chairperson, if any, of the Board shall preside as chairperson at every Shareholder's meeting.
- 18.5.2 If there is no such chairperson, or if at any meeting he or she is not present within 15 minutes after the time appointed for holding the meeting or is unwilling to act as chairperson, the Directors present shall choose 1 of their number to be chairperson. If no Director is willing to act as chairperson or if no Director is present within 15 minutes after the time appointed for holding the meeting, the Shareholders present shall choose one of their number to be chairperson of the meeting.
- 18.5.3 The chairperson may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 18.5.4 The chairperson of a Shareholders' meeting may –
- 18.5.4.1 appoint any firm or persons to act as scrutineers for the purpose of checking any powers of attorney received and for counting the votes at the meeting;
 - 18.5.4.2 act on a certificate given by any such scrutineers without requiring production at the meeting of the forms of proxy or himself counting the votes.
- 18.5.5 If any votes were counted which ought not to have been counted or if any votes were not counted which ought to have been counted, the error shall not vitiate the resolution, unless –
- 18.5.5.1 it is brought to the attention of the chairperson at the meeting; and
 - 18.5.5.2 in the opinion of the chairperson of the meeting, it is of sufficient magnitude to vitiate the resolution.
- 18.5.6 Any objection to the admissibility of any vote (whether on a show of hands or on a poll) shall be raised –
- 18.5.6.1 at the meeting or adjourned meeting at which the vote objected to was recorded; or
 - 18.5.6.2 at the meeting or adjourned meeting at which the result of the poll was announced,
- and every vote not then disallowed shall be valid for all purposes. Any objection made timeously shall be referred to the chairperson of the meeting, whose decision shall be final and conclusive.

18.5.7 Even if he is not a Shareholder –

18.5.7.1 any Director; or

18.5.7.2 the Company's attorney (or where the Company's attorneys are a firm, any partner or director thereof),

may attend and speak at any general meeting, but may not vote, unless he is a Shareholder or the proxy or representative of a Shareholder.

19 SHAREHOLDERS' MEETINGS BY ELECTRONIC COMMUNICATION

19.1 The Company may conduct a Shareholders' meeting entirely by Electronic Communication or provide for participation in a meeting by Electronic Communication, as set out in section 63, and the power of the Company to do so is not limited or restricted by this Memorandum of Incorporation. Accordingly –

19.1.1 any Shareholders' meeting may be conducted entirely by Electronic Communication; or

19.1.2 one or more Shareholders, or proxies for Shareholders, may participate by Electronic Communication in all or part of any Shareholders' meeting that is being held in person,

so long as the Electronic Communication employed ordinarily enables all persons participating in that meeting to communicate concurrently with each other and without an intermediary, and to participate reasonably effectively in the meeting.

19.2 Any notice of any meeting of Shareholders at which it will be possible for Shareholders to participate by way of Electronic Communication shall inform Shareholders of the ability to so participate and shall provide any necessary information to enable Shareholders or their proxies to access the available medium or means of Electronic Communication, provided that such access shall be at the expense of the Shareholder or proxy concerned.

20 VOTES OF SHAREHOLDERS

20.1 Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with this Memorandum of Incorporation, at a meeting of the Company –

20.1.1 every person present and entitled to exercise voting rights shall be entitled to 1 vote on a show of hands, irrespective of the number of voting rights that person would otherwise be entitled to exercise;

20.1.2 on a poll any person who is present at the meeting, whether as a Shareholder or as proxy for a Shareholder, has the number of votes determined in accordance with the voting rights associated with the Securities held by that Shareholder, or if the share capital is divided into shares of no par value, shall be entitled to 1 vote in respect of each Share held; and

20.1.3 the holders of Shares other than ordinary Shares shall not be entitled to vote on any resolution at a meeting of Shareholders, except as specifically provided for in this Memorandum of Incorporation or the Act, and where such holders of shares are entitled to vote, their voting rights shall be limited as set out in clause 20.2 below.

20.2 If clause 20.1.3 applies, the holders of such other Shares, including holders of preference shares ("**Affected Shareholders**") shall be entitled to vote at the meeting of Shareholders as contemplated in clause 20.1.2, provided that the votes of the Shares of that class held by the Affected Shareholders ("**Affected Shares**") shall:

20.2.1 not carry any special rights or privileges; and

20.2.2 the Affected Shareholder shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the Affected Shares held by him and in respect of which he is entitled to vote bears to the aggregate amount of the nominal value of all shares issued by the Company (and which carry the right to vote on the matter at hand),

provided that the total voting rights of the Affected Shareholders in respect of the Affected Shares shall not be more than 24.99% of the total voting rights of all Shareholders (including the votes of the Affected Shareholders) at such meeting (with any cumulative fraction of a vote in respect of any Affected Shares held by an Affected Shareholder rounded down to the nearest whole number).

20.3 Voting shall be conducted by means of a polled vote in respect of any matter to be voted on at a meeting of Shareholders if a demand is made for such a vote by –

20.3.1 at least 5 persons having the right to vote on that matter, either as Shareholders or as proxies representing Shareholders; or

