



african phoenix
investments limited

CIRCULAR
2022

african phoenix

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AFRICAN PHOENIX INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1946/021193/06

("African Phoenix" or the "Company")

COMMUNICATION TO AFRICAN PHOENIX SHAREHOLDERS

1. INTRODUCTION

The purpose of this document is to provide shareholders with notice of the upcoming General Meeting for the purposes of voting on matters relating to the Scheme.

By order of the board

African Phoenix Investments Limited

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Oyama Mabandla

Executive Chairman

20 May 2022

ACTION REQUIRED BY AFRICAN PHOENIX SHAREHOLDERS

The definitions and interpretations commencing on page 4 of this communication to shareholders have, where appropriate, been used in this section.

If you have disposed of all of your African Phoenix shares, then this document, together with the attached notice of General Meeting and Form of Proxy should be handed to the purchaser of such shares or to the broker, banker, or other agent through whom the disposal was affected.

A General Meeting of African Phoenix shareholders will be held at **10:00 on Tuesday, 21 June 2022**, at the registered office of African Phoenix (**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 ordinary and special resolutions set out therein. A notice convening the General Meeting is attached to and forms part of this document as at page 9.

VOTING AND ATTENDANCE AT THE GENERAL MEETING

A. CERTIFICATED SHAREHOLDERS WITHOUT OWN-NAME REGISTRATION

If you wish to attend the General Meeting, or appoint a proxy to represent you at 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 the manner stipulated in your Custody Agreement. 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. You will not be permitted to attend, speak or vote at the General Meeting, or send a proxy to represent you at the General Meeting, without the necessary letter of representation being issued to you.

If you do not wish to, or are unable to, attend (or appoint a proxy to represent you at) the General Meeting, but wish to vote at the General Meeting, you should provide your CSDP or Broker with your voting instructions in the manner stipulated in your Custody Agreement. 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 your Custody Agreement, if any.

You must NOT complete the attached Form of Proxy.

B. CERTIFICATED SHAREHOLDERS WITH OWN-NAME REGISTRATION

Subject to sections 56 and 57 of the Companies Act, you may attend, speak and vote at the General Meeting.

If you do not wish to or are unable to attend the General Meeting and wish to be represented thereat, you must complete the Form of Proxy which is attached to and forms part of this Circular, in accordance with the instructions contained herein and ensure that it is received by the Transfer Secretaries by no later than 48 hours before the General Meeting that is to be held at **10:00 on Tuesday, 21 June 2022** i.e. by **10:00 on Friday, 17 June 2022**. The Form of Proxy may also be submitted to the chairperson of the General Meeting (or adjourned or postponed General Meeting) at any time before the proxy exercises any rights of the Shareholder at the General Meeting by emailing it to the Transfer Secretaries at proxy@tmsmeetings.co.za.

In light of 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 the purposes of voting at the General Meeting.

C. ELECTRONIC PARTICIPATION AT THE GENERAL MEETING

Should any Shareholder (or any proxy for a Shareholder) wish to participate in the General Meeting by way of electronic communication, that Shareholder should make application to so participate in writing (including details as to how the Shareholder or its representative (including its proxy) can be contacted) to the Transfer Secretaries at its address below, to be received by the Transfer Secretaries at least 5 (five) Business Days prior to the General Meeting in order for the Transfer Secretaries to arrange for the Shareholder (or its representative or proxy) to provide reasonably satisfactory identification to the Transfer Secretaries for the purposes of section 63(1) of the Companies Act and for the Transfer Secretaries to provide the Shareholder or its representative (including its proxy) with details as to how to access any electronic communication to be provided. The Company reserves the right to elect not to provide for electronic communication at the General Meeting in the event that, as a result of such electronic communication, it will not be or is not possible for all Shareholders to communicate concurrently with each other without an intermediary or to participate reasonably effectively in the General Meeting. The costs of accessing any means of electronic communication provided by the Company will be borne by the Shareholder so accessing the electronic communication.

The Shareholders and their appointed proxies attending by way of electronic communication will not be able to cast their votes at the General Meeting through this medium. Accordingly, Shareholders making use of the electronic participation facility are requested to submit their forms of proxy to the Company, as directed.

DEFINITIONS AND INTERPRETATIONS

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

“African Phoenix” or “Company”	African Phoenix Investments Limited (Registration number: 1946/021193/06), a public company incorporated and registered in accordance with the laws of South Africa;
“African Phoenix Shareholders”	the holders of African Phoenix Shares;
“African Phoenix Shares” or “Shares”	an ordinary share of a par value of R0.025 per share in the ordinary share capital of African Phoenix;
“Board” or “Directors”	the board of directors of African Phoenix;
“Certificated Shareholders”	African Phoenix Shareholders who hold Certificated Shares;
“Certificated Shares”	African Phoenix Shares which have not been dematerialised, title to which is represented by a share certificate or other physical Documents of Title;
“Companies Act”	the Companies Act No. 71 of 2008, as amended;
“Company Secretary”	MCC Contracts Proprietary Limited (Registration number: 1983/008084/07), a private company duly incorporated in accordance with the laws of South Africa;
“Custody Agreement”	the agreement which regulates the relationship between the broker and each beneficial holder of African Phoenix Shares;
“Dissenting Shareholders”	Zarclear Ordinary Shareholders who: (i) validly exercise their appraisal rights (if any) in relation to the Scheme by giving written notice to Zarclear objecting to the Scheme resolution, voting against the Scheme resolution and making a demand in accordance with sections 164(5), 164(7) and 164(8) of the Companies Act, that Zarclear pay to them the fair value of their Zarclear Ordinary Shares; and (ii) have not withdrawn that demand or allowed an offer by Zarclear to lapse as contemplated in sections 164(9)(a) or (b), or section 164(15)(c)(v)(aa) of the Companies Act;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts and any other Documents of Title to shares acceptable to the board of directors of African Phoenix;
“Form of Proxy”	the Form of Proxy attached to this document for use by <u>Certificated Shareholders with own name registration only</u> for appointment of a proxy to represent such shareholders at the General Meeting;
“General Meeting”	the general meeting of African Phoenix Shareholders to be held at 10:00 on Tuesday, 21 June 2022 or any other adjourned or postponed date and time, at the registered office of African Phoenix. The notice of General Meeting is attached hereto and forms part of this document;
“Hampden”	Hampden Capital (Proprietary) Limited (Registration number: 2000/003703/07);
“Joint Announcement”	the joint announcement in respect of among other things, the Scheme, released by Zarclear and African Phoenix, on 8 March 2022;
“Long Stop Date”	14 August 2022 or such later date as may be agreed in writing by Zarclear and African Phoenix to be the Long Stop Date, and released on African Phoenix and Zarclear websites;

