

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions commencing on page 5 of this Circular apply *mutatis mutandis* throughout this Circular including this cover page.

If you are in any doubt as to the action you should take, please consult your CSDP, Broker, attorney, accountant or other professional adviser.

Action required:

- This document is important and should be read with particular attention to page 2 entitled "Action required by Vunani Shareholders", which sets out the action required of them with regard to this Circular.
- If you have disposed of all your Vunani Shares, then this Circular should be forwarded to the purchaser to whom, or the Broker, agent or CSDP through whom, you disposed of your Vunani Shares.

Vunani does not accept any responsibility and will not be held liable for any failure on the part of CSDPs or Brokers of Dematerialised Shareholders to notify such shareholders of the information set out in this Circular.

VUNANI
LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1997/020641/06)

JSE code: VUN

ISIN: ZAE000163382

CIRCULAR TO VUNANI SHAREHOLDERS

Relating to:

- the approval of the VCP Unbundling in terms of which Vunani will unbundle the VCP Shares to its Shareholders by way of a distribution *in specie pro rata* to their respective shareholdings in Vunani, in terms of section 46 of the Income Tax Act, with the VCP Unbundling constituting a specific payment to shareholders requiring the approval of Shareholders by way of an ordinary resolution in terms of paragraph 5.85(c) of the Listings Requirements; and
- the approval of the MOI Amendments to allow for the creation of the VL Preference Shares which issuance is required to implement the VCP Unbundling.

and incorporating:

- a Notice of General Meeting of Vunani Shareholders;
- a form of proxy for use by Certificated Shareholders and "own-name" registered Dematerialised Shareholders only; and
- an Electronic Meeting Participation Form which must be completed by Shareholders wishing to participate electronically at the General Meeting.

Corporate Adviser

VUNANI
CORPORATE FINANCE

Legal Adviser to Vunani

WEBBER WENTZEL
in alliance with > Linklaters

Sponsor

GRINDROD
BANK

Independent Reporting Accountants and Auditors

KPMG

Date of issue: Monday, 30 November 2020

Copies of this Circular are available in English only and may be obtained during normal business hours between Monday, 30 November 2020 and Monday, 11 January 2021 from the registered office of Vunani and the offices of the Sponsor, the Corporate Adviser and the Transfer Secretaries, the addresses of which are set out in the "Corporate Information and Advisers" section hereof.

CORPORATE INFORMATION AND ADVISERS

INFORMATION RELATING TO VUNANI:

Directors

EG Dube* (Deputy Chairman)

BM Khoza* (CEO)

TMika* (CFO)

NM Anderson*

Dr XP Guma#

LI Jacobs# (Chairman)

JR Macey#

NS Mazwi#

SN Mthethwa@

G Nzalo#

M Golding@

* *Executive*

Independent non-executive

@ *Non-executive*

Company secretary and registered office

CIS Company Secretaries Proprietary Limited

Vunani House

Vunani Office Park

151 Katherine Street

Sandown, Sandton, 2196

(PO Box 652419, Benmore, 2010)

Website: <http://www.vunanilimited.co.za>

Date and place of incorporation

1 December 1997

Pretoria, South Africa

Corporate Adviser

Vunani Corporate Finance

(trading as a division of Vunani Capital Proprietary Limited)

(Registration number 1998/001469/07)

Vunani House

Vunani Office Park

151 Katherine Street

Sandown, Sandton, 2196

(P.O. Box 652419, Benmore, 2010)

Legal Adviser

Webber Wentzel

15th Floor, Convention Tower, Heerengracht, Foreshore

Cape Town, 8001

(PO Box 3667, Cape Town, 8000)

and

90 Rivonia Road, Sandton

Johannesburg, 2196

(PO Box 61771 Marshalltown, Johannesburg, 2107)

Independent Reporting Accountants and Auditors

KPMG Inc.

(Registration number 1999/021543/21)

Registered Auditor

KPMG Crescent

85 Empire Road

Parktown, 2193

(Private Bag 9, Parkview, 2122)

Sponsor

Grindrod Bank Limited

(Registration number 1994/007994/06)

4th Floor, Grindrod Tower

8a Protea Place

Sandton, 2196

(PO Box 78011, Sandton, 2146)

Transfer Secretaries

Singular Systems Proprietary Limited

(Registration number 2002/001492/07)

25 Scott Street

Waverley

Johannesburg, 2090

(PO Box 785261, Sandton, 2146)

TABLE OF CONTENTS

	Page
CORPORATE INFORMATION AND ADVISERS	IFC
ACTION REQUIRED BY VUNANI SHAREHOLDERS	2
SALIENT DATES AND TIMES	3
SALIENT FEATURES	4
DEFINITIONS	5
CIRCULAR TO SHAREHOLDERS	11
1. PURPOSE OF AND REASON FOR THE CIRCULAR	11
2. OVERVIEW OF THE IMPLEMENTATION STEPS REQUIRED TO EXECUTE THE VCP UNBUNDLING	11
3. STEP 1 – THE FERROX SHARE SALE	12
4. STEP 2 – THE INTERNAL REORGANISATION	13
5. STEP 3 – THE DISTRIBUTION BY VUNANI CAPITAL	13
6. STEP 4 – THE PREFERENCE SHARE SUBSCRIPTION AND VCP SHARE SUBSCRIPTION	14
7. STEP 5 – THE VCP UNBUNDLING	15
8. SUSPENSIVE CONDITIONS	15
9. THE MANAGEMENT SERVICES AGREEMENT	15
10. DESCRIPTION OF THE PRIVATE EQUITY ASSETS TO BE UNBUNDLED AS PART OF THE VCP UNBUNDLING	16
11. DESCRIPTION OF FINANCIAL SERVICES ASSETS WHICH SHALL CONTINUE TO BE HELD BY VUNANI CAPITAL AFTER THE VCP UNBUNDLING	17
12. RATIONALE FOR THE VCP UNBUNDLING	18
13. EFFECT OF THE VCP UNBUNDLING ON VUNANI	18
14. <i>PRO FORMA</i> FINANCIAL INFORMATION OF THE VCP UNBUNDLING	18
15. FINANCIAL INFORMATION RELATING TO VUNANI	18
16. INFORMATION RELATING TO VUNANI	19
17. INFORMATION RELATING TO THE DIRECTORS	21
18. GENERAL	21
19. OPINION AND RECOMMENDATION	22
20. GENERAL MEETING AND VOTING RIGHTS	22
21. DOCUMENTS AVAILABLE FOR INSPECTION	22
Appendix 1 <i>PRO FORMA</i> CONSOLIDATED FINANCIAL INFORMATION OF VUNANI BEFORE AND AFTER THE VCP UNBUNDLING	23
Appendix 2 INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF <i>PRO FORMA</i> FINANCIAL INFORMATION	31
Appendix 3 SCHEDULE OF INVESTMENTS AND THE RELATED DISCLOSURES	33
Appendix 4 INDEPENDENT REPORTING ACCOUNTANT'S REVIEW REPORT ON THE SCHEDULE OF INVESTMENTS AND THE RELATED DISCLOSURES	47
Appendix 5 SALIENT TERMS OF THE MANAGEMENT SERVICES AGREEMENT	49
Appendix 6 DETAILS OF TRANSACTION COMPANY LOANS PAYABLE AND TRANSACTION COMPANY LOANS RECEIVABLE	51
Appendix 7 DETAILS OF TRANSACTION COMPANY AGREEMENTS	52
Appendix 8 DETAILS OF TRANSACTION COMPANY SHARES	55
Appendix 9 TAXATION CONSIDERATIONS IN TERMS OF THE VCP UNBUNDLING	56
Appendix 10 EXCHANGE CONTROL CONSIDERATIONS IN TERMS OF THE VCP UNBUNDLING	58
Appendix 11 THE MOI AMENDMENTS	59
Notice of General Meeting	63
Form of proxy (for completion by certificated and own-name Dematerialised Shareholders)	Attached

ACTION REQUIRED BY VUNANI SHAREHOLDERS

If you are in any doubt as to what action to take in regard to this Circular, please consult your CSDP, Broker, banker, accountant, attorney or other professional adviser immediately.

This Circular contains information relating to the VCP Unbundling. You should read this Circular carefully and decide how you wish to vote on the Resolutions to be proposed at the General Meeting.

The General Meeting, convened in terms of the notice incorporated in this Circular, will, as a result of the Covid-19 pandemic, **be held via electronic participation only** as permitted by the Listings Requirements, the provisions of the Companies Act and Vunani's MOI, at 10h30 on Monday, 11 January 2021.

ACTIONS REQUIRED BY CERTIFICATED SHAREHOLDERS AND OWN-NAME DEMATERIALISED SHAREHOLDERS

If you are a Certificated Shareholder or an own-name Dematerialised Shareholder and are unable to participate at the General Meeting via electronic means but wish to be represented thereat, you are requested to complete and return the form of proxy attached hereto in respect of the General Meeting, in accordance with the instructions therein, and lodge it with, or post it to, so as to reach the Transfer Secretaries by no later than 10h30 on Thursday, 07 January 2021. If you are a Certificated Shareholder or a Dematerialised Shareholder holding as an own-name shareholder and are unable to participate electronically at the General Meeting but wish to be represented thereat, and you do not complete and return the form of proxy in respect of the General Meeting on the basis of the previous provisions of this paragraph prior to the Relevant Time, you will nevertheless, at any time prior to the commencement of voting on the Resolutions at the General Meeting, be entitled to lodge the form of proxy in respect of the General Meeting in accordance with the instructions therein, with the chairperson of the General Meeting.

ACTIONS REQUIRED BY DEMATERIALISED SHAREHOLDERS OTHER THAN THOSE WITH OWN-NAME REGISTRATION

The CSDP or Broker of Dematerialised Shareholders, other than those with own-name registration, should contact such Dematerialised Shareholders to ascertain how they wish their votes to be cast at the General Meeting and thereafter cast their votes in accordance with those instructions. If such Dematerialised Shareholders have not been contacted, it is recommended that they contact their CSDP or Broker to advise them as to how they wish their vote to be cast.

If you are a Dematerialised Shareholder other than with own-name registration and wish to participate electronically at the General Meeting, you should timeously inform your CSDP or Broker of your intention to participate and vote at the General Meeting or to be represented by proxy thereat in order for your CSDP or Broker to issue you with the necessary letter of representation to do so, or you should provide your CSDP or Broker timeously with your voting instructions should you not wish to electronically participate at the General Meeting, in order for your nominee to vote in accordance with your instructions at the General Meeting.

Vunani does not accept any responsibility and will not be held liable for any failure on the part of the Broker or CSDP of a Dematerialised Shareholder to notify such Dematerialised Shareholder of the details of this Circular.

ELECTRONIC PARTICIPATION

In terms of Vunani's MOI, the directors have elected to provide for electronic participation in respect of the General Meeting. In this regard, Shareholders who wish to participate electronically at the General Meeting must please complete the attached Electronic Meeting Participation Form and send this to The Meeting Specialist (Proprietary) Ltd ("TMS"), by no later than 10:30 on Thursday, 07 January 2021. The e-mail address is as follows: proxy@tmsmeetings.co.za.

ELECTRONIC MEETING PARTICIPATION AND SECTION 63(1) OF THE COMPANIES ACT – IDENTIFICATION OF MEETING PARTICIPANTS

Meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in Shareholders' meetings. Should any Shareholder, representative, or proxy for a Shareholder wish to participate in the General Meeting electronically, that person should apply in writing including details on how the Shareholder or representative or proxy for a Shareholder can be contacted to TMS, via email at proxy@tmsmeetings.co.za, to be received by TMS at least seven (7) business days prior to the General Meeting for TMS to arrange for the Shareholder (or 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 TMS to provide the Shareholder (or representative or proxy) with details on how to access the General Meeting by means of electronic participation.

Before any person may attend or participate in a Shareholders' meeting, they must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a Shareholder or as proxy for a Shareholder, has been reasonably verified.

SALIENT DATES AND TIMES

Record date for Vunani Shareholders to be recorded in the Register in order to receive this Circular	Friday, 20 November 2020
Announcement of distribution of Circular and notice convening the General Meeting published on SENS on	Monday, 30 November 2020
Circular incorporating the Notice of General Meeting and Form of Proxy (blue), distributed to Shareholders on	Tuesday, 1 December 2020
Announcement of distribution of Circular and notice convening the General Meeting published in the South African press on	Tuesday, 1 December 2020
Last day to trade in Vunani Shares in order to be recorded in the Register to vote at the General Meeting on	Monday, 28 December 2020
Record date for a Vunani Shareholder to be registered in the Register in order to be eligible to attend and participate in the General Meeting and to vote thereat, by close of trade on	Thursday, 31 December 2020
Forms of Proxy (blue) to be lodged at the Transfer Secretaries by 10h30 on	Thursday, 7 January 2021
Forms of proxy (blue) which are not timeously lodged with the Transfer Secretary may be emailed to the Transfer Secretaries before the proxy exercises the rights of the Shareholder or may be presented prior to the commencement of the voting on the Resolutions at the General Meeting on	Monday, 11 January 2021
General Meeting held at 10h30 on	Monday, 11 January 2021
Results of the General Meeting published on SENS on	Monday, 11 January 2021
Results of the General Meeting published in the South African press on	Tuesday, 12 January 2021
If the VCP Unbundling is approved by Vunani Shareholders at the General Meeting:	
Finalisation announcement in respect of the VCP Unbundling published on SENS on	Tuesday, 19 January 2021
Finalisation announcement in respect of the VCP Unbundling published in the South African press on	Wednesday, 20 January 2021
Last day to trade Shares in order to be recorded in the Register to participate in the VCP Unbundling on	Tuesday, 26 January 2021
Vunani Shares trade ex-right to the VCP Unbundling	Wednesday, 27 January 2021
Announcement in respect of the apportionment of base costs in relation to the VCP Unbundling for taxation purposes by	Wednesday, 27 January 2021
VCP Unbundling Record Date	Friday, 29 January 2021
Date on which Vunani Shareholders will have the VCP Shares issued as Certificated Shares and retained by the Transfer Secretary on (please refer to note 5 below)	Monday, 1 February 2021

Notes:

1. The above dates and times are subject to amendment at the discretion of Vunani, subject to the approval of the JSE, if required. Any such amendment will be published on SENS.
2. Share certificates may not be Dematerialised or re-materialised between Monday, 28 December 2020 and Thursday, 31 December 2020, both days inclusive.
3. Shareholders should note that, as transactions in Shares are settled in the electronic settlement system used by Strate, the settlement of the trade takes place three Business Days after such trade on the South African Share Register. Therefore, Shareholders who acquire Shares after the Last Day to Trade will not be eligible to vote at the General Meeting.
4. All times indicated above and elsewhere in this Circular are in South African Standard Time.
5. **In terms of the VCP Unbundling, the VCP Shares will be issued in Certificated form only.** Given the timeline of 12 months to the VCP Listing, original share certificates in respect of the VCP Shares will not be delivered to Shareholders and will be retained by the Transfer Secretaries on behalf of Shareholders, in anticipation of dematerialisation of the VCP Shares upon the VCP Listing.
6. Shareholders may request a receipt evidencing the issuance and providing details of their VCP share certificate from the Transfer Secretaries. Requests for such VCP share certificate receipts must be sent to Vunani@singular.co.za.

SALIENT FEATURES

THE VCP UNBUNDLING AND MOI AMENDMENTS

Background information

VCP Unbundling

In order to improve transparency in the financial reporting of the Financial Services Assets and the Private Equity Assets of Vunani, a decision was made by the Board to separate these classes of assets through the sale of the Private Equity Assets to VCP and the VCP Shares, held by Vunani, shall be unbundled by way of a distribution *in specie* to Shareholders *pro rata* to their respective shareholdings in Vunani. In addition to improve financial reporting transparency, the Board also believes that the VCP Unbundling, will over time, eliminate the discount between the TNAV of Vunani and the price at which Vunani Shares trade on the JSE.

As per the Management Services Agreement, VCP shall appoint Vunani on an exclusive basis to, post the VCP Unbundling, provide the Management Services for a period of five years for the Management Services Fee.

Within 12 months following the VCP Unbundling, the VCP Listing shall be effected whereby VCP shall be listed on the New Exchange.

The rationale for selecting the New Exchange for purposes of the VCP Listing is the following:

- Simpler and less onerous listings requirements;
- Access to a large base of retail investors whom the Transfer Secretary will assist VCP in gaining access to; and
- Lower compliance costs in respect of the maintenance of a listing.

The VCP Listing is required to be implemented as one of the conditions required to be fulfilled to ensure the concessions as set out in section 46 of the Income Tax Act can be utilised.

MOI Amendments

In order to implement the VCP Unbundling, the MOI Amendments are required to allow for the creation of the VL Preference Shares, which preference shares shall be issued to VCP to provide VCP with access to all economic and voting rights attaching to the AL Shares as further set out in paragraph 6.1 below.

Rationale

The Rationale for the VCP Unbundling is the following:

- **Unlocking of value** – The VCP Unbundling will enable two distinct businesses to operate in a more focused manner potentially unlocking value for Shareholders.
- **Transparency of financial reporting** – The VCP Unbundling will result in Vunani being a focused financial services company and will simplify the process to value Vunani.
- **Two separate listed investments** – As two separate listed entities upon the execution of the VCP Listing, Shareholders would be able to determine the investment merits of each entity independently of the other.

Irrevocable undertaking

Bambelela, which has a 49,25% shareholding in Vunani, has provided an irrevocable undertaking to vote in favour of the VCP Unbundling and the MOI Amendments.

JSE classification

The VCP Unbundling is classified as a specific payment to shareholders in terms of paragraph 5.85(c) of the Listings Requirements and is accordingly subject to Shareholders' approval via an ordinary resolution. The MOI Amendments is an amendment to the MOI of Vunani and accordingly requires Shareholder approval by way of a special resolution as per Schedule 10 of the Listings Requirements. No Shareholder approval is required for the VCP Listing which is expected to take place within 12 months of the VCP Unbundling.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL INFORMATION

The directors are responsible for the financial information set out in this Circular.

FINANCIAL EFFECTS

The *pro forma* financial effects of the VCP Unbundling are set out in paragraph 14 and Appendix 1 of this Circular.

GENERAL MEETING

A General Meeting of the Shareholders will be held via electronic means only on Monday, 11 January 2021 at 10:30 for the purpose of considering and, if deemed fit, approving the Resolutions to effect the VCP Unbundling.

COPIES OF THIS CIRCULAR

Copies of this Circular, in English, may be obtained during business hours between Monday, 30 November 2020 and Monday, 11 January 2021 at the addresses set out in the "Corporate Information and Advisers" section of this Circular from:

- Vunani;
- the Sponsor;
- the Corporate Adviser; and
- the Transfer Secretaries.

In addition, this Circular is available in electronic form from Vunani's website (www.vunanilimited.co.za).

DATE OF INFORMATION PROVIDED

Unless the context clearly indicates otherwise, all information provided in this Circular is provided at the Last Practicable Date as defined.

DEFINITIONS

In this Circular, unless otherwise stated or the context otherwise indicates, the words in the first column shall have the meanings stated opposite them in the second column and words in the singular shall include the plural and vice versa. Words importing natural persons shall include corporations and associations of persons and an expression denoting any gender shall include the other genders.

“African Legend”	means African Legend Investment Proprietary Limited, registration number 1996/011625/07, a private company duly registered in accordance with the laws of South Africa;
“AL Distributions”	means the distributions which Vunani receives from African Legend from time to time;
“AL Proceeds”	means all sums received by or payable to Vunani from: <ul style="list-style-type: none">▪ AL Distributions;▪ proceeds of disposals of all or any of the AL Shares; and▪ proceeds of disposals of any distribution <i>in specie</i>;
“AL Shares”	means the N ordinary shares in African Legend held by Vunani from time to time, as at the Step 4 Effective Date being 2 248 000 N ordinary shares constituting 2.2% of the N ordinary shares in African Legend;
“Alliance Capital”	means Alliance Capital Limited, registration number 7156, a company duly registered in accordance with the laws of Malawi;
“Anatrica AG”	means Anatrica AG, registration number CHE-499.208.876, a private company duly registered in accordance with the laws of Switzerland;
“Audited Consolidated Financial Statements”	means the audited financial statements for the financial year ended 29 February 2020, included in the integrated report issued 9 September 2020;
“Bambelela”	means Bambelela Capital Proprietary Limited, registration number 2004/006502/07, a private company duly registered in accordance with the laws of South Africa;
“Betbio Zambia”	means Betbio Zambia Limited, registration number 120170001929, a company registered in accordance with the laws of Zambia;
“Board or directors”	means the board of directors of Vunani, whose names are set out in the Corporate information and Advisers section of this Circular;
“Broker”	means any person registered as a broking member (equities) in terms of the Rules of the JSE made in accordance with the provisions of the FMA;
“Business Day”	means any day other than a Saturday, Sunday or official public holiday in South Africa;
“Centum Investments Limited”	means Centum Investments Limited, registration number 120000046172, a company registered in accordance with the laws of Zambia;
“Certificated Shareholders”	means Vunani Shareholders who hold Certificated Shares in Vunani;
“Certificated Shares”	means shares represented by a paper share certificate or other physical document of title, which shares have not been surrendered for Dematerialisation in terms of the Strate system and which may no longer be traded on the JSE;
“CIPC”	means the Companies and Intellectual Property Commission;
“Circular”	means this Circular, dated Monday, 30 November 2020, including the Notice of General Meeting, the form of proxy, the Electronic Meeting Participation Form and the appendices;
“Companies Act”	means the Companies Act, 2008 (Act 71 of 2008), as amended, and its Regulations;
“Corporate Adviser”	means Vunani Corporate Finance, a division of Vunani Capital;
“CSDP”	means “Central Securities Depository Participant” as defined in the FMA appointed by an individual shareholder for the purposes of, and in regard to the Dematerialisation of documents of title for the purposes of incorporation into Strate;
“Dematerialisation”	means the process by which Certificated Shares are converted to an electronic form as uncertificated Shares and recorded in the sub-register of shareholders maintained by a CSDP;
“Dematerialised Shareholders”	means holders of Dematerialised Shares in Vunani;

“Dematerialised Shares”	means shares which have been incorporated into Strate and which are no longer evidenced by physical documents of title, but the evidence of ownership of which is determined electronically and recorded in the sub-register maintained by a CSDP;
“Distribution by Yunani Capital”	means the transfer to Yunani, by way of a distribution <i>in specie</i> by Yunani Capital, of the shares held by Yunani Capital in VCP immediately following implementation of the Internal Reorganisation;
“Electronic Meeting Participation Form”	means the form which is required to be completed and returned as per the instructions set out in the Circular should a Shareholder wish to participate at the General Meeting;
“Fairheads”	means Fairheads Beneficiary Services Proprietary Limited (Registration number 1992/004041/07), a private company duly registered and incorporated with limited liability in accordance with the laws of South Africa
“Ferrox”	means Ferrox Holdings Limited, registration number 1022630, a company registered in accordance with the laws of the British Virgin Islands;
“Ferrox Effective Date”	means the first Business Day after the fulfilment or waiver of all of the Ferrox Suspensive Conditions in accordance with its terms, or such other date and time agreed in writing between the Parties;
“Ferrox Purchase Price”	means an amount equal to R5 637 600;
“Ferrox Share Sale”	means the sale by Yunani Capital to VCP of all the Ferrox Shares, as contemplated as set out in paragraph 3;
“Ferrox Shares”	means 7 200 000 A par value shares of \$0.01 each, constituting 0.76% of the A par value shares in Ferrox, held by Yunani Capital as at the Signature Date;
“Ferrox Suspensive Conditions”	means the suspensive conditions as set out in paragraph 3.2 below relating to the Ferrox Share Sale;
“Ferrox VCP Shares”	means the number of shares to be issued by VCP to Yunani Capital, pursuant to the Ferrox Share Sale, calculated in accordance with the following formula: A = B / C Where A = Ferrox VCP Shares; B = the Ferrox Purchase Price; C = the VCP Price Per Share;
“Financial Services Assets”	means each of the following Entities: (i) Yunani Fund Managers; (ii) Yunani Securities; (iii) Mandlamart; (iv) Yunani Capital; (v) Yunani Capital Markets; (vi) Telos; (vii) AME Capital Proprietary Limited; and (viii) Phakamani Impact Capital;
“FMA”	means the Financial Markets Act, 19 of 2012, as amended;
“Force Holdings Option”	means the option granted by Yunani Capital to Force Holdings to purchase all the ordinary shares in Verbicept held by Yunani Capital from time to time, as provided for in the Verbicept Shareholders’ Agreement;
“Fulfilment Date”	means the first Business Day after the date on which all the Suspensive Conditions are fulfilled or waived in accordance with its terms (or such other date as may be agreed in writing by Yunani, Yunani Capital and VCP);
“General Meeting”	means the general meeting of the Shareholders convened, in terms of the notice included in this Circular, to be held electronically on Monday, 11 January 2021 at 10:30 for the purpose of considering and, if deemed fit, passing the Resolutions, with or without amendment;
“Group” or “Yunani Group” or “Yunani Limited Group”	means Yunani, all its subsidiaries (as such term is defined in the Companies Act), and associates;
“IFRS”	means International Financial Reporting Standards and Interpretations as issued by the International Accounting Standards Board;
“Implementation Agreement”	means the implementation agreement setting out the detailed terms of the VCP Unbundling and the MOI Amendments;
“Income Tax Act”	means the Income Tax Act, 58 of 1962, as amended;