- 20.3.2 a person who is, or persons who together are, entitled, as Shareholders or proxies representing Shareholders, to exercise at least 10% of the voting rights entitled to be voted on that matter; or
- 20.3.3 the chairperson of the meeting.
- 20.4 At any meeting of the Company a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of clause 20.2, and unless a poll is so demanded, a declaration by the chairperson that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or defeated, and an entry to that effect in the book containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.
- 20.5 If a poll is duly demanded, it shall be taken in such manner as the chairperson directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. In computing the majority on the poll, regard shall be had to the number of votes to which each Shareholder is entitled which shall be that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by him (and in respect of which he is entitled to vote) bears to the aggregate amount of the nominal value of all the shares issued by the Company (and which carry the right to vote on the matter at hand) or if the share capital is divided into Shares of no par value, shall be entitled to one vote in respect of each share he holds.
- 20.6 In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson of the meeting at which the show of hands takes place, or at which the poll is demanded, shall not be entitled to a second or casting vote.
- 20.7 A poll demanded on the election of a chairperson (as contemplated in clause 18.5.2) or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairperson of the meeting directs. The demand for a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question upon which the poll has been demanded.
- 20.8 In the event that any Shareholder abstains from voting in respect of any resolution, such Shareholder will, for the purposes of determining the number of votes exercised in respect of that resolution, be deemed not to have exercised a vote in respect thereof.
- 20.9 In case of any dispute as to the admission or rejection of a vote, the chairperson of the meeting shall determine the same, and the determination of the chairperson made in good faith shall be final and conclusive.
- 20.10 Where there are joint registered holders of any Share, any 1 of such persons may exercise all of the voting rights attached to that Share at any meeting, either personally or by proxy, as if he or she were solely entitled thereto. If more than 1 of such joint holders is present at any meeting, personally or by proxy, the person so present whose name stands first in the Securities Register in respect of such Share shall alone be entitled to vote in respect thereof.
- 20.11 The board of any Company or the controlling body of any other entity or person that holds any Securities of the Company may authorise any person to act as its representative at any meeting of Shareholders of the Company, in which event the following provisions will apply –
- 20.11.1 the person so authorised may exercise the same powers of the authorising Company, entity or person as it could have exercised if it were an individual holder of Shares; and
- 20.11.2 the authorising Company, entity or person shall lodge a resolution of the directors of such Company or controlling body of such other entity or person confirming the granting of such authority, and certified under the hand of the chairperson or secretary thereof, with the Company before the commencement of any Shareholders' meeting at which such person intends to exercise any rights of such Shareholder, unless excused from doing so by the chairperson of such meeting.

22 SHAREHOLDERS' RESOLUTIONS

- 22.1 For an ordinary resolution to be approved it must be supported by more than 60% of the voting rights exercised on the resolution, as provided in section 65(7).
- 22.2 For a special resolution to be approved it must be supported by the holders of at least 75% of the voting rights exercised on the resolution, as provided in section 65(9).
- 22.3 No matters, except those matters set out in section 65(11) and any other matter required by the Act or by this Memorandum of Incorporation to be resolved by means of a special resolution, require a special resolution of the Company.

22.4 In the event that any Shareholder abstains from voting in respect of any resolution, such Shareholder will, for the purposes of determining the number of votes exercised in respect of that resolution, be deemed not to have exercised a vote in respect thereof.

24 COMPOSITION AND POWERS OF THE BOARD OF DIRECTORS

24.1 Number of Directors

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

24.2 Election and Appointment of Directors

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

24.2.2 In any election of Directors –

24.2.2.1 the election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, with the series of votes continuing until all vacancies on the Board have been filled; and

24.2.2.2 in each vote to fill a vacancy –

24.2.2.2.1 each vote entitled to be exercised may be exercised once; and

24.2.2.2.2 the vacancy is filled only if a majority of the votes exercised support the candidate, provided only that, in the event that the Company only has 1 Shareholder, the above provisions of this clause 24.2.1 will not apply and the election of Directors shall take place in such manner as the Shareholder shall determine.

24.2.3 The Company shall be entitled to have appointed or *ex officio* Directors as contemplated in section 66(4).

24.2.4 In addition to the Directors elected in accordance with the above provisions of this Memorandum of Incorporation, and provided that such elected Directors comprise at least 50% of the number of Directors –

24.2.4.1 each Shareholder shall be entitled, for every 20% (twenty percent) of the voting rights of the Company held by such Shareholder, to appoint 1 director to the Board;

24.2.4.2 a Shareholder who has appointed a Director in terms of this clause 24.2.4 may remove its nominee from the Board and replace such nominee so removed or who has otherwise ceased to be a Director; and

24.2.4.3 the appointment or removal of a Director, by a Shareholder in terms of this clause 24.2.4 shall be effected by notice to the Company and will be operative immediately upon receipt by the Company of such notice and a written consent by such person to serve as a Director as contemplated in section 66(7)(b), provided that such notice and consent shall be accompanied by a written acknowledgement by such Director that he shall be deemed ipso facto to have resigned from office as such forthwith upon him being required to cease holding office as a Director in terms of clause 24.2.4.2, which written acknowledgement shall irrevocably appoint the Shareholder who appointed him as his agent to sign all such documents and to do all such things as are necessary or required to give effect to and implement his resignation, and shall further confirm that such Director shall have no claims against either the Company, or the Shareholders, arising from or relating to such resignation.

24.2.5 Notwithstanding the provisions of clause 24.2 and subject to the provisions of the Act, the Company may by ordinary resolution remove any Director, including a Director appointed by a Shareholder in terms of clause 24.2.4.1 before the expiration of his period of office by ordinary resolution.

24.3 Eligibility and Rotation

24.3.1 Apart from satisfying the qualification and eligibility requirements set out in section 69, a person need not satisfy any further eligibility requirements or qualifications to become or remain a Director or a prescribed officer of the Company, however this provision may from time to time be varied by the Company by an ordinary resolution taken by Shareholders.