“MOI”	the memorandum of incorporation of African Phoenix;
“Notice”	notice of General Meeting;
“Register”	the securities register of African Phoenix duly administered by the transfer secretaries;
“Scheme”	<p>the scheme of arrangement in terms of section 114(1)(c) of the Companies Act, to be proposed by the Zarclear Board between Zarclear and the eligible Zarclear Ordinary Shareholders, in terms of which, if implemented:</p> <p>(i) the Scheme Participants will be deemed to have disposed of their Zarclear Ordinary Shares to African Phoenix for the Scheme Consideration; and</p> <p>(ii) African Phoenix shall be obliged to issue the Scheme Consideration, to the Scheme Participants, in consideration for the disposal of the Scheme Shares to African Phoenix,</p> <p>on the terms and conditions set out in the Scheme Circular, and subject to any amendment or variation, as contemplated in the Scheme Circular;</p>
“Scheme Circular”	The combined circular to Zarclear Ordinary Shareholders in respect of the Scheme released by Zarclear and African Phoenix on their respective websites on 20 May 2022 .
“Scheme Consideration”	7 (seven) African Phoenix Shares for every 1 (one) Scheme Share held by the Scheme Participants on the Scheme Record Date to be issued by African Phoenix to the Scheme Participants;
“Scheme Implementation Date”	means 11 July 2022;
“Scheme Record Date”	the date on which Zarclear Ordinary Shareholders are eligible to receive the Scheme Circular, being Tuesday, 17 May 2022 ;
“Scheme Participants”	any person who is recorded in the Register as a holder of Zarclear Ordinary Shares on the Scheme Record Date, excluding Dissenting Shareholders who have not whether voluntarily or pursuant to a final order of the Court, withdrawn their demand made in terms of section 164(5) and 164(8) of the Companies Act before the Scheme Record Date, or allowed any offers made to them in terms of section 164(11) of the Companies Act to lapse before the Scheme Record Date, being persons who are entitled to receive the Scheme Consideration;
“Scheme Shares”	all of the Zarclear Ordinary Shares held by the Scheme Participants on the Scheme Record Date;
“Voting Record Date”	the date on which African Phoenix Shareholders are to be recorded in the register in order to be eligible to attend, speak and vote at the General Meeting (or any adjournment thereof), being Friday, 17 June 2022 ;
“Zarclear”	Zarclear Holdings Limited (Registration number: 2000/013674/06), a public company incorporated and registered in accordance with the laws of South Africa;
“Zarclear Ordinary Shares”	ordinary shares with no par value each issued by Zarclear; and
“Zarclear Ordinary Shareholder”	a registered holder of one or more Zarclear Ordinary Shares or, in relation to voting, any other person who is entitled to exercise the voting rights attaching to such ordinary shares.

1. BACKGROUND TO THE SCHEME

- 1.1 Capitalised terms not otherwise defined in this document shall, unless the context indicates otherwise, bear the meanings ascribed to such terms in the Scheme Circular.
- 1.2 African Phoenix Shareholders are referred to the Joint Announcement and Scheme Circular released by Zarclear and African Phoenix on their websites on 8 March 2022 and 20 May 2022, respectively. African Phoenix Shareholders are advised that, among other things, African Phoenix made an offer to acquire all the Zarclear Ordinary Shares from the Zarclear Ordinary Shareholders by way of a single offer, constituted by the Scheme, in terms of which, if implemented, the Scheme Participants will be deemed to have disposed of the Scheme Shares to African Phoenix for the Scheme Consideration, which will be payable by African Phoenix to the Scheme Participants on the Scheme Implementation Date.
- 1.3 The operation and implementation of the Scheme is subject to the fulfilment or waiver, as the case may be, of the Scheme Conditions including, among other things, approval of the resolutions set out in the Notice by African Phoenix Shareholders. If the Scheme Conditions are not fulfilled or waived, as the case may be, on or before the Long Stop Date, the Scheme will not become operative and will not be implemented.