“Independent Reporting Accountants and Auditors”	means KPMG Inc. (registration number 1999/021543/21), a personal liability company registered in accordance with the laws of South Africa;
“Internal Reorganisation”	means the transfer of the Transaction Company Shares, the Transaction Company Loans Receivable, the Transaction Company Loans Repayable and the Transaction Company Agreements by Vunani Capital to VCP;
“JSE”	means JSE Limited (Registration number 2005/022939/06), a public company duly incorporated and registered with limited liability under the company laws of South Africa and licensed as an exchange under the FMA;
“Last Practicable Date”	means Thursday, 19 November 2020, the last practicable date prior to the finalisation of this Circular;
“Last Day to Trade”	means Monday, 28 December 2020, the last day to trade in Vunani Shares on the JSE to participate in the VCP Unbundling;
“Legal Adviser”	means Webber Wentzel Attorneys, a partnership carrying on business in South Africa;
“Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time;
“Management Services”	means the services to be provided by Vunani Capital to VCP in terms of the Management Services Agreement, details of which are set out in Appendix 5;
“Management Services Agreement”	means the management and investment advisory services agreement entered into between Vunani Capital and VCP;
“Management Services Fee”	means the fees to be paid by VCP for the Management Services details of which are set out in Appendix 5;
“Mandlamart”	means Mandlamart Proprietary Limited (Registration number 2014/264428/07), a private company duly registered and incorporated with limited liability in accordance with the laws of South Africa and the holding company of Fairheads;
“MOI Amendments”	means the required amendments to be made to the MOI of Vunani to create the VL Preference Shares and associated VL Preference Share Terms;
“MOI of Vunani”	means the memorandum of incorporation of Vunani;
“New Exchange”	means Equity Express Securities Exchange Proprietary Limited, a stock exchange licenced in terms of the FMA;
“Oracle Insure”	means Oracle Life Eswatini Limited (previously Metropolitan Life Swaziland Limited) (Registration number 1165 of 2007), a private company duly registered and incorporated with limited liability in accordance with the laws of the Kingdom of Eswatini;
“own-name registration”	means Dematerialised Shareholders who have registered their shares in their own name with a CSDP in terms of the FMA;
“Parties”	means the parties to the Implementation Agreement, being Vunani Capital, VCP and Vunani;
“Phakamani Impact Capital”	means Phakamani Impact Capital Proprietary Limited (Registration number 2013/089491/07), a private company duly incorporated in accordance with the laws of South Africa
“Preference Dividend”	means 100% of the AL Proceeds from time to time;
“Preference Share Subscription”	means the subscription by VCP for the VL Issue Shares, and the issue thereof by Vunani to VCP, as set out in paragraph 6.1;
“Private Equity Assets”	means each of the following: <ul style="list-style-type: none"> ▪ each of the Transaction Companies; and ▪ Ferrox;
“Purpose Asset Management”	means Purpose Asset Management (Private) Limited, registration number 12663/2003, a private company duly registered in accordance with the laws of Zimbabwe;
“Record Date”	means the record date established by the Board in terms of section 59 of the Companies Act, by which a shareholder is required to be reflected as such in the Register in order to be able to participate and vote at the General Meeting;
“Register”	means the register of certificated Vunani Shareholders maintained by the company’s Transfer Secretaries and the sub-register of Dematerialised Shareholders maintained by the relevant CSDPs and Vunani’s register of disclosures in so far as it includes the names of persons who hold a beneficial interest in any securities and as such may vote in a matter at a meeting of shareholders, as permitted in terms of section 56(9) of the Companies Act;
“Regulations”	means the regulations in terms of the Companies Act;

“Relevant Time”	means 48 hours before the time of commencement of the General Meeting;
“Resolutions”	means the ordinary resolutions and special resolutions set out in the Notice of General Meeting which forms part of this Circular;
“SENS”	means Stock Exchange News Service of the JSE;
“SoftPawa”	means SoftPawa Limited, registration number 10975197, a company registered in accordance with the laws of the United Kingdom;
“SoftPawa Services Agreement”	means the services agreement between SoftPawa and Vunani Capital, dated on or about 4 June 2020;
“South Africa”	means the Republic of South Africa;
“Sponsor”	means Grindrod Bank Limited (Registration number 1994/007994/06), a public limited liability company incorporated in accordance with the laws of South Africa;
“Step 2 Effective Date”	means the date being two Business Days prior to the LDT, provided that the Suspensive Conditions have been fulfilled or waived in accordance with its terms, or such other date and time agreed in writing between the Parties;
“Step 2 VCP Shares”	means the number of shares to be issued by VCP to Vunani Capital, pursuant to the Internal Reorganisation as set out in paragraph 4, calculated in accordance with the following formula: A = (B + C - D) / E Where: A = the Step 2 VCP Shares; B = the Transaction Company Shares Purchase Price; C = the Transaction Company Loans Receivable Purchase Price; D = the face value of the Transaction Company Loans Repayable; E = the VCP Price Per Share;
“Step 3 Effective Date”	means the date being one Business Day prior to the LDT, or such other date agreed in writing between the Parties;
“Step 4 Effective Date”	means the date being one Business Day prior to the LDT, or such other date and time agreed in writing between the Parties;
“Step 4 VCP Shares”	means the number of shares to be issued by VCP to Vunani, as set out in paragraph 6.3 calculated in accordance with the following formula: A = B / C Where A = the Step 4 VCP Shares; B = the value of the AL Shares which has been calculated to equal R18 282 641; C = the VCP Price Per Share;
“Step 5 Effective Date”	means 17:00 on the LDT, or such other date and time agreed in writing between the Parties;
“Strate”	means Strate Proprietary Limited (registration number 1998/022242/07), a private company duly registered and incorporated with limited liability in accordance with the laws of South Africa and licensed as a CSDP in terms of the FMA;
“STT”	means the securities transfer tax imposed in terms of the STT Act;
“STT Act”	means the Securities Transfer Tax Act, 25 of 2007, as amended;
“Suspensive Conditions”	means the suspensive conditions set out in paragraph 8;
“Telos”	means Telos Proprietary Limited (registration number 2506/2018), a private company duly registered in accordance with the laws of the Kingdom of Eswatini and the holding company of Oracle Insurance;
“TMS”	means The Meeting Specialist Proprietary Limited (registration number 2017/287419/07), a private company registered in accordance with the laws of South Africa;
“TNAV”	means tangible net asset value;
“Tutuni Investments 14”	means Tutuni Investments 14 Proprietary Limited, registration number 2007/029380/07, a private company duly registered in accordance with the laws of South Africa;

“Transaction Companies”	means each of the following entities: (i) Alliance Capital; (ii) Anatrica AG; (iii) Betbio Zambia; (iv) Purpose Asset Management; (v) Yunani Fintech Fund; (vi) Verbicept; (vii) Yunani Mining; (viii) Yunani Properties; and (ix) Yunani Resources;
“Transaction Company Loans Receivable Purchase Price”	means the aggregate face value of the Transaction Company Loans Receivable including accrued but unpaid interest thereon, if applicable, as at the Step 2 Effective Date;
“Transaction Company Loans Receivable”	means the claims which Yunani Capital (as lender) has against the relevant Transaction Companies which will be determined on the Step 2 Effective Date as set out in Appendix 6, and Transaction Company Loan Receivable means any of them as the context may indicate;
“Transaction Company Loans Repayable”	means the amounts which Yunani Capital (as borrower) owes to the relevant Transaction Companies which will be determined on the Step 2 Effective Date as set out in Appendix 6;
“Transaction Company Agreements”	means each of the agreements to which Yunani Capital is a party immediately prior to the Fulfilment Date as set out in Appendix 7;
“Transaction Company Shares”	means, collectively, the shares held by Yunani Capital in the Transaction Companies, as set out in Appendix 8;
“Transaction Company Shares Purchase Price”	means an amount of R171 747 292;
“Transfer Secretaries”	Means Singular Systems Proprietary Limited (Registration number 2002/001492/07), a private company duly incorporated in accordance with the laws of South Africa, 25 Scott Street, Waverley, Johannesburg, 2090 (P.O. Box 785261, Sandton, 2146);
“VCP”	means Yunani Capital Partners Proprietary Limited, registration number 2019/431743/07, a private company duly registered in accordance with the laws of South Africa;
“VCP Listing”	means the listing of the issued ordinary share capital of VCP on the New Exchange;
“VCP Price Per Share”	means an amount calculated in accordance with the following formula: A = (B + C + D – E – H + F) / G Where: A = the VCP Price Per Share; B = the Ferrox Purchase Price; C = the Transaction Company Shares Purchase Price; D = the Transaction Company Loans Receivable Purchase Price; E = the face value of the Transaction Loans Repayable; F = 18 282 641, being the value of the AL Shares as at the Step 4 Effective Date; G = the total number of issued Yunani Shares, less 120 (being the number of VCP Shares held by Yunani Capital before the Ferrox Effective Date); H = R6 499 350, being the value of the Force Holdings Option as at the Step 2 Effective Date;
“VCP Share Subscription”	means the subscription by Yunani for the Step 4 VCP Shares;
“VCP Shares”	means ordinary shares in VCP;
“VCP Unbundling”	means the transfer to Yunani Shareholders, by way of a distribution <i>in specie</i> by Yunani, of the shares held by Yunani in VCP immediately following implementation of the Distribution by Yunani Capital;
“VCP Unbundling z Record Date”	means the date on which a Shareholder must be registered in the Register in order to be eligible to participate in the VCP Unbundling
“Verbicept”	means Verbicept Properties Proprietary Limited, registration number 2012/188813/07, a private company duly registered in accordance with the laws of South Africa;
“Verbicept Relationship Agreement”	means the relationship agreement between Verbicept, Force Holdings, Tutuni Investments 14 and Yunani Capital, dated on or about 2 August 2019;

“Verbicept Shareholders’ Agreement”	means the subscription and shareholders’ agreement between Vunani Capital, Force Holdings and Verbicept, dated on or about 12 December 2012, as amended on or about 23 May 2016 and 14 March 2018, in terms of which <i>inter alia</i> the shareholders of Verbicept regulate their relationship;
“VL Issue Shares”	means 500 000 VL Preference Shares, constituting 100% of the issued VL Preference Shares following issue thereof, which will be issued to VCP as contemplated in paragraph 6;
“VL Option”	bears the meaning ascribed thereto in paragraph 6.5.2;
“VL Preference Shares”	means cumulative, redeemable preference shares in Vunani, which shares will be created subject to the VL Preference Share Terms;
“VL Preference Share Terms”	means the rights, limitations and other terms attaching to the VL Preference Shares, as set out in Appendix 11;
“Vunani”	means Vunani Limited (registration number 1997/020641/06), a public company duly registered and incorporated with limited liability in accordance with the laws of South Africa and whose shares are listed on the JSE;
“Vunani Capital”	means Vunani Capital Proprietary Limited (registration number 1998/01469/07), a private company duly registered and incorporated with limited liability in accordance with the laws of South Africa and a wholly-owned subsidiary of Vunani;
“Vunani Capital Markets”	means Vunani Capital Markets Proprietary Limited (registration number 1968/008854/07), a private company duly registered and incorporated with limited liability in accordance with the laws of South Africa and a wholly-owned subsidiary of Vunani);
“Vunani Fintech Fund”	means Vunani Fintech Fund (previously named Tamlalor Proprietary Limited), registration number 2018/561269/07, a private company duly registered in accordance with the laws of South Africa;
“Vunani Fund Managers”	means Vunani Fund Managers Proprietary Limited (registration number 1999/015894/07), a private company duly registered in accordance with the laws of South Africa;
“Vunani Fund Managers Botswana”	means Vunani Fund Managers Proprietary Limited (previously Stanlib Investment Management Services Proprietary Limited) (Registration number 2002/2331), a private company duly registered and incorporated with limited liability in accordance with the laws of Botswana;
“Vunani Mining”	means Vunani Mining Proprietary Limited (registration number 2008/013957/07), a private company duly registered in accordance with the laws of South Africa;
“Vunani Properties”	means Vunani Properties Proprietary Limited (registration number 2014/147534/07), a private company duly registered in accordance with the laws of South Africa;
“Vunani Resources”	means Vunani Resources Proprietary Limited (registration number 2005/007153/07) a private company duly registered in accordance with the laws of South Africa;
“Vunani Securities”	means Vunani Securities Proprietary Limited (registration number 1997/010323/07) a private company duly registered in accordance with the laws of South Africa;
“Vunani Shareholders” or “Shareholders”	means a holder or holders of Vunani Shares registered in the Register as at the Record Date; and
“Vunani Shares” or “Share”	means an ordinary share of the issued ordinary share capital of Vunani, which share is listed on the JSE.

VUNANI

LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1997/020641/06)

JSE code: VUN

ISIN: ZAE000163382

CIRCULAR TO SHAREHOLDERS

1. PURPOSE OF AND REASON FOR THE CIRCULAR

Shareholders are referred to the announcement released on SENS on 6 August 2020 in terms of which Shareholders were advised that the Board had resolved to separate the Financial Services Assets and the Private Equity Assets via the VCP Unbundling to, *inter alia*, improve the financial reporting of these assets. Shareholders were further advised that within 12 months following the VCP Unbundling, the VCP Listing shall be effected.

In respect of the VCP Unbundling, Vunani, Vunani Capital and VCP entered into the Implementation Agreement on 12 November 2020, which agreement sets out the terms and conditions in respect of, *inter alia* the VCP Unbundling.

The VCP Unbundling constitutes a specific payment to shareholders in terms of 5.85(c) of the Listings Requirements and accordingly may only be implemented once authorisation has been given in terms of an ordinary resolution by Shareholders at a meeting called for such purpose.

The MOI Amendments are required in order to create the VL Preference Shares which shall be issued to VCP as set out in paragraph 6 below. As per Schedule 10 of the Listings Requirements, the MOI Amendments may only be implemented once authorisation has been given in terms of a special resolution by Shareholders at a meeting called for such purpose

The purpose of this Circular is to:

- provide Shareholders with the relevant information relating to the VCP Unbundling and MOI Amendments to enable Shareholders to make an informed decision in respect of the Resolutions set out in the Notice of General Meeting; and
- convene the General Meeting to consider and, if deemed fit, to approve the Resolutions.

2. OVERVIEW OF THE IMPLEMENTATION STEPS REQUIRED TO EXECUTE THE VCP UNBUNDLING

2.1 Introduction

The VCP Unbundling is governed by the Implementation Agreement and shall be implemented in five steps as set out below:

Step	Description	Rationale
Step 1	The Ferrox Share Sale	The Ferrox Share Sale , being the disposal of the Ferrox Shares by Vunani Capital to VCP, is required to be implemented first and separately from the remaining steps of the VCP Unbundling to timeously ensure VCP meets certain of the listings criteria as required by the New Exchange and is eligible to list on the New Exchange, most notably the criteria that VCP prior to listing has a TNAV of at least R3 million.
Step 2	The Internal Reorganisation	<p>The Internal Reorganisation being the transfer of The Transaction Company Shares, Transaction Company Loans Receivable, Transaction Company Loans Repayable and the Transaction Company Agreements by Vunani Capital to VCP is required in order to separate the Financial Services Assets from the Private Equity Assets. Following the Internal Reorganisation and the Ferrox Share Sale, all the Private Equity Assets will be held by VCP, completely separate from the Financial Services Assets which will continue to be held by Vunani Capital.</p> <p>Upon completion of this step, VCP remains a wholly-owned subsidiary of Vunani Capital.</p> <p>Additionally, African Legend is a private equity asset held by Vunani. Together with the Internal Reorganisation, the VL Preference Shares shall be created, via the MOI Amendments, and VCP will subscribe for such VL Preference Shares which shall confer the right upon VCP to receive, <i>inter alia</i>, the Preference Dividend being 100% of the AL Proceeds from time to time.</p>

Step	Description	Rationale
Step 3	Distribution by Vunani Capital	Immediately following the Internal Reorganisation, Vunani Capital being the sole shareholder of VCP, shall implement the Distribution by Vunani Capital and unbundle the VCP Shares by way of a distribution <i>in specie</i> to Vunani, following which Vunani shall be the sole shareholder of the VCP Shares and therefore capable of distributing the VCP Shares to Shareholders.
Step 4	The Preference Share Subscription and VCP Share Subscription	<p>VCP shall subscribe for the VL Preference Shares for a subscription price of R18 282 641 ("VL Preference Shares Purchase Price") thereby conferring the right upon VCP to receive, <i>inter alia</i>, the Preference Dividend being 100% of the AL Proceeds from time to time and to have Vunani appoint a director of VCP to participate in, speak and vote at a meeting of African Legend shareholders as Vunani's proxy. VCP shall issue additional ordinary shares to Vunani for a subscription price of R18 282 641 ("VCP Shares Purchase Price"). The VL Preference Shares Purchase Price and VCP Shares Purchase Price will be settled by way of set-off.</p> <p>In addition to the Preference Share Subscription, Vunani shall grant the VL Option to VCP in terms of which VCP shall be granted an irrevocable right and option to acquire additional VL Preference Shares if Vunani has an opportunity to subscribe for or acquire additional AL Shares and VCP wishes to acquire additional shares in African Legend via the additional AL Shares.</p> <p>The rationale for the issuance of the VL Preference Shares, is that, due to uncertainties in respect of the pre-emptive rights attaching to the AL Shares, the AL Shares themselves could not be directly transferred to VCP hence the economic benefits associated with such shares will be transferred to VCP via the VL Preference Shares.</p> <p>The rationale for the issuance of the VL Option is to provide VCP with an irrevocable right to elect to, in the event Vunani can acquire additional AL Shares, receive the economic benefit from these additional AL Shares via the issuance of additional VL Preference Shares.</p>
Step 5	The VCP Unbundling	Vunani shall, following implementation of the Preference Share Subscription, implement the VCP Unbundling and unbundle the VCP Shares by way of a distribution <i>in specie</i> to the Shareholders.

2.2 Fractional Entitlements

There will be no fractional entitlements and the number of shares in VCP will equal the number of shares in Vunani so that, for each share held in Vunani, one share shall be held in VCP.

3. STEP 1 – THE FERROX SHARE SALE

3.1 Sale

- 3.1.1 Vunani Capital shall, with effect from the Ferrox Effective Date, sell the Ferrox Shares to VCP for the Ferrox Purchase Price, subject to the Ferrox Suspensive Conditions as set out in paragraph 3.2 below.
- 3.1.2 The Ferrox Purchase Price shall be discharged by VCP allotting and issuing the Ferrox VCP Shares to Vunani Capital, credited as fully paid.
- 3.1.3 The Ferrox Purchase Price shall be discharged by VCP on the Ferrox Effective Date, against delivery of the Ferrox Shares by Vunani Capital to VCP.
- 3.1.4 Section 42 (asset-for-share transactions) of the Income Tax Act shall apply to the Ferrox Share Sale, details of which are set out in the Implementation Agreement.

3.2 The Ferrox suspensive conditions

The Ferrox Share Sale is subject to the fulfilment or waiver of the following suspensive conditions:

- 3.2.1 the board of directors of VCP duly adopting resolutions approving the allotment and issue of the relevant number of VCP Shares to Vunani Capital on and with effect from the Ferrox Effective Date;
- 3.2.2 the shareholder of VCP having duly adopted special resolutions, in terms of section 41(3) of the Companies Act, approving the allotment and issue of the relevant number of VCP Shares to Vunani Capital;
- 3.2.3 the board of directors of Ferrox having duly adopted the necessary resolutions approving the transfer of the Ferrox Shares; and
- 3.2.4 to the extent required, any approvals required by the Financial Surveillance Department of the South African Reserve Bank (or an authorised dealer) being obtained.

4. STEP 2 – THE INTERNAL REORGANISATION

4.1 Introduction

Step 2 is comprised of the Internal Reorganisation and shall be implemented in a number of sub steps as set out below:

- Step 2.1: transfer of Transaction Company Shares, the Transaction Company Loans Receivable, and the Transaction Company Loans Repayable;
- Step 2.2: cession and assignment of the Transaction Company Agreements;
- Step 2.3: creation of the VL Preference Shares via the MOI Amendments.

4.2 Step 2.1: Transfer of the Transaction Company Shares, the Transaction Company Loans Receivable, and the Transaction Company Loans Repayable

4.2.1 Vunani Capital shall, with effect from the Step 2 Effective Date, sell as one indivisible transaction the Transaction Company Shares and the Transaction Company Loans Receivable to VCP for the sum of the Transaction Company Shares Purchase Price and the Transaction Company Loans Receivable Purchase Price.

4.2.2 VCP shall, from the Step 2 Effective Date, assume and fully and timeously discharge all the Transaction Company Loans Repayable and shall indemnify Vunani Capital against all costs, claims, demands and liabilities in respect of any of the Transaction Company Loans Repayable or any failure by VCP to discharge them.

4.2.3 VCP shall discharge the Transaction Company Shares Purchase Price and the Transaction Company Loans Receivable Purchase Price:

4.2.3.1 by the assumption by VCP of the Transaction Company Loans Repayable in respect of an amount equal to the aggregate of their face value, including accrued but unpaid interest thereon, if applicable, as at the Step 2 Effective Date; and

4.2.3.2 by VCP allotting and issuing the Step 2 VCP Shares to Vunani Capital.

4.2.4 The Transaction Company Shares Purchase Price and the Transaction Company Loans Receivable Purchase Price shall be discharged by VCP on the Step 2 Effective Date, against delivery of the Transaction Company Shares and the Transaction Company Loans Receivable by Vunani Capital to VCP.

4.2.5 Section 42 (asset-for-share transactions) of the Income Tax Act shall apply to the sale of the Transaction Company Shares and the Transaction Company Loans Receivable, details of which are set out in the Implementation Agreement.

4.3 Step 2.2: Cession and assignment of the Transaction Company Agreements

4.3.1 From the Step 2 Effective Date, Vunani Capital shall cede and delegate all of its rights and obligations in the Transaction Company Agreements to VCP on the basis of an out-and-out cession and delegation.

4.3.2 VCP shall accept the cession and delegation to it of Vunani Capital's rights and obligations in terms of the Transaction Company Agreements and shall be a party to each of the Transaction Company Agreements in substitution for Vunani Capital with effect from the Step 2 Effective Date.

4.3.3 All of Vunani Capital's rights, title and interest in, and obligations arising from and pursuant to, the Verbicept Shareholders' Agreement and the Verbicept Relationship Agreement will be transferred to VC Partners on the Step 2 Effective Date.

4.3.4 Should such cession not be possible by the Step 2 Effective Date as the consent of the counterparty or counterparties to such Transaction Company Agreement has not been obtained:

4.3.4.1 VCP shall be entitled to the benefit and shall bear the risk of such Transaction Company Agreement from and including the Step 2 Effective Date and Vunani Capital shall give all reasonable assistance to VCP to enable it to enforce its rights under such Transaction Company Agreement;

4.3.4.2 Vunani Capital irrevocably and *in rem suam* appoints VCP to be its lawful attorney and agent, and to do in its name all things reasonably required in order to perform Vunani Capital's obligations, and exercise its rights, under such Transaction Company Agreement (if any); and

4.3.4.3 to the extent that the obligations to be performed personally by Vunani Capital as principal, Vunani Capital shall perform the obligations in this capacity under the reasonable direction of VCP.

4.3.5 Vunani Capital acknowledges that it shall be obliged to account to VCP for any income and other benefits which it receives under such Transaction Company Agreements on or after the Step 2 Effective Date.

4.4 Step 2.3: Creation of the VL Preference Shares via the MOI Amendments

4.4.1 The MOI Amendments are required to be implemented to amend the MOI of Vunani to create the VL Preference Shares as authorised shares of Vunani, with such amendment required to be filed with and accepted by the CIPC.

4.4.2 The VL Preference Shares shall be cumulative, redeemable preference shares in Vunani. The salient features of the rights attaching to such shares, which shall constitute the MOI Amendments, are set in Appendix 11.