- 24.3.2 The elected Directors shall rotate in accordance with the following provisions of this clause 24.3.2 –
- 24.3.3.1 at the annual general meeting of the Company contemplated in clause 18.2.1.1, 1/3 of all the elected Directors shall retire from office, and at each subsequent general meeting referred to in clause 18.2.1.2 1/3 of the elected Directors for the time being, or if their number is not 3 or a multiple of 3, the number nearest to 1/3, but not less than 1/3, shall retire from office, provided that if an elected Director is appointed as managing Director or as an employee of the Company in any other capacity, the contract under which he is appointed may provide that he or she shall not, while he or she continues to hold that position or office, be subject to retirement by rotation and he or she shall not, in such case, be taken into account in determining the rotation or retirement of Directors;
 - 24.3.3.2 the elected Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who were elected as Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot;
 - 24.3.3.3 a retiring Director shall be eligible for re-election;
 - 24.3.3.4 the Board shall provide the Shareholders with a recommendation in the notice of the meeting at which the re-election of a retiring Director is proposed, as to which retiring Directors are eligible for re-election, taking into account that Director's past performance;
 - 24.3.3.5 the Company, at the general meeting at which a Director retires in the above manner, or at any other general meeting, may fill the vacancy by electing a person thereto;
 - 24.3.3.6 if at any meeting at which an election of Directors ought to take place the offices of the retiring Directors are not filled, unless it is expressly resolved not to fill such vacancies, the retiring Director shall, if willing continue in office until the dissolution of the general meeting in the next year, and so on from year to year until his place is filled, unless he is unwilling, whereupon the meeting shall stand adjourned and the further provisions of this Memorandum of Incorporation, including clauses 18.4.2 to 18.4.5 (inclusive) will apply mutatis mutandis to such adjournment, and if at such adjourned meeting the vacancies are not filled, the retiring Directors, or such of them as have not had their offices filled, shall be deemed to have been re-elected at such adjourned meeting.

24.4 Certain Powers of the Directors

- 24.4.1 The Board has the power to –
- 24.4.1.1 fill any vacancy on the Board on a temporary basis, as set out in section 68(3) (and subject to section 70); and
 - 24.4.1.2 exercise all powers and perform any of the functions of the Company, as set out in section 66(1),
- unless the powers of the Board in this regard are not limited or restricted by this Memorandum of Incorporation.
- 24.4.2 The Board shall implement its investment policy in accordance with the terms thereof and may make use of financial gearing in its underlying investments should its investment policy as amended from time to time, provide for the Company to do so.
- 24.4.3 The Directors may at any time and from time to time by power of attorney appoint any person or persons to be the attorney or attorneys and agent(s) of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors in terms of this Memorandum of Incorporation) and for such period and subject to such conditions as the Directors may from time to time think fit. Any such appointment may, if the Directors think fit, be made in favour of any company, the Shareholders, directors, nominees or managers of any company or firm, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys and agents as the Directors think fit. Any such attorneys or agents as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them. Any reference to a power of attorney herein shall include any other form of delegation including the right to sub-delegate.

- 24.4.4 Save as otherwise expressly provided herein, all cheques, promissory notes, bills of exchange and other negotiable or transferable instruments, and all documents to be executed by the Company, shall be signed, drawn, accepted, endorsed or executed, as the case may be, in such manner as the Directors shall from time to time determine.
- 24.4.5 The management of the Company shall be vested in the Directors who, in addition to the powers and authorities conferred upon them hereunder and in terms of the Act, may exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not hereby or by the Act, expressly directed or required to be exercised or done by the Company in general meeting (including without derogating from the generality of the foregoing or from the rights of the Shareholders), the power to resolve that the Company be wound up) but subject nevertheless to such management and control not being inconsistent with the provisions of this Memorandum of Incorporation or with any resolution passed at any general meeting of the Shareholders.
- 24.4.6 The Directors may authorize the payment of any donation by the Company to such religious, educational, charitable, public or other bodies, funds, associations or persons as may seem to them advisable or desirable in the interests of the Company and limited in aggregate to 1% profit after tax in any one financial year.
- 24.4.7 The Directors may delegate or allocate any of their powers to an executive officer or other committee consisting of such member or members of their body or any other person/s they think fit. Any committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Directors.
- 24.4.8 All acts performed by the Directors or by a committee of Directors or by any person acting as a Director or a member of a committee shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the Directors or persons acting as aforesaid, or that any of them were disqualified from or had vacated office, be valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.
- 24.4.9 The Directors in office may act notwithstanding any vacancy in their body, but the remaining Directors must as soon as possible, and in any event not later than three months from the date that the number of Directors falls below the minimum, fill the vacancy or call a general meeting for the purposes of filling the vacancy. After the expiry of the three month period, and so long as their number is reduced below the minimum number fixed in accordance with this Memorandum of Incorporation, the Directors may act only for the purpose of filling vacancies in their body in terms of section 68(3) or of summoning general meetings of the Company, but not for any other purpose.

24.5 Directors' Interests

- 24.5.1 A Director may be employed or hold any other office or place of profit under the Company (except that of auditor) or any subsidiary of the Company in conjunction with the office of Director (except that of an auditor), for such period and on such terms as to appointment, remuneration (in addition to the remuneration to which he may be entitled as a Director) and otherwise as a disinterested quorum of the Directors may determine.
- 24.5.2 A Director of the Company may be or become a director or other officer of, or otherwise interested in, any Company promoted by the Company or in which the Company may be interested as Shareholder or otherwise and (except insofar as otherwise decided by the Directors) he shall not be accountable for any remuneration or other benefits received by him as a director or officer of or from his interest in such other Company, provided that the appointment and remuneration in respect of such other office must be determined by a disinterested quorum of Directors.
- 24.5.3 Each Director and each alternate Director, prescribed officer and member of any committee of the Board (whether or not such latter persons are also members of the Board) shall, subject to the exemptions contained in section 75(2) and the qualifications contained in section 75(3), comply with all of the provisions of section 75 in the event that they (or to their knowledge any person who is a related person to them) has a personal financial interest in any matter to be considered by the Board.