2. CHANGES TO SHARE CAPITAL, AND AMENDMENTS TO THE MOI, REQUIRED TO FACILITATE THE SCHEME AND SETTLING THE SCHEME CONSIDERATION

- 2.1 For the purposes of settling the Scheme Consideration, the Company proposes increasing its authorised shares from 2,000,000,000 (two billion) Shares (of which 1,427,005,272 (one billion four hundred twenty-seven million five thousand two hundred seventy-two), Shares are currently in issue) to 4,000,000,000 (four billion) Shares, by the creation of a further 2,000,000,000 (two billion) new authorised shares. This should not be taken as an indication as to the number of Shares to be issued by the Company pursuant to the Scheme. The Company will only issue such number of Shares as is required to raise the Scheme Consideration.
- 2.2 In order to increase the Company's authorised shares, the Company first needs to convert the existing Shares from par value shares of ZAR0.025 each into no par value shares.
- 2.3 In summary, in order to prepare for and facilitate the settling of the Scheme Consideration, Shareholder approval is required for the following corporate actions:
 - 2.3.1 the conversion of the authorised shares of the Company (whether or not in issue) from par value shares of ZAR0.025 each to no par value shares, discussed in further detail in paragraph 3 below;
 - 2.3.2 an increase of the authorised shares of the Company through the creation of 2,000,000,000 (two billion) new authorised shares, such that the number of authorised shares is increased to 4,000,000,000 (four billion) Shares, discussed in further detail in paragraph 4 below;
 - 2.3.3 consequential amendments to the MOI, discussed in further detail in paragraph 5 below; and
 - 2.3.4 the issue of Shares with voting power exceeding 30% (thirty percent) of the voting power of the Shares currently in issue, discussed in further detail in paragraph 6 below.

3. CONVERSION OF AUTHORISED SHARES (WHETHER OR NOT ISSUED) FROM PAR VALUE TO NO PAR VALUE

3.1 THE RATIONALE

3.1.1 In order to implement the Scheme and settle the Scheme Consideration, the Company proposes to increase its authorised shares, discussed in more detail in paragraph 4 below.

3.1.2 In terms of regulations 31(2) and 31(5)(a) of the Companies Regulations, a company is not permitted to create new par value shares, the effect being that the new Shares referred to in paragraph 4 below will have to be created as no par value shares.

3.1.3 Cognisant of this, the Board proposes to convert all of the Company's existing authorised ordinary shares (whether issued or unissued) from par value shares of ZAR0.025 each to no par value shares, such that all authorised and issued shares in the Company will be no par value shares.

3.2 SHAREHOLDER APPROVAL

Special resolution number 1 set out in the Notice is the resolution proposing the conversion of the Shares from par value shares of ZAR0.025 each to no par value shares. In order for special resolution number 1 to be adopted, it must be supported by at least 75% (seventy-five percent) of the voting rights exercised on it. Zarclear has undertaken not to vote on special resolution number 1.

3.3 BOARD REPORT REQUIREMENT

3.3.1 Regulations 31(7) and 31(8) of the Companies Regulations require, in addition, that, when a company proposes a resolution to convert its shares into no par value shares, the board of directors of that company prepare a report in respect of the proposed conversion, which, amongst other things, evaluates whether the conversion will have any material adverse effects.

3.3.2 This report of the Board is attached hereto as Annexure 1 to the Notice and confirms that the proposed conversion has (and will have) no adverse effects on the Shareholders as they will remain in the same position and enjoy the same rights before and after the proposed conversion.

4. INCREASE OF AUTHORISED SHARES

4.1 THE RATIONALE

4.1.1 As stated in paragraph 2.1 above, the Company wishes to increase its authorised shares in order for it to have sufficient authorised shares to meet its obligations in relation to the Scheme Consideration. The number of Shares to be issued, pursuant to the Scheme will be determined on the Scheme Implementation Date.

4.1.2 Given that, at the Last Practicable Date, there are only 572,994,728 authorised but unissued Shares available for issuance, there are insufficient authorised Shares to issue the requisite number of Shares pursuant to the Scheme.

4.1.3 Consequently, in order to ensure that the Company has sufficient authorised but unissued Shares available for the Scheme, the Board believes it is necessary to increase the authorised shares from 2,000,000,000 (two billion) Shares to 4,000,000,000 (four billion) Shares, by the creation of a further 2,000,000,000 (two billion) new authorised Shares.

4.2 SHAREHOLDER APPROVAL

Special resolution number 2 set out in the Notice is the relevant resolution for approving an increase of the Company's authorised shares. In order for special resolution number 2 to be adopted, it must be supported by at least 75% (seventy five percent) of the voting rights exercised on it. Zarclear and Hampden have undertaken not to vote on special resolution number 2.

5. MOI AMENDMENTS

- 5.1 As discussed in paragraph 3 above, the Companies Act and the Companies Regulations do not permit the creation of new par value shares and accordingly an amendment to the MOI is required to convert the Shares to no par value shares.
- 5.2 In addition, the Company requires an amendment to the MOI to increase its authorised but unissued Shares to create sufficient authorised Shares for Implementation.
- 5.3 Accordingly, the Board proposes the MOI Amendments.
- 5.4 Details of the MOI Amendments are set out in Annexure 2 to the Notice, and a copy of each of the MOI and the MOI Amendments will be made available for inspection by Shareholders on the Company's website to which Shareholders will be granted access.
- 5.5 Special resolution number 3 set out in the Notice is the resolution proposing the MOI Amendments. In order for special resolution number 3 to be adopted, it must be supported by at least 75% (seventy five percent) of the voting rights exercised on it. Zarclear and Hampden have undertaken not to vote on special resolution number 3.

6. AUTHORITY TO ISSUE SHARES IN TERMS OF THE SCHEME

- 6.1 In the expectation that the voting power of the Shares to be issued upon implementation of the Scheme will exceed 30% (thirty percent) of the voting power of all the Shares in issue immediately before implementation, the issue of those Shares will, in terms of section 41 of the Companies Act, require the approval of at least 75% (seventy five percent) of the votes exercised by Shareholder's voting (personally, by proxy or by representative) at the General Meeting.
- 6.2 Special resolution number 4 set out in the Notice is the resolution proposing the issue of Shares under the Scheme. In order for special resolution number 4 to be adopted, it must be supported by at least 75% (seventy five percent) of the voting rights exercised on it. Zarclear and Hampden have undertaken not to vote on special resolution number 4.