5. STEP 3 – THE DISTRIBUTION BY VUNANI CAPITAL

- 5.1 Subject to implementation of the Internal Reorganisation, on and with effect from the Step 3 Effective Date, Vunani Capital shall transfer the VCP Shares held by Vunani Capital to Vunani by way of a distribution *in specie*, subject to compliance with section 46 of the Companies Act and section 46 of the Income Tax Act.
- 5.2 Upon implementation of the Distribution by Vunani Capital, Vunani shall own 100% of the issued share capital of VCP.

6. STEP 4 – THE PREFERENCE SHARE SUBSCRIPTION AND VCP SHARE SUBSCRIPTION

6.1 Preference Share Subscription

- 6.1.1 Subject to implementation of the Distribution by Vunani Capital, on and with effect from the Step 4 Effective Date:
 - 6.1.1.1 VCP shall subscribe for the VL Issue Shares for an amount of R18 282 641 (“**Preference Share Subscription Price**”); and
 - 6.1.1.2 Vunani shall subscribe for the Step 4 VCP Shares for an amount of R18 282 641 (the “**VCP Share Subscription Price**”).

6.2 Settlement

On the Step 4 Effective Date:

- 6.2.1 VCP shall discharge the Preference Share Subscription Price by way of set-off against the VCP Share Subscription Price; and
- 6.2.2 Vunani shall discharge the VCP Share Subscription Price by way of set-off against the Preference Share Subscription Price.

6.3 Allotment and issue

On the Step 4 Effective Date:

- 6.3.1 against payment of the Preference Share Subscription Price, Vunani shall allot and issue the VL Issue Shares to VCP; and
- 6.3.2 against payment of the VCP Share Subscription Price VCP shall allot and issue the relevant number of VCP Shares to Vunani.

6.4 Undertakings by Vunani in relation to the AL Shares

- 6.4.1 For as long as VCP holds any of the VL Preference Shares, Vunani shall not be entitled to dispose of the AL Shares without the prior written consent of VCP.

6.5 Option to subscribe for additional Preference Shares

- 6.5.1 If, after the Step 4 Effective Date, Vunani has the opportunity to subscribe for or acquire additional shares in African Legend (“Additional AL Shares”), Vunani shall notify VCP thereof in writing (the “Notice”) and shall be obliged to do so each time such an opportunity arises. The Notice shall include disclosure of the number of Additional AL Shares, and the consideration payable for such Additional AL Shares (the “AL Consideration”).
- 6.5.2 Vunani shall grant VCP an irrevocable right and option to subscribe for additional VL Preference Shares following receipt of the Notice (the “VL Option”), on, *inter alia*, the following terms and conditions:
 - 6.5.2.1 the VL Option shall be exercisable by VCP within 30 days of receipt of the Notice by written notice to Vunani;
 - 6.5.2.2 the consideration payable by VCP per share for the additional VL Preference Shares shall be an amount equal to the AL Consideration per share (in aggregate being the “Preference Share Consideration”);
 - 6.5.2.3 the number of additional VL Preference Shares to be issued to VCP shall be such number of VL Preference Shares the aggregate consideration of which is the Preference Share Consideration; and
 - 6.5.2.4 the Preference Share Consideration shall be payable by VCP by electronic funds transfer.
- 6.5.3 If the VL Option cannot reasonably be implemented within a time period which would allow Vunani to timeously subscribe for or acquire the Additional AL Shares as set out in the Notice, the VL Option shall not be implemented and instead VCP shall be entitled to loan and advance an amount equal to the AL Consideration to Vunani in order to allow Vunani to subscribe for or acquire the Additional AL Shares (the “Loan”).
- 6.5.4 If the Loan is advanced, VCP shall be entitled to subscribe for additional VL Preference Shares, on the following terms and conditions:
 - 6.5.4.1 the aggregate consideration payable by VCP for the additional VL Preference Shares shall be an amount equal to the face value of the Loan;
 - 6.5.4.2 the number of additional VL Preference Shares to be issued to VCP shall be such number of VL Preference Shares for which VCP would have been entitled to subscribe had it exercised the VL Option; and
 - 6.5.4.3 the aggregate consideration payable by VCP for the additional VL Preference Shares shall be payable by set-off against the outstanding amount of the Loan.

7. STEP 5 – THE VCP UNBUNDLING

- 7.1.1 Subject to implementation of the Preference Share Subscription, on and with effect from the Step 5 Effective Date, Vunani shall transfer the VCP Shares held by it to the Shareholders by way of a distribution *in specie*, subject to compliance with section 46 of the Companies Act and section 46 of the Income Tax Act.
- 7.1.2 Following the VCP Unbundling, the Shareholders shall own 100% of the issued share capital of VCP.

8. SUSPENSIVE CONDITIONS

- 8.1 The Implementation Agreement, and therefore the implementation of the VCP Unbundling, is subject to the fulfilment or waiver of the following Suspensive Conditions by no later than 28 February 2021 or such other date as agreed to by the Parties:
 - 8.1.1 the board of directors of VCP duly adopting resolutions (i) approving the allotment and issue of VCP Shares to Vunani Capital on and with effect from the Step 2 Effective Date and (ii) approving the terms and conditions of the transactions contemplated in the Implementation Agreement;
 - 8.1.2 the shareholder of VCP having duly adopted special resolutions:
 - 8.1.2.1 to the extent required in terms of section 41(3) of the Companies Act, approving the allotment and issue by VCP of VCP Shares to Vunani Capital as contemplated in the Implementation Agreement;
 - 8.1.3 the board of directors of Vunani Capital duly adopting resolutions approving the Distribution by Vunani Capital in accordance with section 46 of the Companies Act;
 - 8.1.4 the board of directors of Vunani duly adopting resolutions:
 - 8.1.4.1 approving the allotment and issue of VL Issue Shares to VCP on and with effect from the Step 4 Effective Date;
 - 8.1.4.2 approving the VCP Unbundling in accordance with section 46 of the Companies Act;
 - 8.1.4.3 approving of the granting of the VL Option; and
 - 8.1.4.4 approving the terms and conditions of the transactions contemplated in the Implementation Agreement;
 - 8.1.5 the Vunani Shareholders having duly adopted an ordinary resolution approving the VCP Unbundling in accordance with section 5.85(c) of the Listings Requirements;
 - 8.1.6 the Vunani Shareholders having duly adopted special resolutions:
 - 8.1.6.1 to create the VL Issue Shares as authorised shares of Vunani;
 - 8.1.6.2 in terms of section 41(1) of the Companies Act, approving the issue by Vunani of the VL Issue Shares to VCP as contemplated in the Implementation Agreement;
 - 8.1.6.3 in terms of section 41(1) of the Companies Act, approving the grant by Vunani of the VL Option to VCP as contemplated in the Implementation Agreement;
 - 8.1.7 the MOI of Vunani being amended to create the VL Issue Shares as authorised shares of Vunani, and such amendment being filed with and accepted by the CIPC;
 - 8.1.8 where required, the board of directors of each of the Transaction Companies having duly adopted the necessary resolutions approving the transfer of the relevant Transaction Company Shares;
 - 8.1.9 to the extent required, SoftPawa (i) consenting in writing to the transfer of, and waiving in writing any rights of first refusal it may have to acquire, the Transaction Company Shares held by Vunani Capital in Betbio Zambia, and (ii) waiving in writing any rights it may have to terminate the Transaction Company Agreements in relation to Betbio Zambia;
 - 8.1.10 to the extent required, SoftPawa consenting in writing to the Internal Reorganisation (and waiving in writing any rights it may have to terminate the SoftPawa Services Agreement);
 - 8.1.11 the relevant counterparties to the Transaction Company Agreements consenting in writing to the cession and delegation by Vunani Capital of its rights and obligations under the relevant Transaction Company Agreements to VCP;
 - 8.1.12 the relevant lenders consenting in writing to the cession and delegation by Vunani Capital of the Transaction Company Loans Repayable; and
 - 8.1.13 to the extent required, any approvals required by the Financial Surveillance Department of the South African Reserve Bank (or an authorised dealer) being obtained in relation to the VCP Unbundling.

9. THE MANAGEMENT SERVICES AGREEMENT

Post the VCP Unbundling, Vunani Capital shall provide the Management Services as per the Management Services Agreement to VCP. The salient details of the Management Services Agreement are set out in Appendix 5.

10. DESCRIPTION OF THE PRIVATE EQUITY ASSETS TO BE UNBUNDLED AS PART OF THE VCP UNBUNDLING

10.1 Investment philosophy

Vunani Capital has established its portfolio through on balance sheet investments and co-investments as a black economic empowerment partner and active investor. Its investment model includes direct operational involvement in partnership with key management personnel who are incentivised through profit participation and direct equity. Investment themes have been identified and supported through the provision of own capital and partners' capital as well as strategic and operational support.

Partnerships are a key theme in our investment approach and this is with both capital providers and skilled operators with whom we have long standing and close associations and where we aim to align our interests to build value for all parties, most importantly for the shareholders of Vunani Capital .

10.2 Energy and resources

In 2008 Vunani Capital made its first investment in the energy and resources sector through a junior coal miner with operations in Middleburg. Vunani has now been a 37.5% shareholder in Black Wattle Colliery for some 12 years. Vunani Capital has actively assisted Black Wattle Colliery in securing additional resources and entitlement to the logistics network to facilitate exports.

This investment was followed by the formation of Butsanani Energy Investment Holdings in partnership with Anglo Coal in 2012. Butsanani's most significant investment is its 51% shareholding in Rietvlei Coal Mine which was developed from a greenfield resource to steady state production in 2019. It currently supplies coal to Eskom and has the capacity to produce some 2.5 million tons per annum over its life of mine, estimated at 15 years.

Through Vunani Resources a mining team has been established which has been reclaiming and beneficiating coal from an Anglo Coal discard deposit called Schoongezicht since 2017. The coal that is produced is sold into both the export and domestic market. With a number of years of operating experience Vunani Capital expects this business to grow its volumes through securing additional deposits from the coal majors.

10.3 Fintech

In 2018 Vunani Capital established the Vunani Fintech Fund as an initial investment platform to enable Vunani Capital to invest in businesses focused on digital and tech based solutions in the financial sector. This is part of a broader strategy for the Group to leverage off these solutions in its own operations as well as to generate attractive investment returns.

The investment philosophy has been to focus on a pre-series A and series A rounds where business models have been proven and the fintech is looking for expansion capital to scale its operations. We also look to co-invest with established venture capital partners. To date seven investments have been approved for investment and five deals have been closed.

10.4 Financial services

Vunani Capital holds significant stakes in two financial services businesses. A 65% shareholding in Purpose Asset Management which is based in Harare, Zimbabwe and a 45% shareholding in Alliance Capital, which is based in Blantyre, Malawi. Both of these businesses have significant potential for growth and expansion in their respective markets. Vunani Capital continues to provide support to the management teams and once these businesses achieve sufficient scale Vunani Capital would consider acquiring these assets from VCP. Such an incubation model would be considered for other financial services investments as well.

10.5 Gaming

Vunani Capital has had exposure to the gaming sector through its interest in both the Uthingo and Gidani management companies that operated the South African national lottery. Since early 2017 when Vunani Capital secured a gaming licence in Zambia, together with its local partners, it has been expanding into other jurisdictions which now also include Ghana, Zimbabwe, the Democratic Republic of Congo and Cameroon. A partnership has been entered into with an online gaming operator and it is intended to secure further licences across the continent as this sector has shown significant growth potential.

10.6 Property

Vunani Capital made its first investment in commercial property in 2004 and together with its management partners grew a significant property business which led to a listing of the Vunani Property Investment Fund in 2011. Together with the management company, the property business was largely disposed of in 2013. Property is a sector that Vunani got to know very well and approximately 18 months ago re-established Vunani Properties with our founding management partner and we are actively looking for opportunities.

10.7 Commodity trading

In 2018 Vunani started a commodity trading business when it entered into a contract with ETI Maden, a Turkish domiciled company, to exclusively trade its boron product range across the African continent. This business was initially incubated under Vunani Resources and it has been agreed to place it under its own brand and management team through an entity called Anatraca AG which is co-owned with our Turkish partners. Anatraca AG currently sells its boron and agri commodities in 23 African countries. Anatraca AG has expanded into agri-trading and is actively looking for other niche industrial minerals to add onto its platform.

10.8 Workforce Holdings Limited

Workforce Holdings Limited is a JSE listed company with a number of businesses focused on the placement of staff and the provision of training and financial services to its client base. Pre the Covid-19 lockdown Workforce had over 30 000 staff placed across some of South Africa's largest corporate names. We expect the business to recover as economic restrictions are lifted. Workforce Holdings Limited has also been expanding into other African countries where there are significant opportunities. Vunani has been a shareholder in Workforce Holdings Limited since 2006.

11. DESCRIPTION OF FINANCIAL SERVICES ASSETS WHICH SHALL CONTINUE TO BE HELD BY VUNANI CAPITAL AFTER THE VCP UNBUNDLING

11.1 Fairheads

Fairheads was acquired just over five years ago. Its core business is the administration of beneficiary funds and fiduciary trusts. Fairheads is the market leader in the administration of beneficiary funds and has contracts with large pension funds, insurers and employee benefit firms to provide these services. Opportunities remain for Fairheads for further consolidation in this niche market segment. Fairheads is also diversifying its activities into the administration of unclaimed benefits, tracing and the administration of housing loans to retirement fund members. Assets under administration currently stand at just under R7 billion.

11.2 Vunani Fund Managers

Vunani Fund Managers in South Africa is now a well established fund management business with a settled team of fund management professionals and a strong administrative support team. The business has established a diversified product suite and a retail offering that now stands at 25% of total assets under management (AUM). Despite the lockdown and difficult economic conditions, Vunani Fund Managers managed to grow its AUM by approximately R3 billion post Covid-19 with AUM currently at just over R45 billion. The key to growing the AUM is to deliver on investment performance for clients.

11.3 Investment banking

The investment banking activities include securities trading and advisory. Both businesses are well established in the market with Vunani Securities and Vunani Capital Markets trading equities and fixed interest instruments respectively for approximately 35 institutions and asset managers. Our advisory business offers a full suite of corporate finance services that include listings and sponsor services, valuations, M&A and capital raising.

11.4 Phakamani Impact Capital

Phakamani Impact Capital provides enterprise development services predominately to the mining industry where it facilitates funding to community based entrepreneurs supplying goods and services in the supply chain of large corporates. Since its formation in 2015 approximately 883 transactions have been supported and facilitated by Phakamani Impact Capital for approximately 435 SMEs and 398 youth entrepreneurs who have received funding of over R160 million. Phakamani Impact Capital is also undertaking business training and mentorship programmes for SMEs and expects this to become a growing part of its business. Vunani Capital was a founding shareholder of Phakamani Impact Capital.

11.5 Oracle Insure and Vunani Fund Managers Botswana

Two strategic acquisitions have been made in the past financial year by Vunani which could become important contributors to Group results in the future.

Together with the management team, 66% of Oracle Insure was acquired in 2019 from MMI. Oracle Insure provides life, short term and health insurance in the Eswatini market where it is an established operator.

In early 2020 the acquisition of Stanlib's fund management business in Botswana was concluded in partnership with the local management team and the business rebranded to Vunani Fund Managers Botswana.

12. RATIONALE FOR THE VCP UNBUNDLING

The primary objectives of the unbundling are to improve transparency in financial reporting of the financial services operations and private equity activities, unlock the value trap inherent in the share price and allow the two distinct businesses to operate in a more focused manner, allowing each of the businesses to focus on achieving their respective strategic goals.

13. EFFECT OF THE VCP UNBUNDLING ON VUNANI

After the implementation of the VCP Unbundling, Vunani will be a focused financial services group holding majority interests in the businesses that it owns. Key themes will be asset accumulation, whether through fund management or fund administration, where there is the potential for synergies to be extracted across the Group. Vunani will look to diversify its activities in its underlying businesses where a strong skill set has been developed so that it can leverage off client relationships. Acquisition opportunities will be considered where these fit the financial services theme and have the potential to extract value across the Group.

14. PRO FORMA FINANCIAL INFORMATION OF THE VCP UNBUNDLING

The *pro forma* financial information has been prepared to illustrate the effect of the VCP Unbundling, for which the directors are responsible, and is provided for illustrative purposes only to show the effect thereof on the basic earnings per share ("EPS"), diluted earnings per share ("DEPS"), headline earnings per share ("HEPS") and diluted headline earnings per share ("DHEPS") and the consolidated statement of comprehensive income as if the VCP Unbundling had taken effect from 1 March 2019 and on net asset value per share ("NAVPS") and net tangible asset value per share ("NTAVPS") and the consolidated statement of financial position as if the VCP Unbundling had taken effect on 29 February 2020.

Because of their nature, the *pro forma* financial information may not give a fair reflection of Vunani's financial position or financial performance subsequent to the VCP Unbundling nor is it indicative of the results that may, or may not, be expected to be achieved in the future. The *pro forma* financial information is based on the audited consolidated financial statements of Vunani for the year ended 29 February 2020 and prepared in accordance with the basis of preparation set out in Appendix 1.

The *pro forma* financial information to illustrate the effect of the VCP Unbundling, together with notes regarding the *pro forma* adjustments, are set out in Appendix 1: "*Pro forma* Consolidated Financial Information of Vunani after the VCP Unbundling".

The Independent Reporting Accountant's assurance report on the *pro forma* consolidated financial information is set out in Appendix 2.

A summary of the effects of the VCP Unbundling are set out below:

	Audited before the VCP Unbundling 29 February 2020	<i>Pro forma</i> after the VCP Unbundling	% change
EPS and DEPS (cents)	22.30	27.81	25%
HEPS and DHEPS (cents)	0.60	2.69	348%
NAVPS (cents)	302.20	184.0	(39%)
NTAVPS (cents)	98.30	(20.0)	(120%)
Number of ordinary shares in issue at period end ('000)	161 156	161 156	–
Weighted average number of shares in issue at period end ('000)	160 616	160 616	–

15. FINANCIAL INFORMATION RELATING TO VUNANI

15.1 Adequacy of capital

The Board has considered the effects of the VCP Unbundling and confirm that:

- the Group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of the approval of the Circular;
- The assets of the Group will be in excess of the liabilities of the Group for a period of 12 months after the date of the approval of the Circular. For this purpose, the assets and liabilities were recognised and measured in accordance with the accounting policies used in the latest audited annual Group financial statements;
- share capital and reserves of the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the approval of the Circular;
- working capital of the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the approval of the Circular; and
- since the Board has authorised the payment and Vunani and its subsidiaries passed the solvency and liquidity test, there have been no material changes to the financial position of Vunani and its subsidiaries.

15.2 Material changes

Other than in respect of the VCP Unbundling (once implemented), no material changes in the financial or trading position of Vunani has taken place since the audited results for the 12 months ended 29 February 2020 were published to the Last Practicable Date.

16. INFORMATION RELATING TO VUNANI

16.1 Nature of business

Vunani is a majority black-owned and managed diversified financial services group, which operates through the reportable segments as described below, which are the Vunani Group's strategic business segments. These businesses offer different products and services, are managed separately, requiring different skill, technology and marketing strategies:

- Asset management;
- Investment banking;
- Advisory services;
- Investment holdings;
- Securities broking;
- Properties – investments and developments;
- Properties – asset management; and
- Group.

Other than in respect of the VCP Unbundling (once implemented) and the acquisition of Oracle Insurance Eswatini Limited (previously Metropolitan Life Swaziland Limited), the Vunani Group has not purchased/acquired any material assets during the three years preceding the Last Practicable Date.

16.2 History

Vunani was incorporated on 1 December 1997 under the name Azureco 9 Proprietary Limited. On 11 October 1999, it became a wholly owned subsidiary of African Harvest Limited and changed its name to African Harvest Capital Proprietary Limited ("African Harvest Capital"), specialising in BEE related investments, corporate advisory services, private equity and trading activities.

Vunani was established following a management buyout on 21 October 2004 by the senior executives, Ethan Dube, Butana Khoza and Mark Anderson through Business Venture Investments 855 Proprietary Limited (which changed its name to VG on 16 February 2005), of the entire issued share capital of African Harvest Capital.

Following the management buy-out, African Harvest Capital changed its name to Vunani Capital Holdings Proprietary Limited on 16 February 2005 and again to Vunani on 5 November 2007 on which date it was converted to a public company.

There has been no change in the trading objects or the controlling shareholder since Vunani's listing on the JSE on 28 November 2007.

16.3 Directors' opinion relating to prospects of Vunani after the VCP Unbundling

The primary objectives of the VCP Unbundling are to improve transparency in financial reporting of the financial services operations and private equity activities, unlock the value trap inherent in the share price and allow the two distinct businesses to operate in a more focused manner, allowing each of the businesses to focus on achieving their respective strategic goals.

The prospects of the financial services operations will depend on the performance of its underlying businesses, being Fairheads, Vunani Fund Managers, Oracle Insure and its investment banking activities. Further stand-alone acquisitions that fit with the financial services focus of the Group will be considered by Vunani.

Fairheads was acquired just over five years ago. Its core business is the administration of beneficiary funds and fiduciary trusts. Fairheads is a market leader in the administration of beneficiary funds and has contracts with large pension funds, insurers and employee benefit firms to provide these services. Opportunities remain for Fairheads for further consolidation in this niche market segment. Fairheads is also diversifying its activities into the administration of unclaimed benefits, tracing and the administration of housing loans to retirement fund members. Assets under administration currently stand at just under R7 billion.

Vunani Fund Managers in South Africa is now a well established fund management business with a settled team of fund management professionals and a strong administrative support team. The business has established a diversified product suite and a retail offering that now stands at 25% of total AUM. Despite the lockdown and difficult economic conditions Vunani Fund Managers managed to grow its AUM by some R3 billion post Covid-19 with AUM currently at just over R45 billion. The key to growing the AUM is to deliver on investment performance for clients.

The investment banking activities include securities trading and advisory. Both businesses are well established in the market with Vunani Securities and Vunani Capital Markets trading equities and fixed interest instruments respectively for some 35 institutions and asset managers. Our advisory business offers a full suite of corporate finance services that includes listings and sponsor services, valuations, M&A and capital raising.

Two strategic acquisitions have been made in past financial year by Vunani which could become important contributors to Group results. Together with the management team, 66% of Oracle Insure was acquired in 2019 from MMI. Oracle Insure provides life, short term and health insurance in the Eswatini market where it is an established operator. In early 2020, the acquisition of Stanlib's fund management business in Botswana was concluded in partnership with the local management team and the business rebranded to Vunani Fund Managers.

16.4 Directors' opinion relating to the VCP Unbundling

The Board believes that the VCP Unbundling is in the best interest of the Shareholders as it achieves the following (all of which are expanded upon in paragraph 12 above):

- simplifies and increases the transparency of the financial reporting of Vunani;
- provides Shareholder with greater flexibility in terms of whether they want to hold shares in Vunani (a financial services company), in VCP (a private equity business), or both; and
- potentially reduces the valuation gap between Vunani's TNAV and the price at which Vunani Shares trade on the JSE.

The Board therefore recommends that Shareholders vote in favour of the Resolutions set out in the Notice of General Meeting to enable the implementation of the VCP Unbundling.

The directors who own Vunani Shares as set out in paragraph 17.2 intend to vote in favour of the Resolutions, they are entitled to vote on, as set out in the Notice of General Meeting.

16.5 Stated capital

The stated capital of Vunani before and after the VCP Unbundling is set out below:

	R'000
<hr/>	
Stated capital before the VCP Unbundling	
Authorised shares	
500 000 000 ordinary shares of no-par value	
Issued shares	
161 155 915 ordinary shares of no-par value	696 497
Treasury shares (314 982 shares)	(748)
	<hr/> 695 749
Stated Capital after the VCP Unbundling	
Authorised shares	
500 000 000 ordinary shares of no-par value	
1 000 000 cumulative, redeemable preference shares	
Issued shares	
161 155 915 ordinary shares of no-par value	696 497
500 000 cumulative, redeemable preference shares	–
Treasury shares (314 982 shares)	(748)
	<hr/> 695 749

16.6 Major shareholders

Vunani's major shareholder will not change as a result of the VCP Unbundling.

At the Last Practicable Date, the only shareholders, other than directors, who are beneficially interested, directly in 5% or more of Vunani Shares are set out below:

Shareholder	Number of shares (000's)	% holding
Bambelela Capital Proprietary Limited	79 360	49.2
Geomer Investments Proprietary Limited	30 040	18.6
Baleine Capital Proprietary Limited	10 000	6.2

16.7 Litigation

There are no legal or arbitration proceedings, including proceedings that are pending or threatened, of which Vunani is aware, that may have or have had, in the 12-month period preceding the date of this Circular, a material effect on the financial position of the Group.

17. INFORMATION RELATING TO THE DIRECTORS

17.1 Details

The names of the directors are set out in the "Corporate Information and Advisers" section. The directors will not change as a result of the VCP Unbundling.