27 DIRECTORS' COMPENSATION AND FINANCIAL ASSISTANCE

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

- 27.2 Any Director who –
- 27.2.1 serves on any executive or other committee; or
 - 27.2.2 devotes special attention to the business of the Company; or
 - 27.2.3 goes or resides outside South Africa for the purpose of the Company; or
 - 27.2.4 otherwise performs or binds himself to perform services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director,
- may be paid such extra remuneration or allowances in addition to or in substitution of the remuneration to which he may be entitled as a Director, as a disinterested quorum of the Directors may from time to time determine.
- 27.3 The Directors may also be paid all their travelling and other expenses properly and necessarily incurred by them in connection with –
- 27.3.1 the business of the Company; and
 - 27.3.2 attending meetings of the Directors or of committees of the Directors of the Company.
- 27.4 The Board may, as set out in and subject to the requirements of section 45, authorise the Company to provide financial assistance to a Director, prescribed officer or other person referred to in section 45(2), and the power of the Board in this regard is not limited or restricted by this Memorandum of Incorporation.

31 BORROWING POWERS

- 31.1 Subject to the provisions of clause 31.2 and the other provisions of this Memorandum of Incorporation, the Board may from time to time –
- 31.1.1 borrow for the purposes of the Company such sums as they think fit; and
 - 31.1.2 secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of Securities (subject to clause 6), mortgage or charge upon all or any of the property or assets of the Company.
- 31.2 The Board shall procure (but as regards subsidiaries of the Company only insofar as by the exercise of voting and other rights or powers of control exercisable by the Company they can so procure) that the aggregate principal amount at any one time outstanding in respect of moneys so borrowed or raised by –
- 31.2.1 the Company; and
 - 31.2.2 all the subsidiaries for the time being of the Company (excluding moneys borrowed or raised by any of such companies from any other of such companies but including the principal amount secured by any outstanding guarantees or suretyships given by the Company or any of its subsidiaries for the time being for the indebtedness of any other Company or companies whatsoever and not already included in the aggregate amount of the moneys so borrowed or raised),
- shall not exceed the aggregate amount at that time authorised to be borrowed or secured by the Company or the subsidiaries for the time being of the Company (as the case may be).

32 COMMITTEES OF THE BOARD

- 32.1 The Board may –
- 32.1.1 appoint committees of Directors and delegate to any such committee any of the authority of the Board as set out in section 72(1); and/or
 - 32.1.2 include in any such committee persons who are not Directors, as set out in section 72(2)(a), and the power of the Board in this regard is not limited or restricted by this Memorandum of Incorporation.
- 32.2 If and for as long as it is required to do so in terms of the Act, and unless the Company is exempted from doing so by the Tribunal in terms of section 72(5), the Board must appoint a social and ethics committee having the powers and functions prescribed in terms of section 72 and the Regulations.
- 32.3 The authority of a committee appointed by the Board as set out in section 72(2)(b) and (c) is not limited or restricted by this Memorandum of Incorporation.

35 DISTRIBUTIONS

- 35.1 Subject to the provisions of the Act, and particularly section 46, the Company may make a proposed distribution if such distribution –
- 35.1.1 is pursuant to an existing legal obligation of the Company, or a court order; or
 - 35.1.2 is authorised by resolution of the Board.
- 35.2 No distribution shall bear interest against the Company, except as otherwise provided under the conditions of issue of the Shares in respect of which such distribution is payable or specifically provided in the resolution declaring such payment.
- 35.3 Distributions may be declared either free of or subject to the deduction of income tax and any other tax or duty in respect of which the Company may be chargeable.
- 35.4 The Board may from time to time declare and pay to the Shareholders such interim distributions as the Directors consider to be appropriate.
- 35.5 All unclaimed distributions may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed, provided that distributions unclaimed for a period of 3 years from the date on which they were declared may be declared forfeited by the Board for the benefit of the Company. The Directors may at any time annul such forfeiture upon such conditions (if any) as they think fit.
- 35.6 Any distribution, interest or other sum payable in cash to the holder of a Share may be paid by electronic transfer for credit to an account nominated in writing by the Shareholder or by cheque or warrant sent by post and addressed to –
- 35.6.1 the holder at his registered address; or
 - 35.6.2 in the case of joint holders, the holder whose name appears first in the Securities Register in respect of the Share, at his registered address; or
 - 35.6.3 such person and at such address as the holder or joint holders may in writing direct.
- 35.7 Every such cheque or warrant shall –
- 35.7.1 be made payable to the order of the person to whom it is addressed; and
 - 35.7.2 be sent at the risk of the holder or joint holders.
- 35.8 The Company shall not be responsible for the loss in transmission of any cheque or warrant or of any document (whether similar to a cheque or warrant or not) sent by post as aforesaid or for the loss or misdirection of any electronic transfer.
- 35.9 A holder or any one of two or more joint holders, or his or their agent duly appointed in writing, may give valid receipts for any distributions or other moneys paid in respect of a Share held by such holder or joint holders.
- 35.10 When such cheque or warrant is paid or the making of such electronic transfer to whomsoever effected, it shall discharge the Company of any further liability in respect of the amount concerned.
- 35.11 A distribution may also be paid in any other way determined by the Board, and if the directives of the Board in that regard are complied with, the Company shall not be liable for any loss or damage which a Shareholder may suffer as a result thereof.
- 35.12 Without detracting from the ability of the Company to issue capitalisation Shares, any distribution may be paid wholly or in part –
- 35.12.1 by the distribution of specific assets; or
 - 35.12.2 by the issue of Shares, debentures or securities of the Company or of any other Company; or
 - 35.12.3 in cash; or
 - 35.12.4 in any other way which the Board may at the time of declaring the distribution determine.
- 35.13 Where any difficulty arises in regard to such distribution, the Directors may settle that difficulty as they think expedient, and in particular may fix the value which shall be placed on such specific assets on distribution.

35.14 The Board may –

35.14.1 determine that cash payments shall be made to any Shareholder on the basis of the value so fixed in order to secure equality of distribution; and

35.14.2 vest any such assets in trustees upon such trusts for the benefit of the persons entitled to the distribution as the Directors deem expedient.