By order of the Board

African Phoenix Investments Limited



Oyama Mabandla
Executive Chairman

20 May 2022

african phoenix

investments limited

AFRICAN PHOENIX INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1946/021193/06

("African Phoenix" or the "Company")

NOTICE OF GENERAL MEETING

Where appropriate and applicable, the terms defined in the communication to shareholders to which this notice of General Meeting is attached bear the same meaning and, in particular, in the resolutions set out below.

In terms of section 62(3)(a) of the Companies Act, notice is hereby given to the shareholders of African Phoenix that a General Meeting of shareholders will be held at **10:00 on Tuesday, 21 June 2022**, at the registered office of African Phoenix being **9th floor, Katherine Towers, 1 Park Lane, Wierda Valley, Sandton, 2196** for the purpose of seeking the approvals which African Phoenix requires from its shareholders to enable it to proceed with the Scheme, including, *inter alia*, the proposed:

- conversion of all of the authorised shares (whether issued or unissued) from par value shares of ZAR0.025 each to no par value shares;
- increase of the Company's authorised shares by the creation of an additional 2,000,000,000 Shares;
- amendments to the MOI to reflect the abovementioned changes to, and increase in, the authorised shares of the Company; and
- authorisation in accordance with the Companies Act for the Board to issue Shares with voting power in excess of 30% (thirty percent) of the voting power of Shares currently in issue, pursuant to the Scheme.

Shareholders are referred to page 2 of the document, which sets out the information and explanatory material that they may require in order to determine whether to participate in the General Meeting and vote on the resolutions set out below.

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

- a shareholder who is entitled to attend and vote at the General Meeting is entitled to appoint a proxy or 2 (two) or more proxies to attend, participate in and vote at the General Meeting in the place of the shareholder;
- a proxy need not be a shareholder of the Company; and
- shareholders recorded in the Register of the Company on the Voting Record Date (including shareholders and their proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in the General Meeting. In this regard, all shareholders recorded in the Register on the Voting Record Date will be required to provide identification satisfactory to the chairperson of the General Meeting. Forms of identification include valid identity documents, drivers' licenses and passports.

NOTICE OF GENERAL MEETING continued

IMPORTANT DATES TO NOTE

Record date to determine which African Phoenix Shareholders are entitled to receive this document	17 May 2022
Communication to shareholders together with the accompanying Notice convening the General Meeting, Form of Proxy and form of surrender and transfer posted to African Phoenix Shareholders on	20 May 2022
Record date to be eligible to vote at the General Meeting, being the Voting Record Date on	17 June 2022
Last date and time to lodge Forms of Proxy in respect of the General Meeting with the transfer secretary by 10:00 on (alternatively, the Form of Proxy may be handed to the chairperson of 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)	17 June 2022
Last date to request details for electronic participation at the General Meeting	17 June 2022
General Meeting held at 10:00 on	21 June 2022

VOTING AND QUORUM

The quorum requirement for the General Meeting to begin or for a matter to be considered is at least 3 (three) shareholders present in person. In addition:

- the General Meeting may not begin until sufficient persons are present in person or represented by proxy to exercise, in aggregate, at least 25% (twenty-five percent) of the voting rights that are entitled to be exercised 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 in person or represented by proxy to exercise, in aggregate, at least 25% (twenty-five percent) 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.

Voting shall be conducted by way of a poll. The poll shall be conducted in such manner as the chairperson of the meeting directs.

SHAREHOLDERS

General instructions

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

Electronic participation

In terms of section 61(10) of the Companies Act, the Company has made provision for shareholders or their proxies to participate in the General Meeting by way of telephone conferencing/Microsoft Teams. Should you wish to participate in the General Meeting by telephone conference call/Microsoft Teams, you, or your proxy, should advise the Company thereof by no later than **10:00 on Friday, 17 June 2022**, by submitting by e-mail to the Transfer Secretaries at proxy@tmsmeetings.co.za relevant contact details, including an e-mail address, cellular number and landline as well as full details of your title to African Phoenix Shares and proof of identity, in the form of copies of identity documents and share certificates (in the case of Certificated Shares). Upon receipt of the required information, you will be provided with a secure code (teleconference call) or a Microsoft Teams meeting request and instructions to access the electronic communication during the General Meeting. Shareholders should note that access to the electronic communication will be at the expense of the shareholders who wish to utilise the facility.

Shareholders and their appointed proxies attending by conference call will NOT be able to cast their votes at the General Meeting through this medium. Accordingly, African Phoenix Shareholders making use of the electronic participation facility are requested to submit their forms of proxy to the Company, as directed.

In light of 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 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 its website (www.phoenixinvestments.co.za) and in the South African press by no later than 5 (five) 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

The attached Form of Proxy is only to be completed by:

- Certificated Shareholders with own name registration; and
- who cannot attend the General Meeting but wish to be represented thereat.

All other beneficial owners who have their shares through a broker or CSDP, without own name registration, and who wish to attend the General Meeting, must instruct their broker or CSDP to provide them with the necessary letter of representation, or they must provide the broker or CSDP with their voting instructions in terms of the relevant Custody Agreement entered into between them and the broker. These shareholders must not use a Form of Proxy.

Forms of proxy are requested to be deposited at the Transfer Secretaries JSE Investor Services Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein or emailed to [the Transfer Secretaries at proxy@tmsmeetings.co.za](mailto:proxy@tmsmeetings.co.za) so as to arrive no later than **10:00 on 17 June 2022**. Forms of proxy not lodged with the Transfer Secretaries in time may be handed to the chairperson of 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. 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 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.