17.2 Interests in Vunani Shares

The directors' shareholdings in Vunani will not change as a result of the VCP Unbundling. The beneficial, direct and indirect interests of the directors and their associates, including directors who have resigned in the last 18 months in Vunani Shares at the Last Practicable Date are set out below:

Name	Direct '000	Indirect '000	% ⁴
EG Dube and associates ¹	311	24 634	15.5
BM Khoza and associates ²	–	14 779	9.2
NM Anderson and associates ³	806	14 779	9.7
T Mika	275	–	0.2
	1 392	54 192	34.5

1. Interest held through the END Trust. EG Dube is a trustee and beneficiary of the END Trust.

2. Interest held through the Mabone Trust. BM Khoza is a trustee and beneficiary of the Mabone Trust.

3. Interest held through the Nicam Trust. NM Anderson is a trustee and beneficiary of the Nicam Trust.

4. Based on 161 155 915 Vunani Shares in issue.

5. The END Trust, Mabone Trust and Nicam Trust all directly hold shares in Bambelela, which in turn holds shares in Vunani.

There have been no changes in the directors' interests between the financial year ended 29 February 2020 and the Last Practicable Date.

18. GENERAL

18.1 Expenses

No preliminary expenses were incurred during the past three years by Vunani.

At the Last Practicable Date, the following estimated expenses of R3 000 000 were provided for by Vunani in respect of the VCP Unbundling:

	Rand
Sponsor fees – Grindrod Bank Limited	85 000
Independent Reporting Accountant's fees – KPMG Inc.	1 150 000
Legal advice – Webber Wentzel	1 629 000
Printing costs – Ince Proprietary Limited	100 000
Documentation inspection fees (JSE)	36 000
Total	3 000 000

18.2 Consents

Each of Vunani's advisers namely Vunani Corporate Finance, KPMG Inc., Webber Wentzel, Grindrod Bank Limited and Singular Systems Proprietary Limited have consented in writing to act in the capacities stated and to their names appearing in this Circular and have undertaken not to withdraw such consents prior to the issue of this Circular.

The Independent Reporting Accountant has given and has not withdrawn their consent to the inclusion of their reports in the form and context in which they are included in this Circular.

18.3 Directors' responsibility

The directors of Vunani, whose names appear in the "Corporate information and Advisers" section of this Circular, collectively and individually, accept full responsibility for the accuracy of the information given in this Circular and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all the information required by law and the Listings Requirements.

19. OPINION AND RECOMMENDATION

The Board is of the opinion that the VCP Unbundling is in the best interests of Vunani Shareholders and unanimously recommends that Vunani Shareholders vote in favour of the Resolutions at the General Meeting.

Each of the directors who holds Vunani Shares and is permitted to vote intends to vote his Vunani Shares in favour of the Resolutions as set out in the Notice of General Meeting.

20. GENERAL MEETING AND VOTING RIGHTS

20.1 General Meeting

The General Meeting to be held as an electronic meeting, for the purposes of considering and if deemed fit, passing with or without modification, some or all of the Resolutions.

Electronic meeting participation and section 63(1) of the Companies Act – Identification of meeting participants.

Meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in Shareholders' meetings. Should any Shareholder, representative, or proxy for a Shareholder wish to participate in the General Meeting electronically, that person should apply in writing including details on how the Shareholder or representative or proxy for a Shareholder can be contacted to TMS, via email at proxy@tmsmeetings.co.za, to be received by TMS at least seven (7) business days prior to the General Meeting for TMS to arrange for the Shareholder (or representative or proxy) to provide reasonably satisfactory identification to the transfer secretaries for the purposes of section 63(1) of the Act and for TMS to provide the Shareholder (or representative or proxy) with details on how to access the General Meeting by means of electronic participation.

Before any person may attend or participate in a Shareholders' meeting, they must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a Shareholder or as proxy for a Shareholder, has been reasonably verified.

20.2 Voting rights

In terms of the Listings Requirements, the votes of any treasury share and Vunani Shares held by the Vunani Limited Share Incentive Scheme will not be taken into account in determining the results of voting on the Resolutions.

20.3 Irrevocable undertaking

Bambelela, which holds 49.2% of Vunani Shares in Vunani, has provided Vunani with an irrevocable undertaking to vote in favour of the VCP Unbundling at the General Meeting.

21. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection during normal business hours at Vunani's registered office, from the date of issue of this Circular, up to and including the date of the General Meeting and shall be accessible via the website of Vunani as well (www.vunanilimited.co.za):

- the MOI of Vunani;
- the Implementation Agreement;
- The Management Services Agreement;
- the audited financial statements of Vunani for the three financial years ended 29 February 2020;
- the Independent Reporting Accountant's Assurance Report on the compilation of the Vunani Group *Pro forma* Financial Information, the text of which is included in this Circular as Appendix 2;
- the Independent Reporting Accountants' Review Report on the Schedule of Investments and the Related Disclosures relating to the VCP Unbundling, the text of which is included in this Circular as Appendix 4;
- directors' service contracts;
- a signed copy of the irrevocable undertaking referred to in paragraph 20.3 above;
- the advisers' letters of consent; and
- a signed copy of this Circular.

SIGNED AT SANDTON ON MONDAY, 30 NOVEMBER 2020 ON BEHALF OF THE DIRECTORS IN TERMS OF A DIRECTORS' ROUND ROBIN RESOLUTION BY:

T MIKA

PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF VUNANI AFTER THE VCP UNBUNDLING

Basis of preparation

The *pro forma* consolidated statements of financial position and comprehensive income ("*pro forma* consolidated financial information") set out below have been prepared to illustrate the effect of the VCP Unbundling and are prepared using accounting policies adopted by Vunani as set in the audited consolidated financial statements at 29 February 2020 which comply with IFRS. The *pro forma* consolidated financial information is the responsibility of the directors of Vunani and has been prepared for illustrative purposes only, in order to provide information about the effects that the *pro forma* adjustments could have on the financial position and results of Vunani assuming the VCP Unbundling had been implemented at 29 February 2020 for the consolidated statement of financial position and with effect from 1 March 2019 for the consolidated statement of comprehensive income. Due to its nature, the *pro forma* consolidated financial information may not give a fair reflection of Vunani's financial position or financial performance subsequent to the VCP Unbundling nor is it indicative of the results that may, or may not, be expected to be achieved in the future.

KPMG Inc.'s independent report accountant's report on the *pro forma* consolidated financial information is set out in Appendix 2.

Pro forma consolidated statement of financial position at 29 February 2020

Figures in R'000s	Vunani Limited Group 29 February 2020 Audited Note 2	Ferrox share sale <i>Pro forma</i> Note 3	Internal reorga- nisation <i>Pro forma</i> Note 4	Issue of preference shares <i>Pro forma</i> Note 5	Fair value adjustment prior to unbundling <i>Pro forma</i> Note 6	Unbundle VCP to Vunani shareholders <i>Pro forma</i> Note 6	<i>Pro forma</i> unbundled Vunani Limited Group Sub-total	Other unbundling adjustments <i>Pro forma</i> Note 7	Vunani Limited Group <i>pro forma</i> <i>Pro forma</i> Note 8
ASSETS									
Non-current assets									
Property ,plant and equipment	27 903	–	(4 226)	–	–	–	23 677	–	23 677
Goodwill	139 766	–	–	–	–	–	139 766	–	139 766
Intangible assets	188 924	–	–	–	–	–	188 924	–	188 924
Investment in VCP	–	5 638	171 748	18 283	4 358	(200 027)	–	–	–
Investments in associates	59 787	–	(58 490)	–	–	–	1 297	–	1 297
Loans to associates	5 285	–	(3 386)	–	–	–	1 899	–	1 899
Other investments	107 020	(5 638)	(73 601)	(18 283)	–	–	9 498	–	9 498
Insurance related investments	286 589	–	–	–	–	–	286 589	–	286 589
Deferred tax asset	45 529	–	(1 637)	–	–	–	43 892	–	43 892
Other non-current assets	33 302	–	(33 302)	–	–	–	–	–	–
	894 105	–	(2 894)	–	4 358	(200 027)	695 542	–	695 542
Current assets									
Other investments	4 432	–	(1 158)	–	–	–	3 274	–	3 274
Transaction loans receivable	–	–	12 957	–	–	–	12 957	–	12 957
Loans to associates	1 460	–	–	–	–	–	1 460	–	1 460
Inventory	65 631	–	(65 631)	–	–	–	–	–	–
Taxation prepaid	3 150	–	(17)	–	–	–	3 133	–	3 133
Reinsurance assets	20 136	–	–	–	–	–	20 136	–	20 136
Trade and other receivables	98 328	–	(28 870)	–	–	–	69 458	–	69 458
Accounts receivable from trading activities	286 531	–	–	–	–	–	286 531	–	286 531
Trading securities	143	–	–	–	–	–	143	–	143
Cash and cash equivalents	246 530	–	(8 133)	–	–	–	238 397	(3 000)	235 397
	726 341	–	(90 852)	–	–	–	635 489	(3 000)	632 489
Total assets	1 620 446	–	(93 746)	–	4 358	(200 027)	1 331 031	(3 000)	1 328 031

Figures in R'000s	Vunani Limited Group 29 February 2020 Audited Note 2	Ferrox share sale <i>Pro forma</i> Note 3	Internal reorgani- sation <i>Pro forma</i> Note 4	Issue of preference shares <i>Pro forma</i> Note 5	Fair value adjustment prior to unbundling <i>Pro forma</i> Note 6	Unbundle VCP to Vunani shareholders <i>Pro forma</i> Note 6	<i>Pro forma</i> unbundled Vunani Limited Group Sub-total	Other unbundling adjustments <i>Pro forma</i> Note 7	Vunani Limited Group <i>pro forma</i> Note 8
EQUITY									
Stated capital	696 497	-	-	-	-	-	696 497	-	696 497
Treasury shares	(748)	-	-	-	-	-	(748)	-	(748)
Foreign currency translation reserve	(9 509)	-	7 050	-	-	-	(2 459)	-	(2 459)
Share-based payment reserve	5 624	-	(314)	-	-	-	5 310	-	5 310
Accumulated loss	(204 775)	1 263	-	-	4 358	(200 027)	(399 181)	(3 000)	(402 181)
Equity attributable to equity holders of Vunani	487 089	1 263	6 736	-	4 358	(200 027)	299 419	(3 000)	296 419
Non-controlling interest	70 674	-	(3 896)	-	-	-	66 778	-	66 778
Total equity	557 763	1 263	2 840	-	4 358	(200 027)	366 197	(3 000)	363 197
LIABILITIES									
Non-current liabilities									
Other financial liabilities	46 408	-	-	-	-	-	46 408	-	46 408
Investment contracts	310 585	-	-	-	-	-	310 585	-	310 585
Lease liabilities	12 339	-	-	-	-	-	12 339	-	12 339
Insurance contract liabilities	78 348	-	-	-	-	-	78 348	-	78 348
Deferred tax liabilities	50 562	(1 263)	(193)	-	-	-	49 106	-	49 106
	498 242	(1 263)	(193)	-	-	-	496 786	-	496 786
Current liabilities									
Other financial liabilities	42 145	-	(9 303)	-	-	-	32 842	-	32 842
Transaction loan repayable	-	-	2 034	-	-	-	2 034	-	2 034
Lease liabilities	7 336	-	-	-	-	-	7 336	-	7 336
Taxation payable	9 031	-	(244)	-	-	-	8 787	-	8 787
Trade and other payables	198 506	-	(88 880)	-	-	-	109 626	-	109 626
Insurance contract liabilities	11 600	-	-	-	-	-	11 600	-	11 600
Accounts payable from trading activities	285 956	-	-	-	-	-	285 956	-	285 956
Trading securities	15	-	-	-	-	-	15	-	15
Bank overdraft	9 852	-	-	-	-	-	9 852	-	9 852
	564 441	-	(96 393)	-	-	-	468 048	-	468 048
Total liabilities	1 062 683	(1 263)	(96 586)	-	-	-	964 834	-	964 834
Total equity and liabilities	1 620 446		(93 746)	-	4 358	(200 027)	1 331 031	(3 000)	1 328 031
Shares in issue (000s)	161 156	-	-	-	-	-	-	-	161 156
Net asset value per share (note 8)	302.2	0.8	4.18	-	2.70	(124.1)	185.8	(1.85)	184.0
Net tangible asset value per share (note 9)	98.3	0.8	4.18	-	2.70	(124.1)	(18.1)	(1.85)	(20.0)

Notes to the *pro forma* consolidated financial position assuming the VCP Unbundling took place at 29 February 2020:

1. The steps required to effect the VCP Unbundling include:
 - 1.1 Step 1: the sale of the Ferrox Shares to VCP ("Ferrox share sale")
 - 1.2 Step 2 and Step 3: the transfer of the Transaction Company Shares, Transaction Company Loans Receivable, Transaction Company Loans Repayable and the Force Holdings Option to VCP to effect the separation of the private equity assets from the financial services assets ("internal reorganisation"). Vunani Capital will distribute to Vunani by way of a distribution *in specie* its investment in VCP.
 - 1.3 Step 4: VCP will subscribe for preference shares in Vunani and be granted an option to subscribe for further preference shares should Vunani acquire additional shares in AL ("Issue of preference shares")
 - 1.4 Step 5: Vunani will unbundle its investment in VCP by way of a distribution *in specie* to Vunani Shareholders ("Unbundle VCP to Vunani shareholders")

The *pro forma* adjustments to the audited consolidated statement of financial position as a result of the steps set out above are detailed in notes 3 to 6 below.

2. The financial information has been extracted, without adjustment, from Vunani's audited consolidated financial statements at 29 February 2020.
3. Represents step 1 of the VCP Unbundling being the disposal of the Ferrox Shares by Vunani Capital to VCP as governed by the Implementation Agreement. The Ferrox Shares will be disposed of for R5.6 million which will be settled by VCP issuing and allotting 4 540 582 Ferrox VCP Shares to Vunani Capital at R1.24 per Ferrox VCP Share. The deferred tax liability attributable to the disposal of the Ferrox Shares is R1 263 000 calculated at 22.4% using the effective Capital Gains Tax rate. The deferred tax liability will be transferred to VCP in terms of section 42 of the Income Tax Act.
4. Represents step 2 being the Internal Reorganisation and step 3 being the Distribution by Vunani Capital of VCP Shares to Vunani. The details of the impact of step 2 are set out below as governed by the Implementation Agreement.

The following Transaction Company Shares, Transaction Company Loans Receivable, Transaction Company Loans Repayable and the Force Holdings Option will be sold to VCP as one indivisible transaction for an amount of R176 171 297, based on amounts extracted without adjustment from the accounting records at 29 February 2020 underlying the audited consolidated financial statements, calculated as follows:

- 4.1 The Transaction Company Shares Purchase Price amounting to R171 747 292.
- 4.2 Add the Transaction Company Loans Receivable Purchase Price amounting to R12 957 401 - the aggregate face value of the Transaction Company Loans Receivable including accrued but unpaid interest thereon, if applicable, as at the Step 2 Effective Date, comprising of the aggregate face value of the Transaction Company Loans Receivable only given that the Transaction Company Loans Receivable are interest free at 29 February 2020.
- 4.3 Less the face value of the Transaction Company Loans Repayable amounting to R2 034 046.
- 4.4 Less the face value of the Force Holdings Option amounting to R6 499 350.

The total purchase consideration of R176 171 297 as calculated above, will be settled through the issue of 141 890 185 Step 3 VCP Shares to Vunani Capital at R1.24 per Step 3 VCP Share.

Below is the detail of the consolidated balances that are derecognised as part of step 2 of the VCP Unbundling:

Transaction company	Statement of financial position line affected	Consolidated net asset value disposed of R'000
Alliance Capital	Investments in associates	5 758
Anatrica AG	Investments in associates	*
Betbio Zambia	Investments in associates	*
SoftPawa Services Agreement	Trade receivable	786
Purpose Asset Management	Property, plant and equipment	3 326
	Other investments – current	1 158
	Taxation prepaid	17
	Trade and other receivables	906
	Cash and cash equivalents	7
	Foreign currency translation reserve	7 050
	Non-controlling interest	(1 782)
	Deferred tax liabilities	(193)
	Trade and other payables	(130)
Vunani Fintech Fund	Investments in associates	*
Verbicept	Investments in associates	52 732
	Deferred tax asset	1 456
	Other financial liabilities	(6 499)
Vunani Mining	Other investments – non-current	73 601
	Other non-current assets	33 302
	Trade and other payables	(122)
Vunani Properties	Investments in associates	*
Vunani Resources [#]	Property, plant and equipment	900
	Deferred tax asset	181
	Inventory	65 631
	Trade and other receivables	17 952
	Cash and cash equivalents	8 126
	Share based payment reserve	(314)
	Non-controlling interest	(2 114)
	Other financial liabilities	(2 804)
	Taxation payable	(244)
	Trade and other payables	(86 939)
Net assets valued disposed		171 748

* Less than R100.

[#] Subsequent to year-end as disclosed in note 48 to the audited consolidated financial statements, the Group made a decision to dispose of a portion of the commodities trading business held within the Group's investment in Vunani Resources to Anatrica AG. The disposal will result in a significant decrease in the Group's inventory, trade and other receivables and trade and other payables balances. Certain conditions still need to be met for the sale to be concluded. VCP will own 29.5% of the shares of Anatrica AG.

Below is the detail of the transaction company loans receivables and transaction company loans repayables:

Transaction company	Statement of financial position line affected	Consolidated net transaction company loans receivable R'000
Verbicept	Transaction loans repayable	(346)
Vunani Mining	Transaction loans receivable	9 225
Vunani Properties	Transaction loans receivable	3 732
Vunani Resources	Transaction loans repayable	(1 688)
Net transaction company loans receivable		10 923

5. Represents step 4 which is the issue of the VL Issue Shares to VCP as governed by the Implementation Agreement. Vunani will issue and VCP will subscribe for the VL Issue Shares for an amount of R18 282 641. The VL Issue Shares subscription price will be discharged by the issue of 14 725 028 Step 4 VCP Shares at R1.24 per Step 4 VCP Shares. The terms of the VL Preference Shares are such that, *inter alia*, all contractual rights to cash flows related to the AL Shares, the AL Distributions, will be transferred to VCP.

In terms of IFRS 9: *Financial Instruments* an entity shall derecognise a financial asset when the contractual rights to the cash flows from the financial asset (i.e. the AL Shares) are transferred to another entity and when substantially all of the risks and rewards of ownership of the financial asset are transferred (i.e. the AL Distributions to VCP). Based on this pass-through arrangement, the AL shares have been derecognised and accordingly no liability is raised for the VL Preference Shares.

The investment in VCP will also be unbundled to Vunani Shareholders.

6. Represents step 5 which is the VCP Unbundling to the Vunani Shareholders as governed by the Implementation Agreement. The 161 155 795 VCP Shares held by Vunani shall be distributed to Vunani Shareholders as a distribution in specie, subject to compliance with section 46 of the Companies Act and Section 46 of the Income Tax Act at the value R200 027 000, being the fair value of the assets being distributed. In terms of IFRIC 17, Distributions of Non-cash Assets to Owners, all the assets being distributed need to be fair valued on the date of distribution. The private equity assets held in subsidiaries and associates, that are being unbundled, are carried at their consolidated net asset value on Vunani's statement of financial position and were thus required to be fair valued at 29 February 2020. The carrying value of the investment in VCP being distributed is R195 669 000 resulting in a gain on the distribution of the VCP Shares of R 4 358 000. The fair value of the distribution is calculated on the basis of Vunani's valuation of its investment in VCP. The valuation of its investment in VCP was determined by valuing the underlying private equity assets using various valuation methodologies depending on the nature of the asset as set out below. The actual valuation will only be determined at the point of the VCP Unbundling which may result in a materially different gain/loss on distribution of the VCP Shares to the profit shown.

Valuation methodologies applied in respect of the Private Equity Assets being distributed are as follows:

Private equity asset	Valuation methodology	Fair value (R'000)
Alliance Capital	Discounted cash flow	3 694
Anatrica AG	Discounted cash flow	*
Betbio Zambia	Discounted cash flow	12 328
Ferrox	Latest transaction	4 375
SoftPawa Services Agreement	As per agreement	6 268
Purpose Asset Management	Discounted cash flow	3 608
Vunani Fintech Fund	Net asset value	*
Verbicept	Net asset value	47 343
Vunani Mining	Discounted cash flow, Monte Carlo simulation	116 006
Vunani Properties	Discounted cash flow	*
Vunani Resources	Net asset value	6 405
Total		200 027

* Less than R100.

7. Represents the effect of the VCP Unbundling on the accumulated loss being; transaction costs of R3 000 000 (which will not have a continuing impact)
8. Net asset value per share is calculated as the equity attributable to the equity holders of Vunani divided by all shares in issue, including the treasury shares
9. Net tangible asset value per share is calculated as the equity attributable to the equity holders of Vunani, excluding goodwill and intangible assets, divided by all shares in issue, including treasury shares.

Pro forma consolidated statement of comprehensive income for the year ended 29 February 2020

Figures in R'000s	Vunani Limited Group 29 February 2020 Audited Note 2	Ferrox share sale <i>Pro forma</i> Note 3	Internal reorganisation <i>Pro forma</i> Note 4	Derecognition of AL Shares <i>Pro forma</i> Note 5	Fair value adjustment prior to unbundling <i>Pro forma</i> Note 6	Other unbundling adjustments <i>Pro forma</i> Note 7	Vunani Limited Group <i>pro forma</i> <i>Pro forma</i> Note 8
Revenue	462 156	–	(106 131)	–	–	9 425	365 450
Other income	12 950	–	(3 113)	–	–	–	9 837
Bargain purchase gain	34 889	–	–	–	–	–	34 889
Investment income	12 386	–	(7 109)	–	–	–	5 277
Interest from investments	6 023	–	–	–	–	–	6 023
Impairments	(4 264)	–	851	–	–	–	(3 413)
Fair value adjustments	(30 370)	1 173	16 251	(240)	4 358	–	(8 828)
Foreign currency translation reserve reclassified to profit or loss	–	–	980	–	–	–	980
Equity accounted earnings (net of income tax)	9 968	–	(9 841)	–	–	–	127
Commodities trading related costs	(83 374)	–	83 374	–	–	–	–
Operating expenses	(363 988)	–	23 812	–	–	(3 000)	(343 176)
Operating profit	56 376	1 173	(926)	(240)	4 358	6 425	67 166
Finance income	4 813	–	(31)	–	–	–	4 782
Finance costs	(9 801)	–	1 397	–	–	–	(8 404)
Net finance costs	(4 988)	–	1 366	–	–	–	(3 622)
Profit before income tax	51 388	1 173	440	(240)	4 358	6 425	63 544
Income tax expense	(11 920)	(263)	756	–	–	(2 639)	(14 066)
Profit for the year	39 468	910	1 196	(240)	4 358	3 786	49 478
Other comprehensive income							
Items that are or may be reclassified to profit or loss							
Exchange differences on translating foreign operations	(8 924)	–	9 297	–	–	–	373
Hyperinflation adjustments	(3 057)	–	3 057	–	–	–	–
Total comprehensive income for the year	27 487	910	13 550	(240)	4 358	3 786	49 851
Profit/(loss) attributable to:							
Equity holders of Vunani Limited	35 893	910	(35)	(240)	4 358	3 786	44 672
Non-controlling interest	3 575	–	1 231	–	–	–	4 806
Profit for the period	39 468	910	1 196	(240)	4 358	3 786	49 478
Total comprehensive income attributable to:							
Equity holders of Vunani Limited	28 126	910	7 995	(240)	4 358	3 786	44 935
Non-controlling interest	(639)	–	5 555	–	–	–	4 916
Total comprehensive income for the year	27 487	910	13 550	(240)	4 358	3 786	49 851
Basic earnings per share (note 7)	22.3	0.57	(0.02)	(0.15)	2.74	2.36	27.81
Diluted earnings per share (note 7)	22.3	0.57	(0.02)	(0.15)	2.74	2.36	27.81
Headline earnings per share (note 8)	0.6	0.57	(0.69)	(0.15)	–	2.36	2.69
Diluted headline earnings per share (note 8)	0.6	0.57	(0.69)	(0.15)	–	2.36	2.69
Weighted average number of shares ('000's)	160 616	–	–	–	–	–	160 616

Notes to the *pro forma* consolidated statement of comprehensive income assuming the VCP Unbundling took place at 1 March 2019:

1. The steps required to effect the VCP Unbundling include:
 - Step 1: the sale of the Ferrox Shares to VCP ("Ferrox share sale")
 - Step 2 and step 3: the transfer of the Transaction Company Shares, Transaction Company Loans Receivable, Transaction Company Loans Repayable and the Force Holdings Option to VCP to effect the separation of the private equity assets from the financial services assets ("internal reorganisation"). Vunani Capital will distribute to Vunani by way of a distribution *in specie* its investment in VCP.
 - Step 4: VCP will subscribe for preference shares in Vunani and be granted an option to subscribe for further preference shares should Vunani acquire additional shares in AL ("Issue of preference shares")
 - Step 5: Vunani will unbundle its investment in VCP by way of a distribution *in specie* to Vunani Shareholders ("Unbundle VCP to Vunani Shareholders")

The *pro forma* adjustments to the audited consolidated statement of comprehensive income as a result of the steps set out above are detailed in notes 3 to 6 below.