35.15 The Directors of the Company may hold in trust (or pay to another entity to hold in trust) small cash dividends or other cash distributions, due to any Shareholders of the Company who hold the Company's Securities in certificated form, without interest if, in the discretion of the Directors, the payment of such dividends or other distributions would be uneconomical for any such Shareholders and/or for the Company. Such retained amounts shall be added to subsequent dividends payable to affected Shareholders and the accumulated amounts shall be released to an affected Shareholder where the aggregate of the accumulated amount due to such Shareholder exceeds minimum amount of R25,00 or such other amount as proposed by the Directors from time to time. Such retained amounts shall also be released to affected Shareholders who specifically request payment or where such affected Shareholders' shareholdings are transferred out of the Company's certificated Securities Register.

35.16 The Board may, before declaring or recommending any dividend or other distribution, set aside out of the amount available for dividends, such sums as they think proper as a reserve fund or an addition thereto. The Board may divide the reserve fund into such special funds as they think fit, with full power to employ the assets constituting such fund or funds in the business of the Company, or may invest the same upon such investments (other than Shares of the Company) as they may select without being liable for any depreciation of or loss in consequence of such investments whether the same be usual or authorised investments for trust funds or not.

35.17 The reserve fund shall, at the discretion of the Board, be applicable for the equalisation of dividends or other distributions or for making provision for exceptional losses, expenses or contingencies, or for the extension or development of the Company's business, or for writing down the value of any of the assets of the Company, or for repairing, improving and maintaining any buildings, plant, machinery or works connected with the business of the Company, or to cover the loss in wear and tear or other depreciation in value of any property of the Company or for any of the objects or powers of the Company, or for any other purpose to which the Profits of the Company may be properly applied, and the Board may at any time divide among the Shareholders by way of bonus, or special dividends, any part of the reserve funds which they in their discretion may determine not to be required for the purposes aforesaid."

african phoenix

investments limited

African Phoenix Investments Limited

(Incorporated in the Republic of South Africa)

(Registration number 1946/021193/06)

JSE share code: AXL ISIN: ZAE000221370

("African Phoenix" or the "Company")

NOTICE OF GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the general meeting of African Phoenix shareholders will be held at 10:00 on Monday, 8 June 2020 at 9th Floor, Katherine Towers, 1 Park Lane, Wierda Valley, Sandton, 2196, for the purposes of considering and, if deemed fit, adopting with or without modification, the resolutions set out below.

IMPORTANT DATES TO NOTE:

	2020
Record date to receive circular (together with the notice convening the general meeting)	Friday, 24 April
Announcement relating to the issue of the circular (together with the notice convening the general meeting) released on SENS on	Friday, 8 May
Circular (together with the notice convening the general meeting) posted on	Friday, 8 May
Announcement relating to the issue of the circular (together with the notice convening the general meeting) published in the press	Monday, 11 May
Last day to trade in order to be eligible to vote at the general meeting	Tuesday, 26 May
Record date in order to be eligible to vote at the general meeting	Friday, 29 May
Last day forms of proxy should be lodged with the transfer secretaries for the general meeting (by 10:00)	Thursday, 4 June
General meeting held at 10:00	Monday, 8 June
Results of the general meeting released on SENS	Monday, 8 June
Results of the general meeting published in the press	Tuesday, 9 June

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; and
- a proxy need not be a shareholder of the company.

Kindly note that meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in a meeting. All shareholders recorded in the register of the Company on the voting record date, being Friday, 29 May 2020, will be required to provide identification satisfactory to the chairman of the general meeting. Forms of identification include valid identity documents or smart cards, drivers' licenses and passports.

Definitions and incorporation of provisions of the circular

Where appropriate and applicable, unless the converse appears from the context, terms defined in the circular to which this notice of general meeting is attached bear the same meanings in this notice of general meeting. This notice of general meeting must be read together with the contents of the circular.

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

"IT IS RESOLVED THAT, subject to the approval of ordinary resolution 1, the existing MOI be and is hereby abrogated and replaced in its entirety with the new MOI, extracts of which are included in **Annexure 5** of the circular and the full version of which can be accessed on the Company's website, www.phoenixinvestments.co.za or inspected at the registered office of the Company with effect from the date on which the circular was issued, which new MOI will take effect from the date of termination of the listing of the Company's shares on the Main Board of the JSE."

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

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

“**IT IS RESOLVED THAT**, the directors be and are hereby authorised to apply for the delisting of all African Phoenix shares from the Main Board of the JSE in accordance with sections 1.14 and 1.15 of the JSE Listings Requirements, which will result in the termination of the Company’s listing on the Main Board of the JSE, with effect from a date determined by the JSE.”

In order for ordinary resolution 1 to be adopted, the resolution requires the support of more than 50% of the voting rights exercised on the resolution by African Phoenix shareholders (excluding the votes of the shares held by the offeror, Legae Persec Proprietary Limited), present in person or by proxy at the general meeting.

ORDINARY RESOLUTION 2: ADOPTION OF NEW INVESTMENT POLICY

“**IT IS RESOLVED THAT**, the new investment policy, as detailed in paragraph 15 of Part B of the circular, and which will replace the Company’s current investment policy, be and is hereby approved.”

In order for ordinary resolution 2 to be adopted, the resolution requires the support of more than 50% of the voting rights exercised on the resolution by African Phoenix shareholders, present in person or by proxy at the general meeting.

ORDINARY RESOLUTION 3: AUTHORITY TO SIGN DOCUMENTATION

“**IT IS RESOLVED THAT**, any director and/or the company secretary be and is hereby authorised to sign all such documentation and do all such things as may be required to give effect to ordinary resolution.”

In order for ordinary resolution 3 to be adopted, the resolution requires the support of more than 50% of the voting rights exercised on the resolution by African Phoenix shareholders, present in person or by proxy at the general meeting.

QUORUM

A quorum for the purposes of considering the resolutions proposed at the general meeting shall consist of at least three shareholders personally present (and if the shareholder is a body corporate, it must be represented) and entitled to vote at the general meeting. In addition:

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

The date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Link Market Services South Africa Proprietary Limited, for the purposes of being entitled to attend, participate in and vote at the general meeting is Friday, 29 May 2020.