The Company does not accept responsibility and will not be held liable for any failure or omission on the part of the broker or CSDP of a certificated shareholder without own name registration 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.

SPECIAL RESOLUTIONS

To consider and, if deemed fit, to pass, with or without modification, all of the special resolutions relating to business set out below. More than 75% (seventy five percent) of the voting rights exercised on each resolution must be exercised in favour of such resolution in order for it to be validly adopted.

SPECIAL RESOLUTION NUMBER 1

Conversion of the authorised ordinary shares (whether issued or unissued) from par value to no par value shares

“Resolved as a special resolution that, following the Shareholders’ consideration of the Board report set out in Annexure 1 of the Notice and subject to the adoption of special resolution number 2 and special resolution

NOTICE OF GENERAL MEETING continued

number 3, and in terms of regulation 31(6) of the Companies Regulations, each of the Company's ordinary shares with a par value of ZAR0.025 (whether issued or unissued) be and is hereby converted, with effect from the date on which the notice of amendment to the MOI relating to that conversion is filed with CIPC, into an ordinary share with no par value, on the basis that each no par value ordinary share will have the same rights as each existing par value ordinary share."

Reason

The reason for special resolution number 1 is that the Companies Regulations restrict the ability of a company to restructure its par value shares. More specifically, the Companies Regulations do not cater for the creation of new par value shares and only provide for the creation of new no par value shares. Accordingly, given that all the unissued ordinary shares are par value shares and given the proposal in special resolution number 2 below to increase the Company's existing authorised shares, the Board proposes this special resolution number 1 to convert the existing authorised ordinary shares (issued and unissued) from par value ordinary shares of ZAR0.025 each to no par value ordinary shares, such that all authorised and issued ordinary shares of the Company will be no par value ordinary shares.

SPECIAL RESOLUTION NUMBER 2

Increase of authorised shares by the creation of additional shares

"Resolved as a special resolution that, subject to the adoption of special resolution number 1 and special resolution number 3, and in terms of, inter alia, section 36(2)(a) read with section 16(1)(c) of the Companies Act, the authorised shares of the Company be and are hereby increased from 2,000,000,000 (two billion) ordinary shares to 4,000,000,000 (four billion) ordinary shares, by the creation of an additional 2,000,000,000 (two billion) ordinary shares, with effect from the date on which the notice of amendment to the MOI relating to that increase is filed with CIPC."

Reason

The reason for special resolution number 2 is to ensure that the Company has sufficient authorised but unissued Shares to implement the Scheme.

SPECIAL RESOLUTION NUMBER 3

Approval of amendments to the MOI

"Resolved as a special resolution that, subject to the adoption of special resolution number 1 and special resolution number 2, and in terms of, inter alia, section 16(1)(c) read with section 16(5)(b) of the Companies Act:

- (i) the MOI be amended, with effect from the date on which the notice of that amendment is filed with CIPC, by the deletion of Article 6.1.1 of the MOI in its entirety and the substitution thereof with the following:
 - "6.1.1 4 000,000,000 ordinary no par value Shares 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".***
- (ii) the Company Secretary be and is hereby authorised, should he so elect, to file a consolidated revision of the MOI with CIPC."*

Reason

The reason for special resolution number 3 is to amend the MOI to:

- (i) give effect to and reflect the conversion of the Company's authorised shares (whether issued or unissued) to no par value shares as contemplated in special resolution number 1 above; and*
- (ii) give effect to and reflect the increase in the authorised shares of the Company as contemplated in special resolution number 2 above.*

SPECIAL RESOLUTION NUMBER 4

Authorisation to issue Shares pursuant to the Scheme with voting power equalling or exceeding 30% (thirty percent) of the voting power of existing Shares

“Resolved as a special resolution that, subject to the adoption of special resolution number 1, special resolution number 2 and special resolution number 3, and in terms of section 41 of the Companies Act, the Board be and is hereby authorised to issue Shares (being a number of shares equal to the Scheme Shares) in terms of, or for purposes of implementing, the Scheme, which authority shall accordingly, and for avoidance of doubt, include, without limitation, the authority to issue any such Shares to Zarclear Ordinary Shareholders in terms of, or for purposes of implementing, the Scheme.”

Reason

The reason for special resolution number 4 is to enable the Company to issue Shares in terms of, or for the purposes of implementing, the Scheme and settling the Scheme Consideration which have voting power equal to or in excess of 30% (thirty percent) of the voting power of all issued Shares immediately prior to the proposed issuance.

ORDINARY RESOLUTIONS

To consider and, if deemed fit, to pass, with or without modification, the ordinary resolutions relating to business set out below.

The minimum percentage of voting rights required for each of the ordinary resolutions set out in item number 1 below to be adopted is more than 60% (sixty percent) of the voting rights exercised on each of the resolutions by shareholders present or represented by proxy at the annual general meeting.

ORDINARY RESOLUTION NUMBER 1

Authorisation to implement

“Resolved that each Director and the Company Secretary (each being entitled to act individually) be and is hereby authorised, on behalf of the Company, to do or cause to be done all such things, and sign or cause to be signed all such documentation, as may be reasonably necessary or desirable to give effect to, or incidental to, (i) the resolutions in the Notice of General Meeting containing this resolution, and/or (ii) the Scheme, and insofar as any such actions have been taken before the adoption of this resolution, such actions be and are hereby ratified and approved to the fullest extent permitted by law.”

Reason

The reason for ordinary resolution number 1 is to obtain authorisation for each Director and the Company Secretary to do or cause to be done all such things, and sign or cause to be signed all such documentation, as may be necessary or desirable to give effect to, or incidental to, the resolutions in this Notice, and/or the Scheme.