2. The financial information has been extracted, without adjustment, from Vunani's audited consolidated financial statements for the year ended 29 February 2020.
3. Represents the derecognition of the fair value adjustments, net of taxation, related to Ferrox that has been extracted without adjustment from the consolidation schedules underlying the audited consolidation financial statements for the year ended 29 February 2020. This adjustment will not have a continuing effect on the *pro forma* statement of comprehensive income.
4. Represents the derecognition and deconsolidation of the financial results of the Transaction Companies that form part of the Internal Reorganisation. The financial information has been extracted without adjustment from the consolidation schedules underlying the audited consolidated financial statements for the year ended 29 February 2020. These adjustments will not have a continuing effect on the *pro forma* statement of comprehensive income.

A summary of the financial statement captions impacted by the derecognition and deconsolidation are as follows:

Transaction company	Statement of comprehensive income line affected	Financial impact R'000
Alliance Capital	Equity-accounted earnings (net of income tax)	490
Anatrica AG	Equity-accounted earnings (net of income tax)	*
Betbio Zambia	Equity-accounted earnings (net of income tax)	(3 266)
SoftPawa Services Agreement	Other income	(3 113)
	Income tax expense	871
Purpose Asset Management	Revenue	(1 926)
	Fair value adjustments	(181)
	Reclassification of foreign currency translation reserve	980
	Operating expenses	1 742
	Income tax expense	(1)
	Current year exchange differences on translating foreign operations	9 297
	Hyper inflation adjustments	3 057
Vunani Fintech Fund	Equity-accounted earnings (net of income tax)	*
Verbicept	Equity-accounted earnings (net of income tax)	(7 065)
	Fair value adjustments	837
	Income tax expense	(187)
Vunani Mining	Investment revenue	(7 109)
	Fair value adjustments	14 931
	Operating expenses	127
Vunani Properties	Equity-accounted earnings (net of income tax)	*
Vunani Resources	Revenue	(104 205)
	Impairments	851
	Fair value adjustments	664
	Commodities related trading costs	83 374
	Operating expenses	21 943
	Finance income	(31)
	Finance costs	1 397
	Income tax expense	73
Total impact on profit for the year		13 550

* Less than R100.

5. Represents the reversal of the fair value adjustments on the AL Shares given the derecognition of the AL Shares due to the derecognition requirements of IFRS 9 being met. This adjustment will not have a continuing effect on the *pro forma* statement of comprehensive income.
6. Represents the difference between the carrying amount and fair value of the assets being distributed as an *in specie* dividend. This adjustment will not have a continuing effect on the *pro forma* statement of comprehensive income.
7. Represents the transaction costs of R3 000 000 incurred as a result of the VCP Unbundling as well as the revenue that will be received from VCP of R9 425 000 as determined based on the Management Services Agreement, net of taxation of R2 639 000. The management services fees are calculated as follows:

Management services fees	R'000
Monthly fees	7 595
Annual fees	1 830
Total	9 425

The transaction costs will not have a continuing effect on the *pro forma* statement of comprehensive income but the revenue from the Management Services Agreement will have a continuing effect on the *pro forma* statement of comprehensive income given that the Management Services Agreement is effective for a five-year period.

8. Basic earnings per share is calculated by dividing the profit after tax attributable to ordinary shareholders by the weighted average number of ordinary shares in issue, excluding treasury shares. Basic and diluted earnings per share are calculated by applying the requirements of IAS 33: *Earnings per share* ("IAS 33"). Diluted earnings per share is equal to basic earnings per share as there are no items that would have a dilutive impact to the basic earnings per share given that the existing employee shares do not have a dilutive effect for the year ended 29 February 2020 and the VCP Unbundling also has no impact.

The table below summarises the calculation of the basic and diluted earnings per share:

	R'000
Profit for the calculation of earnings per share	49 478
Earnings attributable to non-controlling interests	(4 806)
Total earnings for the purposes of basic and diluted earnings per share calculation	44 672
Weighted average number of shares in issue for the purposes of basic and diluted earnings per share calculation	160 616
Basic and diluted earnings per share (cents)	27.81

9. Headline earnings and diluted headline earnings have been calculated in accordance with the JSE Listings Requirements, and in terms of circular 1/2019 issued by the South African Institute of Chartered Accountants.

	Before unbundling R'000	After unbundling R'000
Total earnings for the purposes of basic and diluted earnings per share calculation	35 893	44 672
Adjusted for	-	-
IFRS 16: <i>Leases</i>		
Lease modification gain	(120)	(120)
Taxation*	-	-
Business combinations	-	-
Bargain purchase gain	(34 889)	(34 889)
Taxation*	-	-
Adjustment on distribution <i>in specie</i>		
Gain on fair value of asset distributed	-	(4 358)
Taxation*	-	-
Foreign currency translation reserve reclassified	-	(980)
Taxation*	-	-
Headline earnings	884	4 325
Weighted average number of shares in issue for the purposes of headline and diluted headline earnings per share calculation	160 616	160 616
Basic and diluted headline earnings per share (cents)	0.6	2.69

* The tax effect of the adjustment is nil.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF THE VUNANI GROUP *PRO FORMA* FINANCIAL INFORMATION

The Directors
 Vunani Limited
 Vunani House
 151 Katherine Street
 Sandown
 Sandton
 2031

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF THE VUNANI GROUP *PRO FORMA* FINANCIAL INFORMATION

To the directors of Vunani Limited

INTRODUCTION

The definitions commencing on page 5 of the Circular apply *mutatis mutandis* to this independent reporting accountant's assurance report ("Report") on the compilation of the Vunani Group's *Pro forma* Financial Information (defined below).

We have completed our assurance engagement to report on the compilation of the Vunani Group's *Pro forma* Financial Information by the Directors. The Vunani Group's *Pro forma* Financial Information consists of:

- the *pro forma* net asset value per share and net tangible asset value per share of the Vunani Group, the *pro forma* consolidated statement of financial position of the Vunani Group, including a reconciliation showing all of the *pro forma* adjustments to the stated capital, accumulated loss and other reserves relating to the Vunani Group, and the related notes, set out in Appendix 1 and section 14 of the Circular, (collectively the "*Pro forma* SOFP"), as if the VCP Unbundling ("*VCP Unbundling*") had taken place on 29 February 2020.
- the *pro forma* basic and diluted earnings per share, headline and diluted headline earnings per share of the Vunani Group, *pro forma* consolidated statement of comprehensive income and the related notes, set out in Appendix 1 and section 14 of the Circular (collectively the "*Pro forma* SOCI"), as if the Unbundling has taken place on 1 March 2019.

The *Pro forma* SOFP and the *Pro forma* SOCI are collectively referred to as the "*Pro forma Financial Information*" of the Vunani Group for purposes of this Report. The applicable criteria on the basis of which the Directors have compiled the *Pro forma* Financial Information is specified in the Listings Requirements of the JSE Limited ("*JSE Listings Requirements*") and described in the basis of preparation paragraph of Appendix 1 of the Circular.

The purpose of the *Pro forma* Financial Information included in the Circular is solely to illustrate the impact of the VCP Unbundling on the unadjusted audited consolidated financial statements as if the implementation of the VCP Unbundling had been undertaken on 1 March 2019 for purposes of the *Pro forma* SOCI and on 29 February 2020 for purposes of the *Pro forma* SOFP. Accordingly, we do not provide any assurance that the actual outcome of the VCP Unbundling, subsequent to its implementation, will be as presented in the *Pro forma* Financial Information.

As part of this process, the basic earnings, diluted basic earnings, headline earnings and diluted headline earnings, consolidated statement of comprehensive income for the year ended 29 February 2020 and the net asset value, net tangible asset value and consolidated statement of financial position of the Group at 29 February 2020 have been extracted by the Directors from the Vunani Group's audited consolidated financial statements as at and for the year ended 29 February 2020 ("*Audited Financial Information*").

DIRECTORS' RESPONSIBILITY FOR THE *PRO FORMA* FINANCIAL INFORMATION

The Directors are responsible for compiling the *Pro forma* Financial Information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in the basis of preparation paragraph in Appendix 1 of the Circular ("*Applicable Criteria*").

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of Sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality

and professional behaviour. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively.

KPMG Inc. applies the International Standard on Quality Control 1, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

INDEPENDENT REPORTING ACCOUNTANT'S RESPONSIBILITIES

Our responsibility is to express an opinion, based on our procedures performed, about whether the *Pro forma* Financial Information has been compiled, in all material respects, by the Directors on the basis of the Applicable Criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* which is applicable to an engagement of this nature, issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the *Pro forma* Financial Information has been compiled, in all material respects, on the basis of the Applicable Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *Pro forma* Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *Pro forma* Financial Information.

The purpose of the *Pro forma* Financial Information included in the Circular is solely to illustrate the impact of the VCP Unbundling on the unadjusted Audited Financial Information as if the implementation of the VCP Unbundling had been undertaken on 1 March 2019 for purpose of the *pro forma* SOCI and on 29 February 2020 for purposes of the *pro forma* SOFP. Accordingly, we do not provide any assurance that the actual outcome of the implementation of the VCP Unbundling, will be as presented in the *Pro forma* Financial Information.

A reasonable assurance engagement to report on whether the Yunani Group's *Pro forma* Financial Information has been properly compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the Yunani Group's *Pro forma* Financial Information provides a reasonable basis for presenting the significant effects directly attributable to the Unbundling and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to the Applicable Criteria; and
- The *Pro forma* Financial Information reflects the proper application of those *pro forma* adjustments to the unadjusted Audited Financial Information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the VCP Unbundling in respect of which the *Pro forma* Financial Information has been compiled and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *Pro forma* Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *Pro forma* Financial Information has been compiled, in all material respects, on the basis of the Applicable Criteria.

Restriction on Use

This Report has been prepared for the purpose of satisfying the requirements of the JSE Listings Requirements, and for no other purpose.

KPMG Inc.
Registered Auditor

Per VT Mans
Chartered Accountant (SA)
Registered Auditor
Director
20 November 2020

KPMG Crescent
85 Empire Road
Parktown
Johannesburg

SCHEDULE OF INVESTMENTS AND THE RELATED DISCLOSURES

The purpose of this information is to provide shareholders with additional information relating to the investments being unbundled as part of the VCP Unbundling to assist them in making a decision on how they wish to vote.

Schedule of Investments for the year ended 29 February 2020

Figures R'000		2020	2019
Investment in associates	Note 2	61 876	53 422
Investment in subsidiaries	Note 3	13 632	29 082
Other investments	Note 4	98 680	76 722
Other non-current assets	Note 5	33 302	70 881
Other financial liabilities	Note 6	6 499	5 663

1. BASIS OF PREPARATION OF INVESTMENT SCHEDULE AND RELATED NOTES

(a) Statement of compliance

The schedule of investments and related financial liabilities and related disclosures have been prepared in accordance with International Financial Reporting Standards (IFRS) from the information extracted from the underlying accounting records and consolidated financial statements of Vunani for the year ended 29 February 2020. The aggregate of the investments was included in the audited financial statements of Vunani for the year ended 29 February 2020.

The schedule of investments and related disclosures have been prepared under the supervision of T Mika, CA(SA), the Group chief financial officer.

(b) Basis of measurement

The schedule of investments and related disclosures is prepared on the historical cost basis, except for certain financial instruments (which include other investments, other non-current assets and certain other financial liabilities), which are measured at fair value.

(c) Presentation currency

The financial statements are presented in South African Rand, which is the Group's presentation currency.

All financial information presented in South African Rand have been rounded to the nearest thousand unless indicated otherwise.

(d) Use of estimates and judgements

The preparation of the schedule of investments in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Although estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised, if revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 7 – determining fair value of financial instruments based on significant unobservable inputs.
- Notes 2 and 7 – equity accounted investees: whether the Group has significant influence and impairment losses on loans to associates.

2. INVESTMENT IN ASSOCIATES

R'000	Investment in associates	Loans to associates	Total
2020			
Balance at 28 February 2019	51 963	1 459	53 422
Loans advanced	–	2 494	2 494
Equity-accounted earnings	9 793	–	9 793
Dividends paid	(3 266)	–	(3 266)
Loan repaid	–	(567)	(567)
Closing balance	58 490	3 386	61 876
2019			
Balance at 28 February 2018	47 296	179	47 475
Increase in investments in associates	*	–	*
Loans advanced	–	1 280	1 280
Equity accounted earnings	5 187	–	5 187
Dividends paid	(534)	–	(534)
Translation gains on foreign investments and loans	14	–	14
Closing balance	51 963	1 459	53 422

* Less than R100.

Associate company	Cost of investment	Loan to associate	Impairments	Cumulative equity earnings net of dividends	Net carrying amount
2020					
Alliance Capital Limited	4 803	–	–	955	5 758
Black Wattle Colliery Proprietary Limited	*	–	–	–	–
BetBio Zambia Ltd	*	–	–	–	*
Vunani Fintech Fund (previously named Tamlalor Proprietary Limited)	*	–	–	–	*
Vunani Properties	*	3 732	–	–	3 732
Verbicept Proprietary Limited	13 465	(346)	–	39 267	52 386
	18 268	3 386	–	40 222	61 876
2019					
Alliance Capital Limited	4 803	–	–	1 445	6 248
Black Wattle Colliery Proprietary Limited	*	–	–	–	–
BetBio Zambia Ltd	*	–	–	47	47
Vunani Fintech Fund (previously named Tamlalor Proprietary Limited)	*	–	–	–	*
Vunani Properties	*	1 238	–	–	1 238
Verbicept Proprietary Limited	13 465	221	–	32 202	45 888
	18 268	1 459	–	33 694	53 422

* Less than R100.

Figures in R'000	Effective ownership	Current assets	Cash and cash equivalents	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Net assets
2020									
Alliance Capital Limited	45%	59 746	4 677	10 770	75 193	(64 480)	(3 882)	(68 362)	6 831
Black Wattle Colliery (Proprietary) Limited	37.5%	54 166	26 430	192 039	272 635	(215 811)	(28 636)	(244 447)	28 188
BetBio Zambia Ltd	45%	757	8 844	55	9 656	(9 656)	–	(9 656)	*
Vunani Fintech Fund (previously named Tamlalor Proprietary Limited)	20%	30	16 359	85 598	101 987	(241)	(109 918)	(110 159)	(8 172)
Vunani Properties	70%	201	120	388	709	(7)	(3 732)	(3 739)	(3 030)
Verbicept Proprietary Limited	50%	–	10	130 333	130 343	(57)	(77 554)	(77 611)	52 732
		114 900	56 440	419 183	590 523	(290 252)	(223 722)	(513 974)	76 549
2019									
Alliance Capital Limited	45%	7 179	168	3 886	11 233	(3 313)	–	(3 313)	7 920
Black Wattle Colliery Proprietary Limited	37.5%	126 829	42 269	156 759	325 857	(156 069)	(100 342)	(256 411)	69 446
BetBio Zambia Ltd	45%	470	11 322	37	11 830	(11 701)	(23)	(11 724)	106
Vunani Fintech Fund (previously named Tamlalor Proprietary Limited)	20%	–	–	–	–	–	–	–	–
Vunani Properties	70%	–	–	138	138	–	(1 233)	(1 233)	(1 095)
Verbicept Proprietary Limited	50%	–	–	113 256	113 256	(355)	(67 234)	(67 589)	45 667
		134 478	53 759	274 076	462 314	(171 438)	(168 832)	(340 270)	122 044

* Less than R 1000.

	Effective ownership	Net asset value	Share of net assets	Loans to associates	Goodwill/ (bargain purchase)	Losses not accounted for	Option not yet exercisable	Net carrying amount
2020								
Associate company								
Alliance Capital Limited	45.0%	6 831	3 074	–	2 684	–	–	5 758
Black Wattle Colliery Proprietary Limited (refer to note 19)	37.5%	28 188	10 571	–	–	–	(10 571)	–
BetBio Zambia Ltd	45.0%	*	–	–	–	–	–	*
Vunani Fintech Fund (previously named Tamlalor Proprietary Limited)	20.0%	(8 172)	(1 634)	–	–	1 634	–	–
Vunani Properties	70.0%	(3 030)	(2 121)	3 732	–	2 120	–	3 732
Verbicept Proprietary Limited [#]	50.0%	52 732	52 732	(346)	–	–	–	52 386
		76 549	62 621	3 386	2 684	3 755	(10 571)	61 875
2019								
Alliance Capital Limited	45.0%	7 920	3 564	–	2 684	–	–	6 248
Black Wattle Colliery Proprietary Limited (refer to note 19)	37.5%	69 446	26 042	–	–	–	(26 042)	–
BetBio Zambia Ltd	45.0%	106	47	–	–	–	–	47
Vunani Properties	70.0%	(1 095)	(766)	1 238	–	766	–	1 238
Verbicept Proprietary Limited [#]	50.0%	45 667	45 667	221	–	–	–	45 888
		122 044	74 555	1 459	2 684	766	(26 042)	53 421

* Less than R100

[#] Vunani owns 100% of the ordinary shares in Verbicept. Force Holdings Proprietary Limited however holds a preference share in Verbicept which entitles it to 50% of the economic interest in the company. As such the effective ownership is 50%. Force Holdings' economic interest has been recognised as a liability in the company.

Figures in R'000	Revenue/ other income	Fair value adjustments	Depre- ciation and amorti- sation	Interest income	Interest expense	Income tax (expense)	Other expenses	Profit/(loss) and total compre- hensive income
For the year ended 29 February 2020								
Alliance Capital Limited	19 621	–	(678)	4 058	(5 672)	(31)	(16 208)	1 090
Black Wattle Colliery Proprietary Limited	566 690	–	(35 816)	–	(2 512)	(7 044)	(503 076)	18 242
Betbio Zambia Limited	59 568	–	(28)	–	–	–	(52 282)	7 258
Vunani Fintech Fund (previously named Tamlalor Proprietary Limited)	–	–	–	4 309	(9 918)	–	(2 561)	(8 170)
Vunani Properties Proprietary Limited	528	–	–	–	–	–	(2 461)	(1 933)
Verbicept Proprietary Limited	644	10 239	–	3	–	(3 748)	(74)	7 064
	647 051	10 239	(36 522)	8 370	(18 102)	(10 823)	(576 662)	23 551
For the year ended 28 February 2019								
Alliance Capital Limited	7 722	141	(547)	200	–	(194)	(6 957)	365
Black Wattle Colliery Proprietary Limited	800 177	–	(36 976)	402	(8 958)	(33 100)	(636 307)	85 238
Betbio Zambia Limited	67 804	–	(10)	–	–	–	(66 501)	1 293
Vunani Properties Proprietary Limited	–	–	–	–	–	–	(1 094)	(1 094)
Verbicept Proprietary Limited	–	7 089	–	(0)	–	(2 595)	(53)	4 441
	875 703	7 230	(37 533)	602	(8 958)	(35 889)	(710 912)	90 243

3. INVESTMENT IN SUBSIDIARIES

Figures in R'000	Effective owner- ship	Current assets	Cash	Non- current assets	Total assets	Current liabilities	Non- current liabilities	Total liabilities	Net assets
Subsidiary company 2020									
Purpose Vunani Private Limited	65%	2 081	7	3 326	5 414	(130)	(193)	(323)	5 091
Vunani Resources Proprietary Limited	75%	91 009	8 126	1 080	100 215	(91 675)	–	(91 675)	8 540
		93 090	8 133	4 406	105 629	(91 805)	(193)	(91 998)	13 631
Subsidiary company 2019									
Purpose Vunani Private Limited	65%	12 791	226	5 993	19 010	(1 737)	(194)	(1 931)	17 079
Vunani Resources Proprietary Limited	75%	76 108	78	1 787	77 973	(65 970)	–	(65 970)	12 003
		88 899	304	7 780	96 983	(67 707)	(194)	(67 901)	29 082

Figures in R'000	Revenue/ other income	Fair value adjust- ments	Depre- ciation and amorti- sation	Interest income	Interest expense	Income tax (expense)	Other expenses	Other compre- hensive income	Total compre- hensive income
For the year ended 29 February 2020									
Purpose Asset Management Private Limited	1 926	181	(58)	-	-	1	(1 684)	(12 354)	(11 988)
Vunani Resources Proprietary Limited	104 205	(664)	(354)	31	(1 397)	(73)	(104 963)	-	(3 215)
	106 131	(483)	(412)	31	(1 397)	(72)	(107 498)	(12 968)	(15 203)
For the year ended 28 February 2019									
Purpose Asset Management Private Limited	14 507	408	(450)	-	-	(1 198)	(11 808)	2 316	3 775
Vunani Resources Proprietary Limited	130 678	-	(255)	60	489	(2 836)	(121 644)	-	6 492
	145 185	408	(705)	60	489	(4 034)	(133 452)	2 316	10 267

4. OTHER INVESTMENTS

Figures in R'000	Opening balance	Fair value adjustments	Translation gain	Closing balance
2020				
Butsanani	50 951	22 650	-	73 601
African Legend	18 043	240	-	18 283
Ferrox	6 810	(1 172)	-	5 638
PVAM – listed Investments	918	181	59	1 158
	76 722	21 899	59	98 680
2019				
Butsanani	-	50 951	-	50 951
African Legend	12 273	5 770	-	18 043
Ferrox	6 810	-	-	6 810
PVAM – listed Investments	421	408	89	918
	19 504	57 129	89	76 722

	Number of shares	% holding	Listed	Unlisted	Fair Value
2020					
African Legend	2 248	2.40%	-	18 283	18 283
Ferrox	7 200	1.04%	-	5 638	5 638
PVAM – listed Investments	-	-	1 158	-	1 158
Butsanani	-	33.33%	-	73 601	73 601
			1 158	97 522	98 680

	Listed	Unlisted	Fair value
Disclosed as			
Non-current	-	97 522	97 522
Current	1 158	-	1 158
	1 158	97 522	98 680

	Number of shares	% holding	Listed	Unlisted	Fair value
2019					
African Legend	2 248	2.40%	–	18 043	18 043
Ferrox	4 800	1.04%	–	6 810	6 810
PVAM – listed Investments			918	–	918
Butsanani	–	33.33%	–	50 951	50 951
			918	75 804	76 722
			Listed	Unlisted	Fair value
Disclosed as					
Non-Current			–	75 804	75 804
Current			918	–	918
Total			918	75 804	76 722

5. OTHER NON-CURRENT ASSETS

Figures in R'000	Opening balance	Fair value adjustments	Closing balance
2020			
Black Wattle Option	70 881	(37 579)	33 302
2019			
Black Wattle Option	50 444	20 437	70 881

Black Wattle Option

During the 2010 financial year, Vunani Mining Proprietary Limited ("Vunani Mining"), obtained a 37.5% interest in Black Wattle through a vendor financed transaction. The 37.5% shareholding consists of 22.5% A ordinary shares and 15% ordinary shares. Vunani Mining has classified this investment as an associate as it has the ability to exercise significant influence in the company. Vunani Capital holds preference shares in Vunani Mining which confer on Vunani Capital the right to receive, out of the profits of Vunani Mining, preference dividends comprising 100% of the dividends received by Vunani Mining in respect of Black Wattle.

Vunani Mining is not entitled to share in the economic benefits of ownership until such time as the debt associated with the acquisition is settled. The debt would be redeemed through dividends received by Vunani Mining on the A ordinary shares. Cash flows relating to the 15% ordinary shares will be paid to Vunani Mining. The risks and rewards of ownership have not passed to Vunani Mining and accordingly Vunani equity accounts 0% of Black Wattle in profit or loss.

Vunani Mining benefits from the upside of the investment being dividends and the capital growth; however, it does not bear the downside of the risk. The substance of the transaction is a call option with dividend rights. Vunani Mining has therefore recognised an in-substance call option.

The option is a derivative financial instrument as defined by IFRS and is classified at fair value through profit or loss. The derivative is measured initially at fair value and subsequently at fair value with changes in fair value recognised in profit or loss.

On day one in 2010, the fair value of the in-substance call option was significantly greater than the R375 that was paid. The fair value amounted to R17.9 million. Since only R375 was paid, this resulted in a day-one gain of R17.9 million. The full gain was recognised over a five-year period to February 2016.