SHAREHOLDERS

General instructions

Shareholders are encouraged to attend, speak and vote at the general meeting.

Electronic participation

In terms of section 61(10) of the Companies Act, every shareholders’ meeting of a public company must be reasonably accessible within South Africa for electronic participation by shareholders. Therefore, shareholders or their proxies may participate in a meeting by way of a teleconference call if they wish to do so.

In this event:

- written notice to participate via electronic communication must be sent to African Phoenix’s company secretary, Acorim Proprietary Limited, to apil@acorim.co.za to be received by no later than 10:00 on Thursday, 4 June 2020;
- a pin number and dial-in details for the conference call will be provided;
- shareholders will be billed separately by their own telephone service providers for the teleconference call to participate in the general meeting; and

- valid identification will be required:
 - if the shareholder is an individual, a certified copy of their identity document and/or passport;
 - if the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution, specifying the name of the individual that is authorised to represent the relevant entity at the general meeting by way of teleconference call; and
 - a valid email address and/or facsimile number.

Subject to below, shareholders and their proxies will not be able to vote telephonically at the general meeting and will still need to appoint a proxy or representative to attend the general meeting in person and to vote on their behalf at the general meeting.

In light of the directive announced on 23 March 2020 by the President of South Africa in terms of section 27(1) of the Disaster Management Act, No. 57 of 2002 implementing a nationwide lockdown with effect from 26 March 2020 and extended to the end of April 2020, which may be extended or re-instated from time to time, (“Lockdown”) and the guidance from the South African Government regarding the need for social distancing, as a result of the COVID-19 pandemic, shareholders are encouraged to make use of proxies for purposes of voting at the general meeting.

In the event of a future Lockdown, future regulations or directives or preventative measures relating to COVID-19, shareholders or their proxies may be prevented from attending the general meeting in person. In such circumstances, African Phoenix may determine, by way of notice to shareholders published on SENS and in the South African press by no later than 10 (ten) business days prior to the general meeting, that the general meeting will take place entirely by electronic means and/or that shareholders or their proxies will be entitled to vote electronically, which notice will include details and instructions of such arrangement.

Proxies and authority for representatives to act

A form of proxy is attached for the convenience of any shareholder holding certificated shares, who cannot attend the general meeting but wishes to be represented thereat.

The attached form of proxy is only to be completed by those shareholders who are:

- holding shares in certificated form; or
- recorded on the Company’s sub-register in dematerialised electronic form with “own-name” registration.

All other beneficial owners who have dematerialised their shares through a CSDP or broker and wish to attend the general meeting, must instruct their CSDP or broker to provide them with the necessary letter of representation, or they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. These shareholders must not use a form of proxy.

In order to ensure an orderly arrangement of affairs at the general meeting, forms of proxy should be deposited at the transfer secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000), to be received by no later than 10:00 on Thursday, 4 June 2020, failing which forms of proxy may be handed to the chairman at any time prior to the commencement of the general meeting or prior to voting on any resolution to be proposed at the general meeting. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the general meeting should the shareholder decide to do so.

A proxy shall be deemed to have the right to demand or join in demanding a poll.

A vote given in accordance with the terms of a proxy shall be valid notwithstanding the previous death or incapacity of the shareholder concerned or revocation of the proxy or of the authority under which the proxy was executed or the transfer of shares in respect of which the proxy was given, provided that no intimation in writing of such death, incapacity or revocation shall have been received by the Company at the office of its transfer secretaries more than, and that the transfer has been given effect to by the Company less than, 30 (thirty) minutes before the commencement of the general meeting.

A company that is a shareholder, wishing to attend and participate at the general meeting should ensure that a resolution authorising a representative to so attend and participate at the general meeting on its behalf is passed by its directors. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with the Company’s transfer secretaries prior to the general meeting.

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

GENERAL NOTES

1. A shareholder entitled to attend and vote at the general meeting may appoint a proxy to attend, speak and vote in his or her stead. A proxy need not be a shareholder of the Company.
2. In order to ensure an orderly arrangement of affairs at the general meeting, all forms of proxy or other instruments of authority should be deposited with the transfer secretaries, so as to be received by no later than 10:00 on Thursday, 4 June 2020, failing which forms of proxy may be handed to the chairman at any time prior to the commencement of the general meeting or prior to voting on any resolution to be proposed at the general meeting.
3. A shareholder which is a company or other body corporate may, by resolution of its directors or other governing body, authorise any person to act as its representative at the general meeting.
4. Shareholders who have not dematerialised their shares and “own-name” dematerialised shareholders who are unable to attend the general meeting and wish to be represented thereat, should complete the attached form of proxy in accordance with the instructions therein and return it to the transfer secretaries, so as to be received by no later than 10:00 on Thursday, 4 June 2020, failing which forms of proxy may be handed to the chairman at any time prior to the commencement of the general meeting or prior to voting on any resolution to be proposed at the general meeting.
5. Shareholders who have dematerialised their shares with a CSDP or broker, other than with “own-name” registration, should advise their CSDP or broker with their voting instruction in terms of the agreement entered into between them and their CSDP or broker. Shareholders who have dematerialised their shares and wish to attend the general meeting must contact their CSDP or broker who will furnish them with the necessary authority to attend the general meeting.
6. Shareholders who have dematerialised their shares, other than with “own-name” registration, must not return the form of proxy to the transfer secretaries. Their instructions must be sent to their CSDP or broker for action.
7. On a show, of hands, any person present and entitled to vote shall only have one vote, irrespective of the number of shares he holds or represents.
8. On a poll a shareholder who is present in person or represented by a proxy shall be entitled to one vote for each share of which he is the registered holder or representative.
9. A resolution put to the vote at the general meeting shall be decided by way of a poll.

23 April 2020

By order of the board.