By order of the Board

African Phoenix Investments Limited



Oyama Mabandla

Executive Chairman

20 May 2022

african phoenix

investments limited

AFRICAN PHOENIX INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1946/021193/06

("African Phoenix" or the "Company")

FORM OF PROXY

For use only by certificated ordinary shareholders with own name registration; at the General Meeting ("GM") of shareholders of African Phoenix to be held at **10:00 on Tuesday, 21 June 2022**, at the registered office of African Phoenix (**9th floor, Katherine Towers, 1 Park Lane, Wierda Valley, Sandton, 2196**) and any adjournment thereof.

Certificated Shareholders holding ordinary shares other than with "own-name" registration who wish to attend the GM must inform their broker or CSDP of their intention to attend the GM and request their broker or CSDP to issue them with the relevant letter of representation to attend the GM in person or by proxy and vote. If they do not wish to attend the GM in person or by proxy, they must provide their broker or CSDP with their voting instructions in terms of the relevant Custody Agreement entered into between them and the broker. **These ordinary shareholders must not use this Form of Proxy.**

Name of beneficial shareholder _____

Name of registered shareholder _____

Address _____

Telephone work () _____

Telephone home () _____

Cell: _____

being the holder/custodian of ordinary shares in African Phoenix, hereby appoint (see notes):

1. _____ or failing him/her,

2. _____ or failing him/her,

3. the Chairperson of the meeting,

as my/our proxy to attend and act for me/us on my/our behalf at the GM of African Phoenix convened for purpose of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions to be proposed thereat ("resolutions") and at each postponement or adjournment thereof and to vote for and/or against such resolutions, and/or abstain from voting, in respect of the ordinary shares in the issued shares of African Phoenix registered in my/our name(s) in accordance with the following instructions:

		Number of ordinary shares		
		For	Against	Abstain
1.	Special resolution 1: Conversion of the authorised ordinary shares (where issued or unissued) from par value shares to no par value shares			
2.	Special resolution 2: Increase of authorised shares by the creation of additional shares			
3.	Special resolution 3: Approval of amendments to the MOI			
4.	Special resolution 4: Authorisation to issue Shares pursuant the Scheme with voting power equalling or exceeding 30% (thirty percent) of the voting power of existing shares			
5.	Ordinary resolution 1: Authorisation to implement			

Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable.

A shareholder entitled to attend and vote at the GM may appoint one or more proxies to attend and act in his stead. A proxy so appointed need not be a shareholder of African Phoenix.

Signed at _____ on _____ 2022.

Signature _____

Assisted by (if applicable) _____

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 certificated shares without own name registration through a broker or CSDP and wish to attend the GM must provide the broker or CSDP with their voting instructions in terms of the relevant Custody Agreement entered into between them and the broker or CSDP.
3. A shareholder entitled to attend and vote at the GM 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 GM 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. On a poll, a shareholder is entitled to 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 GM 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 GM 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 GM.
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 GM be proposed, such proxy shall be entitled to vote as he/she thinks fit.
7. The Chairperson of the GM 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 GM, to vote on such shareholder's behalf, shall be deemed to include the authority to vote on procedural matters at the GM.
9. The completion and lodging of this Form of Proxy will not preclude the relevant shareholder from attending the GM 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 Transfer Secretaries or waived by the Chairperson of the GM.
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:
 - a. any one holder may sign the Form of Proxy or;
 - b. 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 e-mailed to proxy@tmsmeetings.co.za.

Hand deliveries to:

19 Ameshoff Street
Braamfontein
South Africa, 2001

Electronic deliveries to:

proxy@tmsmeetings.co.za

to be received by no later than **10:00 on Friday, 17 June 2022.**

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. 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.
 - b. 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.
 - c. A copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at the relevant shareholders meeting.
 - d. 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.
 - e. 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.
 - f. 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 MOI 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.
 - g. The completion of a Form of Proxy does not preclude any shareholder from attending the GM.

AFRICAN PHOENIX INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1946/021193/06

("African Phoenix" or the "Company")

BOARD REPORT PREPARED BY THE BOARD OF DIRECTORS IN TERMS OF REGULATIONS 31(7) OF THE COMPANIES REGULATIONS, 2011, IN RELATION TO THE CONVERSION OF THE COMPANY'S PAR VALUE SHARES TO NO PAR VALUE SHARES

1. INTRODUCTION

- 1.1 Capitalised terms used but not defined in this paragraph 1 shall have the meaning ascribed thereto in paragraph 2 below.
- 1.2 As at the Last Practicable Date, the Company has 2,000,000,000 (two billion) authorised shares with a par value of ZAR0.025 each, of which 1,427,005,272 (one billion four hundred twenty-seven million five thousand two hundred seventy-two) ordinary Shares (with a par value of ZAR0.025 each) are currently in issue.
- 1.3 As described in more detail in the Circular, the Company has made an offer to acquire all the ordinary shares in Zarclear in terms of a scheme of arrangement. In terms of the Companies Act and Companies Regulations, as discussed in the Circular, the Company must convert its authorised and issued shares from par value to no par value shares before it can effect an increase of its authorised shares to create sufficient authorised shares for the Company to issue Shares pursuant to that transaction.
- 1.4 In terms of regulation 31(2) of the Companies Regulations (read with section 35(2) of the Companies Act), a company is not permitted to create any new par value shares or shares with a nominal value.
- 1.5 Since regulation 31(2) read with regulation 35(1)(a) of the Companies Regulations does not permit the creation of further authorised par value shares, new Shares can only be authorised and created as no par value shares.
- 1.6 Accordingly, the Board has resolved to propose to the Shareholders that the Company's authorised and issued Shares be converted from Shares with a par value of ZAR0.025 each into Shares with no par value, in accordance with the relevant conversion of par value shares requirements set out in the Companies Act and the Companies Regulations ("**Proposed Conversion**").
- 1.7 In order to implement the Proposed Conversion, the following statutory requirements are relevant:
 - 1.7.1 regulation 31(6) of the Companies Regulations provides that the board of directors of a company may at any time propose an amendment of the company's Memorandum of Incorporation to effect a conversion of its authorised and issued shares of par value to shares of no par value, provided that such proposal will only have been adopted if it is approved by:
 - (i) a special resolution adopted by the holders of shares of each class of existing shares; and
 - (ii) a further special resolution adopted by a meeting of the company's shareholders called for that purpose. At the date of the Circular, the Company only has one class of issued shares, namely, ordinary shares with a par value of ZAR0.025 each, and as such only a meeting of the holders of ordinary shares is required, being the General Meeting;
 - 1.7.2 regulation 31(7) of the Companies Regulations provides that the board of directors of a company is required to prepare a report in respect of a proposed resolution to convert any par value shares into no par value shares ("**Board Report**"). This document constitutes the Board Report in relation to the Proposed Conversion; and