The option is revalued at each year end, with any movements in the value of the option being taken to profit or loss for the year. A Monte Carlo simulation valuation technique is applied to the unobservable inputs in order to determine the fair value.

6. OTHER FINANCIAL LIABILITIES

Figures in R'000	2020	2019
Other financial liabilities comprise: <i>Carried at fair value through profit or loss</i>		
Force Holdings Proprietary Limited	6 499	5 663
Total	6 499	5 663
Reconciliation of other financial liabilities		
Balance at the beginning of the year	5 663	5 084
Fair value adjustments through profit or loss	836	579
Balance at end of year	6 499	5 663
<i>Carried at fair value through profit or loss</i>		
Force Holding Proprietary Limited		
This represents the value of the option granted to Force Holdings Proprietary Limited to acquire Vunani's shareholding in Verbicept Proprietary Limited, at a 10% discount to the fair value calculated in terms of an agreement with Force Holdings Proprietary Limited.	6 499	5 663
Total	6 499	5 663
Total liabilities	6 499	5 663
Less: Current portion	–	–
Non-current liabilities	6 499	5 663

7. FINANCIAL INSTRUMENTS

Liquidity risk

Figures in R'000	Carrying amount	Undiscounted contractual cash flows	Less than 1 year	1 – 5 years	Greater than 5 years
2020					
<i>Non-derivative financial liabilities</i>					
Other financial liabilities at fair value through profit or loss	(6 499)	(6 499)	(6 499)	–	–
Force Holdings Proprietary Limited	(6 499)	(6 499)	(6 499)	–	–
2019					
<i>Non-derivative financial liabilities</i>					
Other financial liabilities at fair value through profit or loss	(5 663)	(5 663)	(5 663)	–	–
Force Holdings Proprietary Limited	(5 663)	(5 663)	(5 663)	–	–

Market risk

Equity price risk

The Group is exposed to equity price risk on its listed and unlisted investments. The investments are not hedged. The primary goal of the Group's investment in equity securities is to hold the investments for the long term for strategic purposes. Management is assisted by the investment committee in this regard. Certain investments are designated as at fair value through profit or loss because their performance is actively monitored and they are managed on a fair value basis.

Figures in R'000	2020	2019
Unlisted financial assets at fair value through profit or loss		
Other Investments	97 522	75 805
Butsanani	73 601	50 951
Ferrox	5 638	6 810
African Legend	18 283	18 043
<i>Other non-current assets</i>		
Black Wattle Option	33 301	70 881
<i>Listed financial assets at fair value through profit or loss</i>		
Other Investments		
PVAM listed assets	1 158	918
	131 982	147 603

For the sensitivity analysis on equity price risk, refer to page 39.

Foreign currency risk

The Group is exposed to foreign currency risk on its investments in subsidiaries and investments in associates that carry businesses outside of the Republic of South Africa and other investments held in foreign countries. The Group does not hedge against foreign currency exposures on its investments.

Effect on statement of comprehensive income (profit/(loss) and equity before taxation.

The Group's exposure to the changes in the US dollar on the profit or loss recognised in its consolidated financial statements is analysed below.

Figures in R'000	2020	2019
10% increase	(444)	(182)
PVAM	(395)	(18)
Alliance Capital Holdings	(49)	(164)
10% decrease	444	182
PVAM	395	18
Alliance Capital Holdings	49	164

Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was:

Figures in R'000	2020	2019
Loans to associates (net of impairment)		
Vunani Properties	3 732	1 238
Verbicept Proprietary Limited	–	221
	3 732	1 459

Impairment losses

The ageing of financial assets at the reporting date was:

Figures in R'000	2020	2019
Stage 1		
Vunani Properties	3 732	1 238
Verbicept Proprietary Limited	–	221
Impairment	–	–
	3 732	1 459

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses ("ECL") – the ECL model. This replaces IAS 39's incurred loss model. Instruments within the scope of the new requirements included loans and other debt type financial assets measured at amortised cost, and trade receivables measured under IFRS 9.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead, the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Measurement of the ECL is determined by a probability weighted estimate of credit losses over the expected life of the financial instrument.

Fair values

The fair value of a financial instrument is the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is a presumption that an entity is a going concern without any intention or need to liquidate, to curtail materially the scale of its operations or to undertake a transaction on adverse terms. Fair value is not, therefore, the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distressed sale.

Valuation methodologies

The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions.

Quoted price

A financial instrument is regarded as quoted in an active market if quoted prices are readily available from an exchange, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The appropriate quoted market price for an asset held or a liability to be issued is usually the current bid price and, for an asset to be acquired or a liability held, the asking price.

The existence of published price quotations in an active market is the best evidence of fair value and, where they exist, they are used to measure the financial asset or financial liability. A market is considered to be active if transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis. Financial instruments fair valued using quoted prices would generally be classified as level 1 in terms of the fair value hierarchy.

Valuation techniques

Where a quoted price does not represent fair value at the measurement date or where the market for a financial instrument is not active, the Group establishes fair value by using an alternative valuation technique. These valuation techniques include:

Ferrox

- using a recent arm's length market transaction between knowledgeable parties.

Butsanani

- discounted-cash flow analysis.

Black Wattle Option

- discounted-cash flow analysis; and
- option pricing model.

African Legend

- reference to the value of the net assets of the underlying business.

Force Holdings Option

- reference to the value of the net assets of the underlying business.

In applying valuation techniques, the Group uses estimates and assumptions that are consistent with available information about the estimates and assumptions that market participants would use in setting a price for the financial instrument.

Valuation techniques applied by the Group would result in financial instruments being classified as level 2 or level 3 in terms of the fair value hierarchy. The determination of whether a financial instrument is classified as level 2 or level 3 is dependent on the significance of observable inputs versus unobservable inputs in relation to the fair value of the financial instrument.

Valuation methodologies and techniques applied for level 3 financial instruments include a combination of discounted cash flow analysis, application of earnings multiples on sustainable after-tax earnings and/or current and projected net asset values to determine overall reasonability. The valuation technique applied to specific financial instruments depends on the nature of the financial instrument and the most appropriate valuation technique is determined on that basis.

Observable markets

Quoted market prices in active markets are the best evidence of fair value and are used as the basis of measurement, if available. A determination of what constitutes "observable market data" will necessitate significant judgement. It is the Group's belief that "observable market data" comprise

- prices or quotes from an exchange or listed markets in which there are sufficient liquidity and activity;
- proxy observable market data that is proven to be highly correlated and has a logical, economic relationship with the instrument that is being valued; and
- other direct and indirect market inputs that are observable in the marketplace.

Data is considered by the Group to be "observable" if the data is verifiable, readily available, regularly distributed, from multiple independent sources and transparent.

Data is considered by the Group to be "market-based" if the data is reliable, based on consensus within reasonable narrow, observable ranges, provided by sources that are actively involved in the relevant market and supported by actual market transactions.

It is not intended to imply that all of the above characteristics must be present to conclude that the evidence qualifies as observable market data. Judgement is applied based on the strength and quality of the available evidence.

Inputs to valuation techniques

Inputs are selected on a basis that is consistent with the characteristics of the instrument that market participants would take into account in a transaction for that instrument. Inputs to valuation techniques applied by the Group include, but are not limited to, the following:

Discount rate: Where discounted-cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the reporting date for an instrument with similar terms and conditions.

The time value of money: The business may use well-accepted and readily observable interest rates, or an appropriate swap rate, as the benchmark rate to derive the present value of a future cash flow.

Foreign currency exchange prices: Active currency exchange markets exist for most major currencies, and prices are quoted daily on various trading platforms and in financial publications.

Commodity prices: Observable market prices are available for those commodities that are actively traded on exchanges in South Africa and other commercial exchanges.

Equity prices: Prices (and indices of prices) of traded equity instruments are readily observable on the JSE Limited or any other recognised international exchange.

Volatility: Measures of the volatility of actively traded items can be reasonably estimated by the implied volatility in current market prices. In the absence of an active market, a methodology to derive these volatilities from observable market data will be developed and utilised.

Dividend yield: Dividend yield is represented as a percentage and is calculated by dividing the value of dividends paid in a given year per share held by the value of one share.

Earnings multiples: This is the share price divided by earnings per share ("EPS").

The following table sets out the Group's principal valuation techniques used in determining the fair value of financial assets and financial liabilities measured at fair value and classified as level 3 in the fair value hierarchy:

	Valuation technique	Key inputs	Unobservable input or range of estimates for unobservable input	Fair value measurement sensitivity to unobservable inputs
Assets				
Other investments – African Legend	Adjusted recent arm's length transaction [#]	Third party equity transaction value per share	R8.13 per share	A significant increase in the input would result in a higher fair value
Other investments – Black Wattle Option	Discounted cash flows	Discount rate	16%	A significant increase in the input would result in a lower fair value
		Life of mine	Four years	A significant increase in the input would result in a higher fair value
		Expected net cash flows derived from the entity	Investment based, including coal prices and mining production costs per tonne	A significant increase in expected net cash flows would result in a higher fair value. (An increase in coal prices per tonne would increase the fair value and conversely an increase in mining production costs would decrease the fair value).
	Monte Carlo simulation	Volatility	40% – 50%	A significant increase in the input would result in a higher fair value
		Dividend yield	27.54% – 100%	A significant increase in the input would result in a higher fair value
Other investments – Ferrox	Recent arms-length equity transaction with a third-party	Third party equity transaction value per share	R0.80 per share	A significant increase in the input would result in a higher fair value
		US \$ Rand foreign exchange rate	R15.55	A significant increase in the input would result in a higher fair value
Other investments – Butsanani	Discounted cash flows	Discount rate	9.87%	A significant increase in the input would result in a lower fair value
		Expected net cash flows derived from the entity	Investment based, including coal prices and mining production costs per tonne	A significant increase in expected net cash flows would result in a higher fair value. (An increase in coal prices per tonne would increase the fair value and conversely an increase in mining production costs would decrease the fair value)
		Life of mine	17 years	A significant increase in the input would result in a higher fair value
		Marketability discount	10%	A significant increase in the input would result in a lower fair value
		Minority discount	15%	A significant increase in the input would result in a lower fair value
Liabilities				
Other financial liabilities – Force Holdings option	Net asset value adjusted in terms of an agreement [*]		R3.03 per share	A significant increase in the input would result in a higher fair value
		Adjustment factor	10%	A significant increase in the input would result in a higher fair value

[#] The key driver of the net asset value is the underlying investment in Astron Energy (Pty) Ltd less external debt and the related deferred tax liability. Astron Energy is a leading supplier of petroleum products in South Africa.

^{*} The key driver of the net asset value is the Workforce Holdings Limited investment. Workforce is a group of companies that provides training, healthcare, wellness, financial services and lifestyle benefits to individuals and their employers.

Figures in R'000	Carrying amount 2020	Fair value 2020	Carrying amount 2019	Fair value 2019
Fair values				
Financial assets measured at fair value				
<i>Other investments</i>	98 680	98 680	76 722	76 722
Butsanani	73 601	73 601	50 951	50 951
Ferrox	5 638	5 638	6 810	6 810
PVAM	1 158	1 158	918	918
African Legend	18 283	18 283	18 043	18 043
<i>Other non-current assets</i>	33 302	33 302	70 881	70 881
Black Wattle Option	33 302	33 302	70 881	70 881
Financial assets measured at amortised cost				
Loans to associates	3 386	2 207	1 459	1 007
Verbicept	(346)	(283)	221	181
Vunani Properties	3 732	2 490	1 238	826
	135 368	134 189	149 062	148 610
Financial liabilities measured at fair value				
<i>Other financial liabilities at fair value through profit or loss</i>	(6 499)	(6 499)	(5 663)	(5 663)
Force Holdings Option	(6 499)	(6 499)	(5 663)	(5 663)
Total	128 869	127 690	143 399	142 947

The carrying amounts of cash and cash equivalents, trade and other receivables, bank overdraft, and trade and other payables reasonably approximate their fair values.

Fair value hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on inputs to valuation techniques used. The different levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of financial assets and liabilities is categorised as follows for the purpose of IFRS 13: *Fair Value Measurement*.

Figures in R'000	Level 1	Level 2	Level 3	Total
2020				
<i>Financial assets designated at fair value through profit or loss</i>				
Butsanani	–	–	73 601	73 601
Ferrox	–	–	5 638	5 638
Black Wattle Option	–	–	33 302	33 302
African Legend	–	–	18 283	18 283
PVAM	1 158	–	–	1 158
Financial assets designated at fair value through profit or loss				–
Force Holdings Option	–	–	(6 499)	(6 499)
	1 158	–	124 325	125 483
2019				
<i>Financial assets designated at fair value through profit or loss</i>				
Butsanani	–	–	50 951	50 951
Ferrox	–	–	6 810	6 811
Black Wattle Option	–	–	70 881	70 881
African Legend	–	–	18 043	18 043
PVAM	918	–	–	918
Financial assets designated at fair value through profit or loss	–	–	–	–
Force Holdings Option	–	–	(5 663)	(5 663)
	918	–	141 022	141 941

Figures in R'000	Balance at the beginning of the year	Total gains or losses in profit or loss	Balance at the end of the year
Butsanani	50 951	22 650	73 601
Ferrox	6 810	(1 172)	5 638
Black Wattle Option	70 881	(37 579)	33 302
Force Holdings Option	(5 663)	(836)	(6 499)
African Legend	18 043	240	18 283
	141 022	(16 697)	124 325

Effect of changes in significant unobservable inputs

The fair value measurement of financial instruments are, in certain circumstances, measured using valuation techniques that include assumptions that are not market observable. Where these scenarios apply, the Group performs a sensitivity analysis on the fair value of the relevant instruments. The following information is intended to illustrate the potential impact of the relative uncertainty in the fair value of financial instruments for which valuation is dependent on unobservable inputs and which are classified as level 3 in the fair value hierarchy. However, the disclosure is neither predictive nor indicative of future movements in fair value.

A change of 10% in the unobservable inputs of the investment and liability at the reporting date would have increased/ (decreased) equity and profit or loss by the amount shown below. This analysis assumes that all other variables remain constant.

Effect on statement of comprehensive income (profit/(loss) and equity before taxation

Figures in R'000	2020	2019
Net asset value		
10% increase	2 392	2 985
African Legend	1 828	1 804
Ferrox	564	1 181
10% decrease	(2 392)	(2 894)
African Legend	(1 828)	(1 804)
Ferrox	(564)	(1 090)
Free cash flow		
10% increase	10 040	11 617
Black Wattle Option	3 330	7 088
Butsanani	7 360	5 095
Other financial liabilities- Force Holdings Option	(650)	(566)
10% decrease	10 040	(12 749)
Black Wattle Option	3 330	(7 088)
Butsanani	7 360	(5 095)
Other financial liabilities- Force Holdings Option	(650)	(566)
Foreign exchange		
10% decrease	(10 939)	(12 183)
Black Wattle Option	(3 330)	(7 088)
Butsanani	(7 360)	(5 095)
Loans to associates	(249)	-

A change of 10% in the fair value of investments at the reporting date would have increased/(decreased) equity and profit or loss by the amount shown below. This analysis assumes that all other variables remain constant.

Effect on statement of comprehensive income (profit/(loss) and equity before taxation

Figures in R'000	2020	2019
10% increase		
Other Investments	9 752	7 580
Butsanani	7 360	5 095
Ferrox	564	681
African Legend	1 828	1 804
Other non-current assets		
Black Wattle Option	3 330	7 088
Listed financial assets at fair value through profit or loss		
Other Investments	-	-
PVAM listed assets	116	92
	13 198	14 760
10% decrease		
Other Investments	(9 752)	(7 580)
Butsanani	(7 360)	(5 095)
Ferrox	(564)	(681)
African Legend	(1 828)	(1 804)
Other non-current assets		
Black Wattle Option	(3 330)	(7 088)
Listed financial assets at fair value through profit or loss		
Other Investments		
PVAM listed assets	(116)	(92)
	(13 198)	(14 760)

INDEPENDENT REPORTING ACCOUNTANTS' REVIEW REPORT ON THE SCHEDULE OF INVESTMENTS AND THE RELATED DISCLOSURES

The Directors
Vunani Limited
Vunani House
151 Katherine Street
Sandown
Sandton
2031

Independent Reporting Accountant's Review Report on the Schedule of Investments and the Related Disclosures

To the directors of Vunani Limited

INTRODUCTION

The definitions commencing on page 10 of the Circular to which this report relates apply, *mutatis mutandis* to this independent reporting accountant's review report on the schedule of investments and related disclosures set out in Appendix 3 of this Circular (the "Report").

We have reviewed the investment in associates, investments in subsidiaries, other investments, other non-current assets and other financial liabilities and the related disclosures, as reflected in the schedule of investments and related disclosures for the year ended 29 February 2020, extracted from the audited consolidated financial statements of Vunani Limited for the year ended 29 February 2020 and the underlying accounting records, included in Appendix 3 of this Circular (the "Financial Information"), as required by paragraph 8.45(b) of the JSE Limited Listings Requirements.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL INFORMATION

The directors of Vunani Limited (the "Directors") are responsible for the preparation and presentation of the Financial Information in accordance with the basis of preparation set out in note 1 to schedule of investments and the related disclosures included in Appendix 3 of this Circular for purposes of compliance with paragraph 8.45 (b) of the JSE Listings Requirements and for determining that the basis of preparation is acceptable in the circumstances.

INDEPENDENT REPORTING ACCOUNTANT'S RESPONSIBILITY FOR THE REVIEWED SCHEDULE OF INVESTMENTS AND RELATED DISCLOSURES

Our responsibility is to express a review conclusion on the Financial Information, prepared in accordance with the basis of preparation set out in note 1 to the Schedule of Investments and the Related Disclosures included in Appendix 3 of this circular for purposes of compliance with paragraph 8.45 (b) of the JSE Listings Requirements, based on our review.

We conducted our review in accordance with the International Standard on Review Engagements ("ISRE") 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity ("ISRE 2410") read together with ISA 805 (Revised), Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement.

A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the Financial Information is not prepared in all material respects, in accordance with the basis of preparation set out in note 1 to the schedule of investments and the related disclosures, included in Appendix 3 of this Circular, respectively, and for purposes of compliance with paragraph 8.45(b) of the JSE Listings Requirements.

EMPHASIS OF MATTER – BASIS OF PREPARATION

We draw attention to the basis of preparation set out in note 1 to the schedule of investments and the related disclosures, included in Appendix 3 of this Circular, which describes the basis of preparation, including the approach to and the purpose for preparing the Financial Information. Our conclusion is not modified in respect of this matter.

PURPOSE OF THIS REPORT

This Report has been prepared for the purpose of satisfying the requirement of paragraph 8.45(b) of the JSE Listings Requirements, and for no other purpose.

KPMG Inc.
Registered Auditor

Per VT Mans
Chartered Accountant (SA)
Registered Auditor
Director
20 November 2020

KPMG Crescent
85 Empire Road
Parktown
Johannesburg

SALIENT TERMS OF THE MANAGEMENT SERVICES AGREEMENT

1. OVERVIEW

- 1.1 Pursuant to implementation of the Step 2 Effective Date, VCP will conduct the business in respect of the Private Equity Assets.
- 1.2 VCP wishes to appoint Vunani Capital on an exclusive basis to provide investment management, investment advisory and related services to VCP (the "Services"), with effect from the Step 2 Effective Date.

2. DURATION AND TERMINATION

- 2.1 The Management Services Agreement will commence on the Step 2 Effective Date, and endure for an initial term of five years thereafter, and will, unless otherwise terminated in accordance with the provisions of the Management Services Agreement, automatically renew for successive additional terms of one year, subject to paragraphs 2.2 and 2.3 below (the "Term").
- 2.2 Vunani Capital may terminate the Management Services Agreement on written notice to VCP delivered not later than six months prior to the expiration of the initial term or six months prior to any successive renewal term.
- 2.3 VCP may terminate the Management Services Agreement on written notice to Vunani Capital delivered not later than six months prior to the expiration of the initial term or six months prior to any successive renewal term, provided that VCP's shareholders have unconditionally approved such termination by ordinary resolution, and VCP provides a copy of such approval to Vunani Capital.

3. SERVICES

On and with effect from the Step 2 Effective Date, Vunani Capital will provide the Services to VCP.

4. FEES, PAYMENT AND EXPENSES

- 4.1 With effect from the Step 2 Effective Date, in consideration for Vunani Capital rendering the Services, VCP will pay to Vunani Capital, in accordance with paragraph 4.3 below:
 - 4.1.1 an amount equal to the actual costs incurred by Vunani Capital each month during the Term (the "Monthly Fee"), which shall be payable monthly for the duration of the Term;
 - 4.1.2 an amount calculated in accordance with the formula contemplated in paragraph 5 below (the "Annual Fee"), which shall be payable annually for the duration of the Term; and
 - 4.1.3 an amount equal to 5% of the enterprise value of VCP (the "Accumulated Fee"), which shall be payable within 30 days after the date on which the Management Services Agreement expires or is terminated (the "Termination Date").
- 4.2 The Monthly Fee, the Annual Fee and the Accumulated Fee (collectively, the "Service Fees") payable shall be exclusive of value-added tax and any other taxes or levies.
- 4.3 Vunani Capital shall calculate the Service Fees and shall provide VCP with a valid tax invoice:
 - 4.3.1 within 10 Business Days after the end of each calendar month during the Term, which sets out the applicable Monthly Fee due for the relevant period;
 - 4.3.2 within 10 Business Days after the audited financial statements of VCP are delivered to Vunani Capital each financial year of VCP, which sets out the applicable Annual Fee due for the relevant period; and
 - 4.3.3 within 10 days after the Termination Date, which sets out the Accumulated Fee due.
- 4.4 VC Partners shall pay the applicable Service Fees within 30 days after receipt of a valid tax invoice.
- 4.5 If any Service Fees or part thereof are not paid on the due date for payment, the amount outstanding shall accrue interest at the prime rate plus two percent.
- 4.6 With effect from the Step 2 Effective Date, in addition to the Service Fees, VCP shall reimburse Vunani Capital for reasonable expenses and disbursements incurred by Vunani Capital on behalf of VCP in connection with the provision of the Services, and necessary for the proper fulfilment thereof, upon submission in arrears of specified expense statements, substantiated by receipts.

5. CALCULATION OF THE ANNUAL FEE

5.1 The asset pool for purposes of the calculation of the Annual Fee is split into three categories:

- 5.1.1 an operating profit pool in respect of VCP ("Category A");
- 5.1.2 an asset pool with certain assets owned by VCP as at the Step 2 Effective Date listed in paragraph 5.2.3 below ("Category B"); and
- 5.1.3 an asset pool including all other assets owned by VCP from the Step 2 Effective Date and from time to time thereafter save for those in Category B ("Category C")

5.2 Category A

5.2.1 The operating profit pool of VCP shall equal the profit before tax as per the audited consolidated income statement of VCP calculated annually and shall be adjusted for non-cash items. As such, the following shall be deducted from the aforesaid profit before tax:

- 5.2.1.1 unrealised fair value gains and losses;
- 5.2.1.2 all impairments raised;
- 5.2.1.3 profit or loss on disposal of assets;
- 5.2.1.4 equity accounted earnings from associates;
- 5.2.1.5 foreign exchange gains and losses on intercompany loans;
- 5.2.1.6 FCTR movements;
- 5.2.1.7 IFRS 2 adjustments; and
- 5.2.1.8 intangible asset amortisation.

5.2.2 An analysis of impairments is performed and to the extent that these are considered permanent, the impairment is deducted from the profit before tax.

5.2.3 Category B

Category B assets are as follows:

- 5.2.3.1 all classes of shares in, and loans to, Workforce Holdings Limited (registration number 2006/018145/06), held directly or indirectly by VCP from time to time;
- 5.2.3.2 the cumulative, redeemable preference shares in Vunani, held by VCP from time to time;
- 5.2.3.3 all classes of shares in, and loans to, Black Wattle Colliery Proprietary Limited (registration number 1994/002802/07), held directly or indirectly by VCP from time to time.

5.2.4 The assets forming part of Category B shall be calculated on the basis of having a zero base cost allocated to them and therefore any cash inflows resulting from these assets are added to the pool without any cost being applied.

5.2.5 Category B will include actual cash received, less non-controlling interest and taxation on the sale of any such asset. This will include the following:

- 5.2.5.1 proceeds on disposal of the asset;
- 5.2.5.2 dividends received from associates and these assets; and
- 5.2.5.3 loan repayments from advances to these assets and associates.

5.3 Category C

5.3.1 The amount that is to be included in Category C will be the net proceeds on disposal of these assets less the initial investment cost (as originally incurred by Vunani or its relevant subsidiary at the time), less any subsequent investment costs, less a notional interest charge at the prime rate charged from the date of the acquisition of the relevant asset until the date of disposal thereof. Taxation and non-controlling interests would be deducted.