African Phoenix Investments Limited

african phoenix

investments limited

African Phoenix Investments Limited

(Incorporated in the Republic of South Africa)
(Registration number 1946/021193/06)
JSE share code: AXL ISIN: ZAE000221370
("African Phoenix" or the "Company")

FORM OF PROXY FOR AFRICAN PHOENIX SHAREHOLDERS

THIS FORM OF PROXY IS ONLY FOR USE BY:

- registered shareholders who have not yet dematerialised their African Phoenix shares;
- registered shareholders who have already dematerialised their African Phoenix shares and which shares are registered in their own names in the company's sub-register.

For completion by the aforesaid registered shareholders of African Phoenix who are unable to attend the general meeting of the Company to be held at 9th Floor, Katherine Towers, 1 Park Lane, Wierda Valley, Sandton, 2196 at 10:00 on Monday, 8 June 2020.

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

I/We (BLOCK LETTERS PLEASE)

of (ADDRESS)

Telephone number: Cell phone number: Email address:

being the holder/s of African Phoenix shares hereby appoint:

1. _____ or failing him/her,
2. _____ of failing him/her,
3. the chairman of the general meeting,

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

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

	In favour of	Against	Abstain
Special resolution 1 – Approval of the abrogation of the existing MOI in its entirety and the adoption of the new MOI			
Ordinary resolution 1 – Authority to apply for the Company's delisting on the JSE			
Ordinary resolution 2 – Adoption of new investment policy			
Ordinary resolution 3 – Authority to sign documentation			

* One vote per share held by African Phoenix shareholders recorded in the register on the voting record date.

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

Signed this _____ day of _____ 2020

Signature _____

Assisted by me (where applicable) _____

(State capacity and full name) _____

Please read the notes on the reverse side hereof.

NOTES TO THE FORM OF PROXY

1. The form of proxy must only be completed by shareholders who hold ordinary shares in certificated form or who are recorded on the sub-register in electronic form in "own name".
2. All other beneficial owners who have dematerialised their shares through a CSDP or broker and wish to attend the general meeting must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.
3. A shareholder entitled to attend and vote at the general meeting may insert the name of a proxy or the names of two alternate proxies (none of whom need be a shareholder of African Phoenix) of the shareholder's choice in the space provided, with or without deleting "the Chairperson of the meeting". The person whose name stands first on this form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those proxy(ies) whose names follow. Should this space be left blank, the proxy will be exercised by the Chairperson of the meeting.
4. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each ordinary share held. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. If an "X" has been inserted in one of the blocks to a particular resolution, it will indicate the voting of all the shares held by the shareholder concerned. 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 exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholders or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
5. A vote given in terms of an instrument of proxy shall be valid in relation to the general meeting notwithstanding the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the ordinary shares in respect of which the proxy is given, unless notice as to any of the aforementioned matters shall have been received by the transfer secretaries not less than 48 (forty-eight) 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, such proxy shall be entitled to vote as he/she thinks fit.
7. The Chairperson of the general meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
8. A shareholder's authorisation to the proxy including the Chairperson of the general meeting, to vote on such shareholder's behalf, shall be deemed to include the authority to vote on procedural matters at the general meeting.
9. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
10. 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, unless previously recorded by the Company's transfer secretaries or waived by the Chairperson of the general meeting.
11. 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 transfer secretaries of the Company.
12. Where there are joint holders of ordinary shares:
 - any one holder may sign the form of proxy or;
 - the vote(s) of the senior ordinary shareholders (for that purpose seniority will be determined by the order in which the names of ordinary shareholders appear in the Company's register of ordinary 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).
13. For administrative purposes only, forms of proxy should be lodged with or mailed to Link Market Services South Africa Proprietary Limited.

Hand deliveries to:	Postal deliveries to:
13 th Floor, Rennie House	PO Box 4844
19 Ameshoff Street	Johannesburg
Braamfontein	2000
Johannesburg	

to be received by no later than 10:00 on Thursday, 4 June 2020 (or 48 hours before any adjournment of the general meeting which date, if necessary, will be notified on SENS).
14. A deletion of any printed matter and the completion of any blank space need not be signed or initialled. Any alteration or correction must be signed and not merely initialled.
15. Summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Companies Act:
 - A proxy appointment must be in writing, dated and signed by the shareholder appointing a proxy, and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the relevant shareholders' meeting.
 - A proxy may delegate the proxy's authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.
 - The appointment of a proxy is suspended at any time and to the extent that the shareholder who appointed such proxy chooses to act directly and in person in the exercise of any rights as a shareholder.
 - The appointment of a proxy is revocable by the shareholder in question cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of (a) the date stated in the revocation instrument, if any; and (b) the date on which the revocation instrument is delivered to the Company as required in the first sentence of this paragraph.
 - If the instrument appointing the proxy or proxies has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the Company's Memorandum of Incorporation to be delivered by the Company to the shareholder, must be delivered by the Company to (a) the shareholder, or (b) the proxy or proxies, if the shareholder has (i) directed the Company to do so in writing; and (ii) paid any reasonable fee charged by the Company for doing so. Attention is also drawn to the "Notes to proxy".
 - The completion of a form of proxy does not preclude any shareholder from attending the general meeting.

african phoenix

investments limited

African Phoenix Investments Limited

(Incorporated in the Republic of South Africa)

(Registration number 1946/021193/06)

JSE share code: AXL ISIN: ZAE000221370

("African Phoenix" or the "Company")

FORM OF ACCEPTANCE, SURRENDER AND TRANSFER (FOR USE BY CERTIFICATED SHAREHOLDERS ONLY)

The definitions and interpretations commencing on page 7 of the circular to which this form of acceptance, surrender and transfer is attached to and forms part of, have, where necessary, been used herein.