1.7.3 regulation 31(8) of the Companies Regulations provides that a company must publish the shareholder resolution referred to in paragraph 1.7.1 above, together with the Board Report referred to in paragraph 1.7.2 above, to the company's shareholders before the meeting at which the resolution will be considered by the shareholders. In this respect, the special resolutions required to effect the Proposed Conversion are published in the Notice of General Meeting attached to, and forming part of, the Circular.

1.8 This Board Report:

1.8.1 considers the requirements prescribed by regulation 31(7) of the Companies Regulations; and

1.8.2 is delivered to Shareholders, in light of Shareholders being asked to approve the special resolutions required to be approved by Shareholders in order to implement the Proposed Conversion.

2. DEFINITIONS

For the purposes of this Board Report, unless the context requires otherwise:

- 2.1 **"Board"** means the board of directors of African Phoenix. The names of the directors as at the Last Practicable Date are listed in the Circular;
- 2.2 **"Board Report"** means this report prepared by the Board in terms of regulation 31(7) of the Companies Regulations;
- 2.3 **"Business Day"** means a day, other than a Saturday, a Sunday or a statutory public holiday in South Africa, on which banks are generally open for business in South Africa;
- 2.4 **"CIPC"** means the Companies and Intellectual Property Commission, established in terms of section 185 of the Companies Act;
- 2.5 **"Circular"** means the circular to Shareholders, dated on or about 20 May 2022, containing this Board Report;
- 2.6 **"Companies Act"** means the Companies Act, No. 71 of 2008, as amended from time to time;
- 2.7 **"Companies Regulations"** means the Companies Regulations, 2011, promulgated in terms of section 223 of the Companies Act, as amended from time to time;
- 2.8 **"Company"** or **"African Phoenix"** means African Phoenix Investments Limited (Registration number: 1946/021193/06), a public company incorporated and registered in accordance with the laws of South Africa;
- 2.9 **"General Meeting"** mean the meeting of Shareholders to be held at 10:00 on Tuesday, 21 June 2022 for the purposes of considering, and if deemed fit, adopting, the resolutions set out in the Notice of General Meeting, including a resumption of an adjourned meeting, and a recommencement of a postponed meeting;
- 2.10 **"Last Practicable Date"** means 17 May 2022, being the last practicable date prior to finalisation of the Circular;
- 2.11 **"MOI"** means the Memorandum of Incorporation of the Company, in force as at the date of the Circular;
- 2.12 **"Notice of General Meeting"** means the notice to Shareholders convening the General Meeting to conduct the business described therein and to consider and, if deemed fit, adopt with or without modification, the resolutions set out therein (including a resolution for the Proposed Conversion), and which notice is attached to, and forms part of, the Circular;
- 2.13 **"Proposed Conversion"** has the meaning ascribed to it in paragraph 1.6;
- 2.14 **"Securities"** means any shares, debentures or other instruments irrespective of their form or title, issued, or authorised to be issued, by the Company;

2.15 “Share” means an ordinary share in the Company; and

2.16 “Shareholders” means registered holders of issued Shares.

3. THE BOARD REPORT

3.1 In terms of regulation 31(7) of the Companies Regulations, this Board Report is required to, at a minimum:

3.1.1 state all information relevant to the value of the Securities affected by the Proposed Conversion;

3.1.2 identify the class of holders of the Company’s Securities affected by the Proposed Conversion;

3.1.3 describe the material effects that the Proposed Conversion will have on the rights of the holders of the Company’s Securities affected by the Proposed Conversion; and

3.1.4 evaluate any material adverse effects of the Proposed Conversion against the compensation that any of those Persons will receive as part of the Proposed Conversion.

3.2 Consistent with the foregoing, the Board publishes this Board Report.

4. RESOLUTIONS

In order to comply with the provisions of regulation 31(6) of the Companies Regulations, the Board intends proposing the following special resolutions to implement the Proposed Conversion:

4.1 “Special Resolution Number 1 – Conversion of the authorised ordinary shares (whether issued or unissued) from par value to no par value shares

Resolved as a special resolution that, following the Shareholders’ consideration of the Board Report set out in Annexure 1 of the Notice and subject to the adoption of special resolution number 2 and special resolution number 3, and in terms of regulation 31(6) of the Companies Regulations, each of the Company’s ordinary shares with a par value of ZAR0.025 (whether issued or unissued) be and is hereby converted, with effect from the date on which the notice of amendment to the MOI relating to that conversion is filed with CIPC, into an ordinary share with no par value, on the basis that each no par value ordinary share will have the same rights as each existing par value ordinary share.”