5.3.2 Category C will include the profit on the disposal of the relevant assets, less a notional cost of capital charge at the Prime Rate on the investment cost from the date of the original investment to the date proceeds were realised.

5.4 Calculation of the Annual Fee

The Annual Fee shall be calculated by adding the total amount of Category A, Category B and Category C (the "Net Profit") for the financial year in question, multiplied by:

- 5.4.1 12.5% in respect of that portion of the Net Profit that is less than R40 million;
- 5.4.2 10% in respect of that portion of the Net Profit that is more than R40 million but less than R80 million; and
- 5.4.3 7.5% respect of that portion of the Net Profit that is more than R80 million.

DETAILS OF TRANSACTION COMPANY LOANS PAYABLE AND TRANSACTION COMPANY LOANS RECEIVABLE

TRANSACTION COMPANY LOANS PAYABLE

Transaction Company	Gross value	Impairment	Carrying amount	Asset/liability
Vunani Resources	(1 687 948)		(1 687 948)	Liability
Verbicept	(346 098)		(346 098)	Liability

TRANSACTION COMPANY LOANS RECEIVABLE

Transaction Company	Gross value	Impairment	Carrying amount	Asset/liability
Vunani Properties	3 731 626		3 731 626	Asset
Vunani Mining	9 225 775		9 225 775	Asset

- The Transaction Company Loans Payable are shareholder loans which are interest free with no fixed repayment terms.
- The Transaction Company Loans Receivable are shareholder loans which are interest free with no fixed repayment terms.

DETAILS OF TRANSACTION COMPANY AGREEMENTS

Transaction Company	Transaction Company Agreements	Salient features
1. Alliance Capital	<p>Shareholders' agreement between Prudential Investments Limited, Augustine Willard Investment Solutions Limited, The Trustees of the Accord Trust, Alliance Capital Limited Employees Share Ownership Trust, Vunani Capital and Alliance Capital, undated.</p> <p>Support services agreement between Vunani Capital and Alliance Capital, dated on or about 22 March 2017</p>	<p>Shareholders agreement providing for terms which are customary of an agreement of this nature including:</p> <ul style="list-style-type: none"> ▪ Pre-emptive rights ▪ Appointments to the board ▪ Minority protection ▪ Payment of dividends ▪ Come along and tag along clauses. <p>Vunani Capital, as the service provider, shall provide a number of support services to Alliance Capital which include, but are not limited to the following:</p> <ul style="list-style-type: none"> ▪ Business development; ▪ Risk management; ▪ Research; ▪ Asset management strategies; and ▪ Systems and processes required in the provision of asset management services <p>The agreement will have an initial duration of 3 years, which period shall be deemed to have commenced on 1 September 2016 and renewed automatically for successive periods of three years unless terminated by either party, which termination must provide for a six month notice period.</p> <p>Either party may terminate the agreement if certain events occur including liquidation of the other party, deregistration of the other party or if the majority of the issued share capital of Alliance Capital is acquired by any other party not part of the "Group" (being an undefined term in the agreement).</p>
2. Betbio Zambia	<p>Software licence and technical services agreement between Betbio Zambia, Monica Musonda, Victor Sodala, Centum Investments Limited, Oribi, Qubicon, Vunani Capital and SoftPawa</p>	<p>Under this agreement SoftPawa as licensor to technology and related intellectual property related to sports betting activities has agreed to provide certain services of this nature to Betbio Zambia which is in the business of the provision and operating of sports betting and gambling facilities. The agreement entered into includes terms and conditions as set out below:</p> <ul style="list-style-type: none"> ▪ rights and obligations of both SoftPawa Betbio Zambia ("Parties) include: <ul style="list-style-type: none"> – regulatory compliance covering procurement of gaming licenses and tax compliance; and – provision of services to be provided to Betbio Zambia including recruitment of suitable staff, financial assistance where deemed necessary by SoftPawa to Betbio Zambia ▪ Termination of the agreement <ul style="list-style-type: none"> – The agreement has no fixed duration and is deemed effective from signature date until a termination event occurs. – SoftPawa may terminate the agreement at any time by giving 120 business days' notice. – Termination event includes amongst others change in control of Betbio Zambia, any failure by Betbio Zambia to meet its financial obligations under the agreement.
3. Purpose Asset Management	<p>Shareholders' agreement between Vunani Capital, Piteira Investments (Private) Limited, Sinariox Investments (Private) Limited, Peloton Investments (Private) Limited and the Patrick Kuona Family Trust, dated on or about 21 January 2013</p>	<p>Shareholders' agreement providing for terms which are customary of an agreement of this nature including:</p> <ul style="list-style-type: none"> ▪ Appointment of directors ▪ Quorum for directors' meetings and for shareholders' meetings – one member from Vunani Capital, Peloton and Piteria must be present in person or proxy for the shareholder meetings ▪ Minority protections, requiring unanimous approval or agreement by the shareholders of Purpose Asset Management ▪ Pre-emptive rights ▪ Tag along rights

Transaction Company	Transaction Company Agreements	Salient features
4. Vunani Fintech Fund	Shareholders' agreement between AYO, Bambelela, Vunani Capital and Vunani Fintech Fund, dated on or about 19 March 2020	<p>Vunani Capital is appointed as the service provider to the Vunani Fintech Fund</p> <p>Vunani Capital shall provide management services being the provision of investment advisory services and includes but is not limited to:</p> <ul style="list-style-type: none"> ▪ The identification and screening of investment opportunities that meet the investment mandate of the Company. ▪ Ongoing monitoring, support and providing advice to portfolio companies. ▪ Engaging with stakeholders of portfolio companies. ▪ Negotiate representation on the board of portfolio companies. ▪ Negotiate for the necessary minority protections in the constitutional documents of the portfolio companies. ▪ Evaluation, negotiate and implement the relevant exit mechanisms. <p>The management service agreement provides for the following standard clauses:</p> <ul style="list-style-type: none"> ▪ the agreement is effective 1 March 2019 for a three-year period, and Vunani Fintech Fund is entitled to terminate the agreement for convenience on two months' prior written notice to Vunani Capital. ▪ Management fees payable to Vunani Capital, being an annual fee payable monthly of 2% of R1 000 000 (one million Rand) for a period of three years from the effective date of the agreement.
5. Vunani Mining	Option agreement between Tutuni Investments 14, Vunani Capital and Vunani Mining, dated on or about 14 September 2015, in terms of which <i>inter alia</i> Tutuni Investments 14 grants an option to Vunani Capital to acquire 100% of the ordinary shares held by Tutuni Investments 14 in Vunani Mining.	<p>Vunani Capital has the right to acquire all the issued ordinary shares in Vunani Mining for a purchase consideration of R375.00 from Tutuni Investments 14 if the below responsibilities are adhered to.</p> <ul style="list-style-type: none"> ▪ The option commenced on the signature date of the agreement, and endures for a 10 year period. Vunani Capital is entitled to renew the option upon the expiry of the initial period for a further period of ten years on the same terms and conditions. ▪ The option may be exercised by Vunani Capital on written notice to Tutuni Investments 14. ▪ While the option is in force, the shares in Vunani Mining held by Tutuni Investments 14 may not be sold, ceded, pledged or offered as surety by without written consent of Vunani Capital.
6. Vunani Properties	Shareholders' agreement between the Eagle Trust, Vunani Capital and Vunani Properties, dated on or about 4 April 2019	<p>Shareholders' agreement providing for terms which are customary of an agreement of this nature including:</p> <ul style="list-style-type: none"> ▪ Appointments to the board ▪ Minority protections, being decisions of shareholders and directors which require the prior written approval of all shareholders of Vunani Properties ▪ Deemed offers ▪ Pre-emptive rights ▪ Come along rights.
7. Vunani Resources	Shareholders' agreement between Teyton Resources Proprietary Limited, Vunani Capital and Vunani Resources, dated on or about 14 September 2015	<p>Shareholders' agreement provides for terms which are customary of an agreement of this nature including:</p> <ul style="list-style-type: none"> ▪ Appointment of directors ▪ Quorum for directors' and shareholders' meetings ▪ Minority protections, requiring unanimous approval or agreement by all the shareholders of Vunani Resources; ▪ Pre-emptive rights ▪ Deemed offer ▪ Come-along and tag along rights

Counterparty	Agreements in relation to Ghana	
1. SoftPawa	Services agreement between SoftPawa and Vunani Capital, dated on or about 4 June 2020	<p>Vunani Capital, as the service provider, shall provide a number of services to SoftPawa including guidance and assistance in the expansion of SoftPawa into other African markets and continued business development within Ghana. SoftPawa shall pay Vunani Capital a service fee of 6% of gross profit, subject to certain adjustments as set out in the agreement ("Service Fee").</p> <p>The agreement became effective on 28 April 2020 notwithstanding the signature date and shall be in force until its termination.</p> <p>Either party may terminate the agreement by giving 30 business days' notice to the other party, with the agreement terminating at the expiry of such notice period.</p> <p>The agreement may be immediately terminated by a party if the other party if an event of insolvency occurs at the other party or if the other party suspends or ceases or threatens to suspend or cease, to carry on all or a substantial part of its business ("Insolvency Event").</p> <p>Should SoftPawa elect to terminate the agreement ("SoftPawa Termination") by giving 30 business days' notice (i.e. a termination not due to an Insolvency Event), SoftPawa shall not be required to pay the Service Fee to Vunani Capital, but rather a fixed and final service fee to be calculated as follows:</p> <p>If the SoftPawa Termination occurs on or prior to October 2023, a fixed fee of US\$8 million shall be payable</p> <p>If the SoftPawa Termination occurs on or after November 2023, a formula shall be used to calculate the fixed fee payable as follows: 2.5 x the average gross profit from the previous financial year (subject to adjustments as per the agreement) x 0.06.</p>
2. Great Oribi and Qubicon	Fee sharing arrangement between Vunani Capital and Great Oribi and Qubicon, dated on or about 5 May 2019	<p>The fee sharing agreement stipulates the percentages that the parties to the agreement shall share in, in respect of the fees earned by Vunani Capital from its relationship with Nova Vesta Limited ("Nova Vista Fees").</p> <p>The Nova Vista Fees shall be shares as followed:</p> <ul style="list-style-type: none"> ▪ Vunani Capital 50% ▪ Great Oribi 30% ▪ Qubicon 20%

DETAILS OF TRANSACTION COMPANY SHARES

Transaction Company	Number of shares in Transaction Company held by Vunani Capital prior to Fulfilment Date	Percentage of shares in Transaction Company held by Vunani Capital prior to Fulfilment Date
Alliance Capital	40 500 000	45%
Anatrica AG	2 925	29.25%
Betbio Zambia	4 500	45%
Purpose Asset Management	39 325	65%
Vunani Fintech Fund	24	20%
Verbicept	240	100%
Vunani Mining	375 redeemable participating preference shares of R1.00 each	100% redeemable participating preference shares of R1.00 each
	45 'Class A' cumulative redeemable preference shares of R1.00 each	15% 'Class A' cumulative redeemable preference shares of R1.00 each
Vunani Properties	120	70%
Vunani Resources	750	75%

TAXATION CONSIDERATION IN TERMS OF THE VCP UNBUNDLING

The summary below is a general guide and is not intended to constitute a complete analysis of the taxation consequences of the unbundling provisions in terms of South African taxation law. It is not intended to be, nor should it be considered as legal or taxation advice. Vunani and its advisers cannot be held responsible for the taxation consequences of the VCP Unbundling and therefore, Shareholders are advised to consult their own taxation advisers in this regard.

The VCP Unbundling will constitute a disposal by Vunani of all of the VCP Shares to Vunani Shareholders. It is the intention that the disposal will be effected utilising the tax concessions provided for in section 46 of the Income Tax Act.

The concessions provided for in section 46 of the Income Tax Act are outlined below:

1. DISPOSAL OF VCP SHARES BY VUNANI

The distribution of VCP Shares by Vunani, in terms of the VCP Unbundling, will be disregarded by Vunani in determining its taxable income or assessed loss in the year of assessment that the VCP Unbundling takes place. On the basis that Vunani holds the VCP Shares as capital assets, the VCP Unbundling should not attract CGT.

2. VUNANI LIMITED SHARES HELD AS TRADING STOCK

Any Shareholder holding Vunani Shares as trading stock will be deemed to acquire the unbundled VCP Shares as trading stock. The combined expenditure of such Vunani Shares and VCP Shares will be the amount originally taken into account by the Shareholder in respect of the Vunani Shares and VCP Shares, as contemplated in section 11(a), section 22(1), or section 22(2) of the Income Tax Act.

The original expenditure incurred in respect of the Vunani Shares and VCP Shares will be apportioned between the Vunani Shares and VCP Shares by applying the ratio that the market value of VCP Shares bears to the sum of the market value of the Vunani Shares and VCP Shares at the end of the day after the Unbundling. Vunani will advise Shareholders of the specified ratio by way of an announcement to be released on SENS on or about Wednesday, 27 January 2021. This ratio must be used in the determination of any profits or losses derived on any future disposals of the unbundled VCP Shares or Vunani Limited Shares.

The expenditure so allocated to the unbundled VCP Shares will reduce the expenditure of the Vunani Limited Shares held, thus allocating the expenditure between the Vunani Shares and the unbundled VCP Shares.

3. VUNANI SHARES HELD AS CAPITAL ASSETS

Any Shareholder holding Vunani Shares as capital assets will be deemed to acquire the unbundled VCP Shares as capital assets. The original expenditure incurred in respect of the Vunani Shares, in terms of paragraph 20 of the Eighth Schedule to the Income Tax Act, and (where applicable) the CGT valuation of the Vunani Shares, as contemplated in paragraph 29 of the Eighth Schedule to the Income Tax Act, will be apportioned between the VCP Shares and the Vunani Shares by applying the ratio that the market value of VCP Shares bears to the sum of the market values of the VCP Shares and Vunani Shares at the end of the day after the Unbundling. Vunani Limited will advise Shareholders of the specified ratio by way of an announcement to be released on SENS on or about Wednesday, 27 January 2021. This ratio must be used in the determination of the capital gain or loss derived on any future disposals of the unbundled VCP Shares or Vunani Shares.

The base cost so allocated to the unbundled VCP Shares will reduce the base cost of the Vunani Shares held, thus allocating the base cost between the Vunani Shares and the unbundled VCP Shares.

Shareholders will be deemed to have acquired the unbundled VCP Shares on the date on which the Vunani Shares were originally acquired.

4. SECURITIES TRANSFER TAX

The registration/transfer of the unbundled VCP Shares in the names of the Shareholders will be exempt from the payment of any STT in terms of section 8(1)(a)(iv) of the STT Act.

5. DIVIDENDS TAX AND RETURNS OF CAPITAL

In terms of sections 46(5) and 46(5A) of the Income Tax Act, the distribution of the VCP Shares must be disregarded for Dividends Tax purposes and must also not be treated as a return of capital for the purposes of paragraph 76B of the Eighth Schedule to the Income Tax Act.

6. DISQUALIFIED PERSONS

The provisions of section 46(7) of the Income Tax Act should not apply to the VCP Unbundling provided as at the date of the VCP Unbundling none of the Vunani Shareholders who constitute disqualified persons, hold whether alone or together with any connected person (who is also a disqualified person) in relation to that Vunani Shareholder immediately after the VCP Unbundling, holds 20% or more of the ordinary issued share capital of VCP. In addition, none of the Vunani Shareholders who constitute disqualified persons hold at least 5% of the "equity shares" in Vunani prior to the VCP Unbundling

A disqualified person is a person who is not a resident, the government, provincial administration or a municipality, a Public Benefit Organisation (as defined in section 30 of the Income Tax Act), a recreational club (as defined in section 30A of the Income Tax Act), a company or trust contemplated in section 37A of the Income Tax Act, a fund contemplated in section 10(1)(d)(i) or (ii) of the Income Tax Act or a person contemplated in section 10(1)(cA) or (t) of the Income Tax Act.

7. NON-RESIDENT SHAREHOLDERS

Shareholders who are non-resident for tax purposes in South Africa are advised to consult their own professional tax advisers regarding the tax treatment of the VCP Unbundling in their respective jurisdictions, having regard to the tax laws in their jurisdiction and any applicable tax treaties between South Africa and their country of residence.

EXCHANGE CONTROL CONSIDERATION IN TERMS OF THE VCP UNBUNDLING

The following is a summary of the Exchange Control Regulations insofar as they have application to Shareholders and is not a comprehensive statement of the South African Exchange Control Regulations.

Shareholders who are in any doubt as to the action to be taken should consult their professional advisers immediately.

INSOFAR AS THE VCP UNBUNDLING IS CONCERNED

1.1 Residents of the Common Monetary Area

For all Shareholders whose addresses are within the Common Monetary Area and whose Documents of Title or accounts have not been restrictively endorsed in terms of the Exchange Control Regulations, the distribution *in specie* of the VCP Shares will be freely made to the Shareholders.

1.2. Emigrants from the Common Monetary Area

1.2.1 Certificated Shareholders

The share certificates for the shares issued in favour of any emigrant Shareholder pursuant to the distribution *in specie* will be restrictively endorsed "non-resident" and sent to the authorised dealer controlling such emigrant's remaining assets. In terms of the Exchange Control Regulations, such VCP Shares are not freely transferable from the Common Monetary Area. The authorised dealer or its CSDP will ensure that all requirements of exchange control are adhered to in respect of their clients falling into this category of investor.

1.2.2 Dematerialised Shareholders

The shares issued in favour of any emigrant Shareholder pursuant to the distribution *in specie* will be restrictively endorsed "non-resident" by an appropriate electronic entry made in the relevant register reflecting a "non-resident" endorsement and will be credited to their share accounts at the CSDP controlling their remaining portfolios. In terms of the Exchange Control Regulations, such VCP Shares are not freely transferable from the Common Monetary Area. The CSDP will ensure that all requirements of exchange control are adhered to in respect of their clients falling into this category of investor.

1.3 All other non-residents of the Common Monetary Area

1.3.1 Certificated Shareholders

Non-resident Shareholders whose Documents of Title are endorsed "non-resident" will receive their VCP Shares which are similarly endorsed. The Broker or the Transfer Secretaries will ensure that all exchange control requirements are adhered to in respect of these shares.

1.3.2 Dematerialised Shareholders

Non-resident Shareholders whose Documents of Title are endorsed "non-resident" will receive certificates for their VCP Shares which are similarly endorsed by an appropriate electronic entry made in the relevant register reflecting a "non-resident" endorsement and will be credited to their share accounts at the CSDP. The Broker or the Transfer Secretaries will ensure that all exchange control requirements are adhered to in respect of these shares.

THE MOI AMENDMENTS

1. The MOI of Vunani is required to be amended in order to:
 - 1.1. create the rights, terms and privileges attaching to the VL Preference Shares. The salient features of such rights, terms and privileges are set out below; and
 - 1.2. make certain additional amendments as a consequence of the creation of the VL Preference Shares.
2. While this Appendix only contains the salient features, the full version of the rights, terms and privileges attaching to the VL Preference Shares as contained in the Implementation Agreement, shall constitute the MOI Amendments and shall be available for inspection as per paragraph 22 above.

Salient features of the rights, terms and privileges attaching to the Preference Shares

The following rights, terms and privileges shall apply to the Preference Shares.

1. DEFINITIONS

- 1.1. "African Legend" means African Legend Investment Proprietary Limited, registration number 1996/011625/07, a private company duly registered in accordance with the laws of South Africa;
- 1.2. "AL Distributions" means the Distributions which the Company receives from African Legend from time to time;
- 1.3. "AL Proceeds" means all sums received by or payable to the Company from:
 - 1.3.1 AL Distributions;
 - 1.3.2 proceeds of Disposals of all or any of the AL Shares; and
 - 1.3.3 proceeds of Disposals of any Distribution *in specie*;
- 1.4. "AL Shares" means the ordinary shares in African Legend held by the Company from time to time, as at the first Issue Date being 2 248 000 "N" ordinary shares constituting 2.2% of the ordinary shares in African Legend;
- 1.5. "Business Day" means any day other than a Saturday, Sunday or gazetted national public holiday in South Africa;
- 1.6. "Companies Act" means the Companies Act, 71 of 2008, as amended from time to time;
- 1.7. "Company" means Vunani Limited, registration number 1997/020641/06, a public company duly registered in accordance with the laws of South Africa;
- 1.8. "Disposal" includes sell, exchange, donate, lend, transfer, realise, alienate, cede or assign or in any manner whatsoever dispose, or grant any option over, or enter into derivatives transactions in respect thereof, or realise any value directly or indirectly there from or pledge or encumber in any manner whatsoever, or entering into any agreement or arrangement which has the same or substantially similar effect as any of the aforementioned, or entering into any agreement or arrangement in respect of the rights to vote or rights to payments attaching to any AL Shares;
- 1.9. "Distribution" bears the meaning ascribed thereto in the Companies Act, as at the date hereof meaning a direct or indirect:
 - 1.9.1 transfer by a company of money or other property of the company, other than its own shares, to or for the benefit of one or more holders of any of the shares, or to the holder of a beneficial interest in any such shares, of that company or of another company within the same group of companies, whether:
 - 1.9.1.1 in the form of a dividend;
 - 1.9.1.2 as a payment in lieu of a capitalisation share, as contemplated in section 47 of the Companies Act;
 - 1.9.1.3 as consideration for the acquisition:
 - 1.9.1.3.1 by the company of any of its shares, as contemplated in section 48 of the Companies Act; or
 - 1.9.1.3.2 by any company within the same group of companies, of any shares of a company within that group of companies; or
 - 1.9.1.3.3 otherwise in respect of any of the shares of that company or of another company within the same group of companies, subject to section 164(19) of the Companies Act;
 - 1.9.2 incurrence of a debt or other obligation by a company for the benefit of one or more holders of any of the shares of that company or of another company within the same group of companies; or
 - 1.9.3 forgiveness or waiver by a company of a debt or other obligation owed to the company by one or more holders of any of the shares of that company or of another company within the same group of companies,
 - 1.9.4 but does not include any such action taken upon the final liquidation of the company;
- 1.10 "Distribution *in specie*" means any AL Distribution which is *in specie*;

- 1.11 "Implementation Agreement" means the written implementation agreement entered into by the Company, Vunani Capital and the Preference Shareholder, in terms of which the Company restructured its private equities business immediately prior to the first Issue Date;
- 1.12 "Issue Date" means in respect of any Preference Share, the date upon which such Preference Share is allotted and issued by the Company to the Preference Shareholder;
- 1.13 "JSE" means JSE Limited, registration number 2005/022939/06, a public company incorporated in accordance with the laws of South Africa, licensed as an exchange under the Financial Markets Act 19 of 2012, as amended;
- 1.14 "JSE Listings Requirements" means the JSE Listings Requirements issued by the JSE, as amended from time to time;
- 1.15 "MOI" means the memorandum of incorporation of the Company;
- 1.16 "Preference Arrear Dividends" means such amount of the Preference Dividend which is not paid on a Preference Dividend Date, such Preference Arrear Dividend to be calculated and be payable in each instance in accordance with the provisions of these Preference Share Terms;
- 1.17 "Preference Dividend" means 100% of the AL Proceeds from time to time;
- 1.18 "Preference Dividend Date" means the date which is no later than 10 Business Days after the date on which the Company receives any AL Proceeds;
- 1.19 "Preference Issue Price" means the issue price of a single Preference Share, being:
- 1.19.1 in respect of the Preference Shares issued on the first Issue Date, R36.57 per Preference Share; and
- 1.19.2 in respect of Preference Shares issued pursuant to each exercise of the VL Option in accordance with the Implementation Agreement, the applicable consideration payable by the Preference Shareholder to the Company pursuant to such exercise of the VL Option, divided by the number of Preference Shares issued pursuant to such exercise;
- 1.20 "Preference Redemption Date" means in respect of any Preference Shares, the earliest of the following dates, and if any such date is not a Business Day, then the first Business Day immediately succeeding such date:
- 1.20.1 the date on which the Company ceases to hold AL Shares, provided that all Preference Dividends and Preference Arrear Dividends have been declared and paid to the Preference Shareholder in full;
- 1.20.2 the 25th anniversary of the Preference Issue Date;
- 1.20.3 subsequent to the occurrence or deemed occurrence of a Trigger Event, any date which the Preference Shareholder nominates (in its sole discretion) as constituting the Preference Redemption Date in respect of all (and not less than all) of the Preference Shares in issue, on the provision of written notice to the Company recording such Preference Redemption Date (which notice must be given by the Preference Shareholder at least three Business Days prior to such Preference Redemption Date);
- 1.21 "Preference Redemption Price" means, per Preference Share, an amount equal to the Preference Issue Price in respect of each such Preference Share;
- 1.22 "Preference Shareholder" means Vunani Capital Partners Proprietary Limited, registration number 2019/431743/07, a private company duly registered in accordance with the laws of South Africa;
- 1.23 "Preference Share Terms" means the rights, terms and privileges attaching to the Preference Shares;
- 1.24 "Preference Shares" means the cumulative, redeemable preference shares in the Company, subject to the Preference Share Terms;
- 1.25 "Trigger Event" means any of the following events:
- 1.25.1 in relation to the Company, if the Company fails to redeem any Preference Share in issue on the Preference Redemption Date applicable thereto and/or fails to effect payment to the Preference Shareholder of the Preference Redemption Price together with all other amounts payable on such redemption of such Preference Share as determined in accordance with the provisions of these Preference Share Terms, in full (irrespective of the reason for such failure, including by reason of the Company not having the required profits and/or share premium for such purpose);
- 1.25.2 in relation to the Company, African Legend and/or the Preference Shareholder:
- 1.25.2.1 it is, or takes any steps to be, wound-up, liquidated or placed under business rescue, as the case may be, whether provisionally or finally and whether compulsorily or voluntarily;
- 1.25.2.2 it is, or takes any steps to be, deregistered in terms of the Companies Act;
- 1.25.2.3 it enters into any compromise with its creditors generally, or offers to do so.