Instructions:

1. A separate form of acceptance, transfer and surrender is required for each shareholder.
2. Subject to paragraph 2.6.2 of Part A of the circular, all acceptances of the offer received by the transfer secretaries, the offeror or the relevant CSDP or broker prior to the closing date will be irrevocable.
3. Documents of title surrendered by African Phoenix shareholders in advance of the fulfilment of the conditions precedent set out in paragraph 4.4 of Part A of the circular will be held in trust by the transfer secretaries, at the African Phoenix shareholder's risk, pending the fulfilment of the conditions precedent. If the conditions precedent are not fulfilled by the 45th business day after the opening date, the offeror reserves the right to extend this date to a date approved by the TRP and the offeror. If the conditions precedent remains unfulfilled following the said extended date, the transfer secretaries will return the documents of title by registered post, to the certificated African Phoenix shareholders in question and at their own risk. Within three business days following the date upon which an announcement is made on SENS and in the press that the conditions precedent have not been fulfilled.

Certificated African Phoenix shareholders who surrender their documents of title before the closing date will not be able to trade their African Phoenix shares after surrender.

4. **Part A** must be completed by all shareholders who return this form relating to the surrender of documents of title.
5. **Part B** must be completed by those shareholders who accept the offer.
6. **Part C** must be completed by those shareholders who elect to receive the offer consideration electronically transferred into their bank accounts.
7. **Part D** must be completed by shareholders who are emigrants from or non-residents of the Common Monetary Area.

Please also read the notes on the reverse side hereof

To: African Phoenix Investments Limited

Care of: Link Market Services South Africa Proprietary Limited

13th Floor, Rennie House
Ameshoff Street
Braamfontein
Johannesburg, 2001
(PO Box 4844, Johannesburg, 2000)

Dear Sirs,

PART A – Surrender of documents of title

All shareholders who return this form must please complete Part A.

I/We, the undersigned, hereby surrender and attach the following documents of title in respect of my/our shares in African Phoenix.

Signature of shareholder: _____

Assisted by (if applicable): Name _____ Capacity _____ Signature _____

Date: _____

Please complete the section below in BLOCK LETTERS:

Name of Corporate Body: _____

First names (in full), if applicable _____

Title (Mr, Mrs, Miss, Dr, etc.) _____

Postal address (preferably PO Box address) _____

Postal code _____

Telephone number (office hours) Code Number _____

Cell phone number _____

Share certificate/s and/or documents of title surrendered:

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

My/Our signature/s on this form constitutes my/our execution of this instruction.

PART B – Acceptance of the offer

Shareholders who accept the offer must please complete Part B.

I/We hereby accept the offer in respect of African Phoenix shares held by me/us.

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

PART C – To be completed by shareholders who wish to have the offer consideration transferred into their bank accounts

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

Notes:

1. *The offer consideration will only be electronically transferred if Part C is properly completed and this form is returned to the transfer secretaries together with the documents of title on or before the closing date.*
2. *Once the offer has been accepted before 12:00 on a Friday during the offer period, payment of the offer consideration will be made as set out in paragraph 3 of Part A of the circular.*
3. *In terms of FICA requirements, Link Market Services South Africa Proprietary Limited will not record any bank mandate without certified true copies of the shareholder's identity document and bank statement.*

PART D

1. To be completed by all emigrants from and non-residents of the Common Monetary Area.

The offer consideration will be forwarded to the authorised dealer nominated below for its control. Accordingly, non-residents who are emigrants from the Common Monetary Area must provide the following information:

Name of Authorised Dealer/Bank:	Stamp and address of agent lodging this form (if any)
Address:	
Account Number:	

2. To be completed only by all other non-resident certificated shareholders who wish to provide a substitute address

The offer consideration will be posted to the registered address of the non-resident concerned, unless written instructions to the contrary are received and an address provided below:

Substitution address:

3. If no nomination is made in terms of 1 above, the offer consideration will be held in trust by African Phoenix or the transfer secretaries.

Notes:

1. Emigrants from the Common Monetary Area must complete Part D.
2. All other non-residents of the Common Monetary Area must complete Part D if they wish the offer consideration to be sent to an authorised dealer in South Africa.
3. If Part D is not properly completed, the offer consideration (in the case of emigrants or non-residents), will be held in trust by the transfer secretaries pending receipt of the necessary nomination or instruction.
4. The offer consideration will not be sent to shareholders unless and until documents of title in respect of the relevant African Phoenix shares have been surrendered to the transfer secretaries.
5. If a shareholder produces evidence to the satisfaction of the offeror that documents of title in respect of his African Phoenix shares have been lost or destroyed the offeror may waive the surrender of such documents of title against delivery of an indemnity in a form and on terms and conditions approved by it, or may in its discretion waive such indemnity.

6. If this form is not signed by the shareholder, the shareholder will be deemed to have irrevocably appointed the company secretary or African Phoenix to implement that shareholder's obligations under the offer on his/her behalf.
7. Persons who have acquired shares in African Phoenix after Friday, 24 April 2020, the record date to determine which shareholders are eligible to receive the document to which this form of acceptance, transfer and surrender is attached, can obtain copies of the document from Link Market Services South Africa Proprietary Limited whose address is 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000).
8. No receipts will be issued for documents lodged, unless specifically requested. In compliance with the JSE Listings Requirements, lodging agents are requested to prepare special transaction receipts. Signatories may be called upon for evidence of their authority or capacity to sign this form.
9. Any alteration to this form must be signed in full and not initialled.
10. If this form is signed under a power of attorney, then such power of attorney, or a notarially certified copy thereof, must be sent with this form for noting (unless it has already been noted by African Phoenix or the transfer secretaries).
11. Where the shareholder is a company or a close corporation, unless it has been registered with African Phoenix or the transfer secretaries, a certified copy of the directors' or members' resolution authorising the signing of this form must be submitted if so requested by the offeror.
12. Note 11 above does not apply in the event of this form bearing the stamp of a broking member of the JSE.
13. Where there are joint holders of any shares, only that holder whose name stands first in the register in respect of such shares need sign this form.