4.2 “Special Resolution Number 3 – Approval of amendments to the MOI

Resolved as a special resolution that, subject to the adoption of special resolution number 1 and special resolution number 2, and in terms of, inter alia, section 16(1)(c) read with section 16(5)(b) of the Companies Act:

(i) the MOI be amended, with effect from the date on which the notice of that amendment is filed with CIPC, by the deletion of Article 6.1.1 of the MOI in its entirety and the substitution thereof with the following:

“6.1.1 4,000,000,000 ordinary no par value Shares 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”.

(ii) *the Company Secretary be and is hereby authorised, should he so elect, to file a consolidated revision of the MOI with CIPC.”*

5. INFORMATION RELEVANT TO THE VALUE OF THE SECURITIES AFFECTED BY THE PROPOSED CONVERSION

- 5.1 The Securities affected by the Proposed Conversion are the authorised and issued Shares of the Company, currently comprising 2,000,000,000 (two billion) authorised Shares with a par value of ZAR0.025, of which 1,427,005,272 (one billion four hundred twenty-seven million five thousand two hundred seventy-two) Shares with a par value of ZAR0.025 each have been issued.
- 5.2 Information in relation to the historic net asset value, earnings, headline earnings and distribution per Share is detailed in the financial statements of African Phoenix for the financial years ended 30 September 2019, 30 June 2020 and 30 June 2021, which are available in electronic form on the Company's website: <https://www.phoenixinvestments.co.za>.
- 5.3 The underlying rights of the holders of the Shares will not be affected by the Proposed Conversion.
- 5.4 Given that the number of Shares in issue and the rights attaching to those shares will be unaffected by the Proposed Conversion, the Proposed Conversion will have no impact on the historic net asset value, earnings, headline earnings and distributions per Share.
- 5.5 Shareholders holding share certificates in respect of Shares with a par value of ZAR0.025 will not be asked to surrender their share certificates at this point in time.

6. HOLDERS OF THE SECURITIES AFFECTED BY THE PROPOSED CONVERSION

As at the Last Practicable Date, the Company only has one class of issued shares, being the Shares, and the Proposed Conversion will equally impact all registered holders of Shares. The only effect on each registered holder of Shares will be that such holder will now be the registered holder of Shares of no par value, albeit the same number of Shares as immediately before the Proposed Conversion.

7. MATERIAL EFFECTS THAT THE PROPOSED CONVERSION WILL HAVE ON THE RIGHTS OF SHAREHOLDERS

- 7.1 The Proposed Conversion will result in the conversion of each Share of ZAR0.025 into a Share of no par value.
- 7.2 Accordingly, immediately after the Proposed Conversion, each registered holder of Shares will own the identical number of Shares as such registered holder held immediately before the Proposed Conversion, and the no par value Shares held by a registered holder immediately after the Proposed Conversion will represent the same proportion of the total issued Shares of the Company as the par value Shares which such registered holder held in the Company immediately before the Proposed Conversion.
- 7.3 The Proposed Conversion will have no impact on any rights attached to the Shares and the no par value Shares will confer on each registered holder all of the same rights as that holder enjoyed as the holder of par value Shares immediately before the Proposed Conversion, including, without limitation, the following rights:
 - 7.3.1 the voting rights, namely the right to attend, speak, participate in and vote at a meeting of the Shareholders;
 - 7.3.2 the right to be entered into the Securities Register;
 - 7.3.3 the economic rights, including the right to receive dividends, if and when declared and/or made by the Company;
 - 7.3.4 the rights on any liquidation or winding up; and
 - 7.3.5 any other distribution rights.

8. EVALUATION OF MATERIAL ADVERSE EFFECTS OF THE PROPOSED CONVERSION AGAINST COMPENSATION OFFERED

- 8.1 As detailed in paragraph 7 above, the Proposed Conversion has (and will have) no adverse effects on the Shareholders as they will remain in the same position and enjoy the same rights immediately before and immediately after the Proposed Conversion.
- 8.2 In light of the foregoing, the Company has determined that no compensation is required or is contemplated, in the context of the Proposed Conversion.

9. GENERAL

In terms of regulation 31(8)(b) of the Companies Regulations, a copy of this Board Report will be filed at CIPC and at the South African Revenue Service at the same time as this Board Report is published.

By order of the Board

African Phoenix Investments Limited



Oyama Mabandla

Executive Chairman

20 May 2022

MOI AMENDMENTS

ANNEXURE 2

The Board proposes that Article 6.1 of the MOI is amended by the addition of the underlined wording, and the deletion of the wording struck out:

SHARES

6.1 The Company is authorised to issue:

6.1.1. ~~2-000-000-000~~ 4,000,000,000 ordinary no par value Shares ~~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.

CORPORATE INFORMATION

AFRICAN PHOENIX INVESTMENTS LIMITED

Incorporated in the Republic of South Africa
(Registration number: 1946/021193/06)

REGISTERED OFFICE

9th Floor, Katherine Towers
1 Park Lane, Wierda Valley
Sandton
South Africa

BOARD OF DIRECTORS

Oyama Mabandla (Executive Chairman)
Andrew Hannington (Chief Financial Officer)
Warren Chapman (Executive Director)
Neal Sennett (Independent Non-Executive Director)
Noah Naidoo (Independent Non-Executive Director)
Dineo Maithufi (Independent Non-Executive Director)

SHARE TRANSFER SECRETARIES

JSE Investor Services Proprietary Limited
13th Floor, Rennie House
19 Ameshoff Street
Braamfontein
South Africa
2001
PO Box 4844
Johannesburg
South Africa
2000
Telephone: +27 11 713 0800

WEBSITE

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