- 1.26 "VL Option" means the irrevocable right and option granted by the Company to the Preference Shareholder to subscribe for additional Preference Shares, in the event that the Company has the opportunity to subscribe for or acquire additional AL Shares, subject to the terms and conditions contained in the Implementation Agreement; and
- 1.27 "Vunani Capital" means Vunani Capital Proprietary Limited, registration number 1998/001469/07, a private company duly registered in accordance with the laws of South Africa.

1. RIGHTS TO DIVIDENDS

1.1 Preference Dividends

- 1.1.1 The Preference Shares shall confer the right upon the Preference Shareholder to receive Preference Dividends on each Preference Dividend Date, in priority to any payments of dividends to the holders of any other classes of shares in the Company.
- 1.1.2 On each Preference Dividend Date, the Company shall declare and pay to the Preference Shareholder the Preference Dividends corresponding to such Preference Dividend Date.

1.2 *In specie* Distributions

If the Company receives any Distribution *in specie*, the Company shall transfer to the Preference Shareholder the *In specie* Distribution.

2. REDEMPTION

- 2.1 In the event that the Company is entitled to redeem the Preference Shares in terms of this paragraph 2, the Company shall be entitled to redeem the Preference Shares in any manner permissible at law, and subject to compliance with the relevant provisions of the Companies Act.
- 2.2 The Company shall redeem each Preference Share in issue on the Preference Redemption Date, in priority to the redemption of any other class of shares in the Company, in cash against delivery to the Company of the share certificates in respect of the Preference Shares being so redeemed, at the Preference Redemption Price per Preference Share, which shall be paid to the Preference Shareholder on the Preference Redemption Date.

3. MEETINGS OF AFRICAN LEGEND AND VOTING AT SUCH MEETINGS

- 3.1 The Company shall appoint any director(s) of the Preference Shareholder as the Company's proxy to:
- 3.1.1 participate in, and speak and vote at, a meeting of the shareholders of African Legend, on behalf of the Company; and
- 3.1.2 give or withhold written consent on behalf of the Company to a decision of the shareholders of African Legend as contemplated in section 60 of the Companies Act,
- for as long as the Preference Shareholder holds any Preference Shares.

4. MEETINGS OF THE COMPANY AND VOTING AT SUCH MEETINGS

- 4.1 The Preference Shareholder shall be entitled to receive notice of, attend and vote, either in person or by proxy, at any general meeting of the Company only if, for as long as such circumstances prevail as at the date of such general meeting, a resolution of shareholders of the Company is proposed which affects the rights and privileges attaching to the Preference Shares.
- 4.2 At every meeting of the Company at which the Preference Shareholder is entitled to vote, the provisions of the MOI relating to meetings of ordinary shareholders of the Company shall apply, *mutatis mutandis*, except that:
- 4.2.1 a quorum at any such meeting shall require the presence of the Preference Shareholder; and
- 4.2.2 the Preference Shareholder shall be entitled to one vote for each Preference Share, provided that the total voting right of the Preference Shareholders at any general meeting of the Company may not exceed 24.99% of the total voting rights of all shareholders at such meeting.
- 4.3 No further securities ranking in priority to, or *pari passu* with, the Preference Shares shall be created without a special resolution passed at a separate general meeting of the Preference Shareholder.

5. WINDING UP

The Preference Share, on a winding-up or liquidation of the Company, confers on the Preference Shareholder (registered as such on the relevant date), in priority to and before any provision for, or payment of, any distribution on other classes of shares in the Company, the right to receive in full out of the assets of the Company, the AL Shares and an amount equal to all Preference Arrear Dividends due on the day immediately preceding the date of winding-up or liquidation.

6. NO FURTHER PARTICIPATION

Except as provided in these Preference Share Terms, the Preference Shares do not confer on the Preference Shareholder any right to participate in the profits or in any distribution of the assets or capital of the Company.

7. NON-CONVERTIBLE

The Preference Shares shall not be convertible into ordinary shares in the Company.

ADDITIONAL MOI AMENDMENTS

The MOI of Vunani shall further be amended as follows:

1. by the insertion of a new definition in article 1 thereof immediately after the definition of "Member" as follows:
"Ordinary Share" means an ordinary share in the Company, having the rights, limitations and other terms attaching thereto as set out in article 7.1.1";
2. by the insertion of a new definition in article 1 thereof immediately after the definition of "Ordinary Share" as follows:
"Ordinary Shareholder" means a person holding an Ordinary Share, and registered as such in the Securities Register";
3. by the deletion of article 7.1 thereof in its entirety, and replacement thereof with the following new article 7.1:
*"7.1 The Company is authorised to issue:
7.1.1 500 000 000 (five hundred million) ordinary shares of no par value, each of which ranks pari passu, as contemplated in terms of paragraph 3.29 of the JSE Listings Requirements and any future amendment thereto, in respect of all rights, and entitles the holder to 1 (one) vote for every Ordinary Share held, to be exercised in person or by proxy, on any matter to be decided by the Shareholders of the Company by means of a poll; and
7.1.2 1 000 000 (one million) cumulative, redeemable preference shares, which shares will be created subject to the rights, limitations and other terms attaching thereto, as set out in Schedule 1 hereto";*
4. by the deletion of the word "Shareholders" and the replacement thereof with the words "Ordinary Shareholders" in the following articles:
 - 4.1 article 23.1 (relating to passing ordinary resolutions);
 - 4.2 article 23.2 (relating to passing special resolutions);
 - 4.3 article 24.1 (relating to determining the maximum number of directors); and
 - 4.4 article 24.2 (relating to the election of directors).

VUNANI

LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1997/020641/06)

JSE code: VUN

ISIN: ZAE000163382

("Vunani" or "the company")

NOTICE OF GENERAL MEETING

DETAILS OF GENERAL MEETING

NOTICE IS HEREBY GIVEN to shareholders Friday, 20 November 2020, being the record date to receive notice of the General Meeting in terms of section 59(1)(a) of the Companies Act, 71 of 2008, as amended (the "Companies Act"), that the General Meeting of Shareholders of the Company will be conducted entirely, and be accessible by Shareholders, through electronic communication as envisaged in the Companies Act at 10:30 on Monday, 11 January 2021 to consider and, if deemed fit to pass, with or without modification, the following ordinary and special resolutions, in the manner required by the Companies Act, as read with the JSE Limited Listings Requirements (the "JSE Listings Requirements"), which meeting is to be participated in and voted by shareholders in terms of section 62(3)(a), read with section 59, of the Companies Act.

Salient dates applicable to the General Meeting:

Record date to be eligible to receive the notice of the General Meeting	Friday, 20 November 2020
Last day to trade to be eligible to vote at the General Meeting	Monday, 28 December 2020
Record date for determining those Shareholders entitled to vote at the General Meeting	Thursday, 31 December 2020
Forms of Proxy (blue) to be lodged at the Transfer Secretaries by 10:30 on	Thursday, 7 January 2021
Forms of proxy (blue) which are not timeously lodged with the Transfer Secretary may be emailed to the Transfer Secretaries before the proxy exercises the rights of the Shareholder or may be presented prior to the commencement of the voting on the Resolutions at the General Meeting on	Monday, 11 January 2021

ORDINARY RESOLUTION NUMBER 1 – APPROVAL OF THE VCP UNBUNDLING IN TERMS OF THE LISTINGS REQUIREMENTS

"RESOLVED AS AN ORDINARY RESOLUTION that, subject to the approval of the remaining resolutions set out in this Notice of General Meeting, the unbundling of the VCP Shares to Shareholders, by way of a distribution *in specie pro rata* to their respective shareholdings in Vunani as at the VCP Unbundling Record Date, be and is hereby approved in terms of section 5.85(c) of the JSE Listings Requirements."

Reason and effect

The reason for Ordinary Resolution Number 1 is that the VCP Unbundling is regarded as a specific payment to Shareholders in terms of section 5.85(c) of the JSE Listings Requirements and accordingly requires the approval of the Shareholders by way of an ordinary resolution.

The effect of Ordinary Resolution Number 1, if passed, will be to grant the necessary approval of the VCP Unbundling in terms of the JSE Listings Requirements.

SPECIAL RESOLUTION NUMBER 1 – APPROVAL OF THE MOI AMENDMENTS

"RESOLVED AS SPECIAL RESOLUTION that, subject to the passing of Ordinary Resolution Number 1, the MOI Amendments be and are hereby approved as per Schedule 10 of the JSE Listings Requirements allowing for the MOI of Vunani to be amended thereby creating the rights, terms and privileges attaching to the VL Preference Shares and making related amendments to the MOI of Vunani."

Reason and effect

The reason for Special Resolution Number 1 is that MOI of Vunani is required to be amended to create the rights, terms and privileges attaching to the VL Preference Shares.

The effect of Special Resolution Number 1, if passed, will be the creation of the VL Preference Shares as a class of authorized share capital capable of being issued whose rights and privileges are set put in the MOI Amendments.

SPECIAL RESOLUTION NUMBER 2 – APPROVAL OF THE ISSUANCE OF THE VL ISSUE SHARES TO VCP

“RESOLVED AS SPECIAL RESOLUTION that, subject to the passing of Ordinary Resolution Number 1 and Special Resolution Number 1, the VL Issue Shares be issued in terms of section 41(1) of the Companies Act to VCP as contemplated in this Circular and the Implementation Agreement.”

Reason and effect

The reason for Special Resolution Number 2 is that the issue of the VL Issue Shares, as per section 41(1) of the Companies Act, requires a special resolution to be adopted by Shareholders.

The effect of Special Resolution Number 2, if passed, will be the issuance of the VL Issue Shares to VCP.

SPECIAL RESOLUTION NUMBER 3 – APPROVAL OF THE ISSUANCE OF THE VL OPTION TO VCP

“RESOLVED AS SPECIAL RESOLUTION that, subject to the passing of Ordinary Resolution Number 1, the VL Option be issued in terms of section 41(1) of the Companies Act to VCP as contemplated in this Circular and the Implementation Agreement.”

Reason and effect

The reason for Special Resolution Number 3 is that the issue of the VL Option, as per section 41(1) of the Companies Act, requires a special resolution to be adopted by Shareholders.

The effect of Special Resolution Number 3, if passed, will be the issuance of the VL Option to VCP.

ORDINARY RESOLUTION NUMBER 2

“RESOLVED as an ordinary resolution that any director of the company be, and hereby is authorised, on behalf of the company, to do or cause to be done, all such things, and to sign all such documentation as may be necessary or requisite so as to give effect to and implement the Resolutions to be considered at the General Meeting.”

THRESHOLD FOR RESOLUTION APPROVAL

For the ordinary resolutions set out above to be approved by Vunani Shareholders, each resolution must be supported by more than 50% of the voting rights exercised on the resolution concerned.

For the special resolutions set out above to be approved by Vunani Shareholders, each resolution must be supported by at least 75% of the voting rights exercised on the resolution concerned.

PROXIES

In terms of the JSE Listings Requirements, the votes relating to any Vunani Shares held in treasury or by the Vunani Limited Share Incentive Scheme will not be taken into account in determining the results of voting on the Resolutions tabled at this General Meeting.

Shareholders who have not dematerialised their Vunani Shares or who have dematerialised their Vunani Shares with “own-name” registration, and who are entitled to attend and vote at the General Meeting, are entitled to appoint one or more proxies to attend, speak and vote in their stead. A proxy need not be a shareholder and shall be entitled to vote on a show of hands or poll. It is requested that forms of proxy be forwarded so as to reach the Transfer Secretaries no later than the Relevant Time. If Vunani Shareholders who have not dematerialised their Vunani Shares or who have dematerialised their Vunani Shares with “own-name” registration, and who are entitled to attend and vote at the General Meeting do not deliver forms of proxy to the Transfer Secretaries by the Relevant Time, such Vunani Shareholders will nevertheless at any time prior to the commencement of the voting on the Resolutions at the General Meeting be entitled to lodge the form of proxy in respect of the General Meeting, in accordance with the instructions therein with the chairperson of the General Meeting. Forms of proxy must only be completed by Vunani Shareholders who have not dematerialised their Vunani Shares or who have dematerialised their Vunani Shares with “own-name” registration.

VOTING PROCEDURES AND ELECTRONIC PARTICIPATION

On a show of hands, every shareholder present in person or represented by proxy and entitled to vote shall have only one vote, irrespective of the number of shares such shareholder holds. On a poll, every shareholder present in person or represented by proxy and entitled to vote shall be entitled to one vote for every share held or represented by that shareholder. On a poll taken at any such meeting the shareholder entitled to more than one vote need not, if he votes, use all of his votes, or cast all the votes he uses in the same way:

- to furnish the company with his voting instructions; or
- in the event that he wishes to attend the AGM, to obtain the necessary letter of representation to do so.

The directors have made provision for electronic voting at the general meeting.

By order of the Board

B Khoza

Chief Executive Officer

Johannesburg

30 November 2020

Registered office

Vunani House

Vunani Office Park

151 Katherine Street

Sandown, Sandton, 2196

(PO Box 652419, Benmore, 2010)

Transfer Secretaries

Singular Systems Proprietary Limited

25 Scott Street

Waverley

Johannesburg, 2090

(PO Box 785261, Sandton, 2146)

VUNANI

LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1997/020641/06)

JSE code: VUN

ISIN: ZAE000163382

("the company")

FORM OF PROXY

To be completed by registered Certificated Shareholders and Dematerialised Shareholders with own-name registration only.

For use in respect of the General Meeting to be held entirely by electronic means on Monday, 11 January 2021 at 10:30.

Ordinary Vunani Shareholders who have dematerialised their Vunani Shares with a CSDP or Broker, other than with own-name registration, must arrange with the CSDP or Broker concerned to provide them with the necessary Letter of Representation to participate at the General Meeting or the ordinary Vunani Shareholders concerned must instruct their CSDP or Broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the Vunani Shareholder and the CSDP or Broker concerned.

I/We (full name in block letters)

of (address)

Telephone (work)

Telephone (home)

Mobile

Email address:

being the holder(s) of ordinary shares in the company, appoint (see note 1):

or failing him/her,

or failing him/her,

the chairman of the General Meeting,

as my/our proxy to act on my/our behalf at the General Meeting which is to be held for the purpose of considering and, if deemed fit, passing, with or without modification, the Resolutions to be proposed thereat and at any adjournment thereof and to vote for or against the Resolutions or to abstain from voting in respect of the ordinary shares registered in my/our name/s, in accordance with the following instructions (see note 2):

	Number of votes (one vote per ordinary share)		
	For	Against	Abstain
Ordinary resolution number 1 – approval of the VCP Unbundling			
Special resolution number 1 – approval of the MOI Amendments			
Special resolution number 2 – approval of the issuance of the VL Issue Shares to VCP			
Special resolution number 3 – approval of the issuance of the VL Option to VCP			
Ordinary resolution number 2 – directors' authority			

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

Each Vunani Shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the company) to participate, speak, and on a poll, vote in place of that shareholder at the General Meeting.

Signed at _____ on _____ 2020

Signature(s)

Capacity

Please read the notes on the reverse side hereof.

Notes:

1. A member may insert the name of a proxy or the names of two alternate proxies of the member's choice in the space(s) provided, with or without deleting "the chairman of the General Meeting". The person whose name stands first on the form of proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A member should insert an "X" in the relevant space according to how he wishes his votes to be cast. However, if a member wishes to cast a vote in respect of a lesser number of ordinary Vunani Shares than he owns in the company, he should insert the number of ordinary Vunani Shares held in respect of which he wishes to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the General Meeting as he deems fit in respect of all of the member's votes exercisable at the General Meeting. A member is not obliged to exercise all of his votes, but the total of the votes cast and abstentions recorded may not exceed the total number of the votes exercisable by the member.
3. The completion and lodging of this form of proxy will not preclude the relevant member from attending the General Meeting and speaking and voting in person to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.
4. Forms of proxy must be lodged at or be posted to the Transfer Secretaries to be received by no later than 10:30 on Thursday, 07 January 2021.
5. Forms of proxy which are not timeously lodged with the Transfer Secretary may be emailed to the Transfer Secretaries before the proxy exercises the rights of the Shareholder or may be presented prior to the commencement of the voting on the Resolutions at the General Meeting.
6. If the General Meeting is adjourned or postponed, a form of proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.
If the General Meeting is adjourned or postponed then forms of proxy that have not yet been submitted should be lodged with the Transfer Secretary preferably by no later than 48 hours before the adjourned or postponed General Meeting.
7. The chairman 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. Shareholders who have dematerialised their Vunani Shares with a CSDP or Broker, other than with own-name registration, must arrange with the CSDP or Broker concerned to provide them with the necessary Letter of Representation to attend the General Meeting or the ordinary shareholders concerned must instruct their CSDP or Broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the CSDP or Broker concerned.
9. Any alteration to this form of proxy, other than the deletion of alternatives, must be signed, not initialled, by the signatory/ies.
10. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. on behalf of a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy, unless previously recorded by the company or waived by the chairman of the General Meeting.
11. A minor must be assisted by his/her parent or guardian, unless the relevant documents establishing his/her capacity are produced or have been recorded by the company.
12. Where there are joint holders of Vunani Shares:
 - any one holder may sign the form of proxy; and
 - the vote of the senior joint holder who tenders a vote, as determined by the order in which the names stand in the company's register of members, will be accepted.
13. To be valid, the completed forms of proxy must either (a) be lodged so as to reach the Transfer Secretaries by no later than the Relevant Time; or (b) be lodged with the chairperson of the General Meeting prior to the General Meeting so as to reach him by no later than immediately prior to the commencement of voting on the Resolutions to be tabled at the General Meeting.
14. The proxy appointment is revocable by the shareholders giving written notice of the cancellation to the company prior to the General Meeting or any adjournment thereof. The revocation of the proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholders as of the later of: (i) the date stated in the written notice, if any; or (ii) the date on which the written notice was delivered as aforesaid.
15. If the instrument appointing a proxy or proxies has been delivered to the company, any notice that is required by the Companies Act or the Memorandum of Incorporation to be delivered by the company to shareholders must (as long as the proxy appointment remains in effect) be delivered by the company to: (i) the shareholder; or (ii) the proxy or proxies of the shareholder has directed the company to do so, in writing and pay it any reasonable fee charged by the company for doing so.

Summary of the rights established in terms of section 58 of the Companies Act, 71 of 2008 ("Companies Act")

For purposes of this summary, "shareholder" shall have the meaning ascribed thereto in the Act.

1. At any time, a shareholder of a company is entitled to appoint an individual, including an individual who is not a shareholder of that company, as a proxy, to participate in, and speak and vote at, a shareholders meeting on behalf of the shareholder, or give or withhold written consent on behalf of such shareholder in relation to a decision contemplated in section 60 of the Companies Act.
2. A proxy appointment must be in writing, dated and signed by the relevant shareholder, and such proxy appointment remains valid for one year after the date upon which the proxy was signed, or any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in section 58(4)(c) of the Act or expires earlier as contemplated in section 58(8)(d) of the Companies Act.
3. Except to the extent that the Memorandum of Incorporation of a company provides otherwise:
 - 3.1 a shareholder of the relevant company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by such shareholder;
 - 3.2 a proxy may delegate his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
 - 3.3 a copy of the instrument appointing a proxy must be delivered to the relevant company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a shareholders meeting.
4. Irrespective of the form of instrument used to appoint a proxy, the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder of the relevant company.
5. Unless the proxy appointment expressly states otherwise, the appointment of a proxy is revocable. If the appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by 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 the company.
6. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the relevant shareholder as of the later of the date: (a) stated in the revocation instrument, if any; or (b) upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act.
7. If the instrument appointing a proxy or proxies has been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the relevant company's Memorandum of Incorporation to be delivered by such company to the shareholder, must be delivered by such company to the shareholder, or to the proxy or proxies, if the shareholder has directed the relevant company to do so in writing and paid any reasonable fee charged by the company for doing so.
8. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the Memorandum of Incorporation, or the instrument appointing the proxy provide otherwise.
9. If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:
 - 9.1 such invitation must be sent to every shareholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;
 - 9.2 the invitation, or form of instrument supplied by the relevant company, must: (a) bear a reasonably prominent summary of the rights established in section 58 of the Companies Act; (b) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by such shareholder; and (c) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour or against the applicable resolution/s to be put at the relevant meeting, or is to abstain from voting;
 - 9.3 the company must not require that the proxy appointment be made irrevocable; and
 - 9.4 the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.

ELECTRONIC MEETING PARTICIPATION FORM

The general meeting:

- Shareholders or their proxies who wish to participate in the general meeting via electronic communication ("Participants"), must apply to the Company's meeting scrutineers to do so by e-mailing the form below ("the application") to the e-mail address of the Company's meeting scrutineers, The Meeting Specialist Proprietary Limited ("TMS"), by no later than 10:30 am on Monday, 11 January 2021. The e-mail address is as follows: proxy@tmsmeetings.co.za
- The application may also be posted, at the risk of the Participant, to TMS, PO Box 62043, Marshalltown, 2107, so as to be received by the meeting scrutineers by no later than the time and date set out above.
- Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with 'own name' registration, should contact their Central Securities Depository Participant ("CSDP") or broker in the manner and time stipulated in their agreement with their CSDP or Broker: – to furnish them with their voting instructions; and – in the event that they wish to participate in the meeting, to obtain the necessary authority to do so.
- Participants will be able to vote during the general meeting through an electronic participation platform. Such Participants, should they wish to have their vote(s) counted at the general meeting, must provide TMS with the information requested below.
- Each shareholder, who has complied with the requirements below, will be contacted between 08:00 and 17:00 on Friday, 8 January 2021 via email/mobile with a unique link to allow them to participate in the virtual general meeting.
- The cost of the Participant's phone call or data usage will be at his/her own expense and will be billed separately by his/her own telephone service provider.
- The cut-off time, for administrative purposes, to participate in the meeting will be 10:30 am on Monday, 11 January 2021.
- The Participant's unique access credentials will be forwarded to the email/cell number provided below.

APPLICATION FORM

Name and surname of shareholder

Name and surname of shareholder representative (if applicable)

ID number of shareholder or representative

Email address

Cell number

Telephone number

Name of CSDP or broker (if shares are held in dematerialised format)

SCA number/broker account number or own name account number

Number of shares

Signature

Date

By signing this form, I agree and consent to the processing of my personal information above for the purpose of participation in the general meeting.

TERMS AND CONDITIONS FOR ELECTRONIC PARTICIPATION AT THE GENERAL MEETING

- The cost of dialling in using a telecommunication line/webcast/web-streaming to participate in the general meeting is for the expense of the Participant and will be billed separately by the Participant's own telephone service provider.
- The Participant acknowledges that the telecommunication lines/webcast/web-streaming are provided by a third party and indemnifies Vunani, the JSE Limited and TMS and/or their third party service providers against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines/webcast/web-streaming, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against Vunani, the JSE Limited and TMS and/or its third party service providers, whether for consequential damages or otherwise, arising from the use of the telecommunication lines/webcast/web-streaming or any defect in it or from total or partial failure of the telecommunication lines/webcast/web-streaming and connections linking the telecommunication lines/webcast/web-streaming to the general meeting.
- Participants will be able to vote during the general meeting through an electronic participation platform. Such Participants, should they wish to have their vote(s) counted at the general meeting, must act in accordance with the requirements set out above.
- Once the Participant has received the link, the onus to safeguard this information remains with the Participant.
- The application will only be deemed successful if this application form has been fully completed and signed by the Participant and delivered or e-mailed to TMS at proxy@tmsmeetings.co.za.

Shareholder name

Signature

Date

You are required to attach a copy of your identity document/drivers licence/passport when submitting the application.

