

Proposed unbundling and separate listing of Vunani's Private Equity Assets, posting of circular, notice of GM,

VUNANI LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1997/020641/06)
JSE code: VUN
ISIN: ZAE000163382
("Vunani" or "Vunani Group" or "the Company")

PROPOSED UNBUNDLING AND SEPARATE LISTING OF VUNANI'S PRIVATE EQUITY ASSETS,
POSTING OF CIRCULAR, NOTICE OF GENERAL MEETING AND WITHDRAWAL OF CAUTIONARY
ANNOUNCEMENT

1 Introduction

Shareholders are referred to the announcements released on SENS on 6 August 2020, 18 September 2020 and 2 November 2020 regarding the separation of the financial services assets ("Financial Services Assets") and private equity assets ("Private Equity Assets") of Vunani through an unbundling and a separate listing of the Private Equity Assets.

Shareholders are advised that the structure, process and legal agreements required to implement the unbundling of the Private Equity Assets have been agreed upon and signed.

In this regard, the Private Equity Assets shall be housed in a new company being Vunani Capital Partners Limited ("VCP") and the shares of VCP unbundled to shareholders of Vunani ("VCP Unbundling").

The Private Equity Assets shall be listed on Equity Express Securities Exchange Proprietary Limited ("ESEE") within twelve months of the VCP Unbundling ("VCP Listing").

The rationale for selecting ESEE 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.

An implementation agreement ("Implementation Agreement") was entered into between Vunani, VCP and Vunani Capital Proprietary Limited ("Vunani Capital") on 12 November 2020, which Implementation Agreement sets out the terms and the processes to be implemented in order to effect the VCP Unbundling.

2 Details of Private Equity Assets and Financial Services Assets

2.1 The Private Equity Assets, which shall be unbundled to shareholders via the VCP Unbundling are set out below:

- Alliance Capital Limited;
- Anatrica AG;
- Betbio Zambia Limited;
- Purpose Asset Management (Private) Limited;
- Ferrox Holdings Limited ("Ferrox"), the shares held by Vunani Capital in Ferrox to be unbundled being (the "Ferrox Shares");
- Vunani Fintech Fund (Previously Tamlalor Proprietary Limited)
- Verbicept Properties Proprietary Limited;
- Vunani Mining Proprietary Limited;
- Vunani Properties Proprietary Limited; and
- Vunani Resources Proprietary Limited.

The companies identified above as the Private Equity Assets, are collectively referred to as the ("Transaction Companies") and the shares held by Vunani or Vunani Capital in such Transaction Companies being (the "Transaction Company Shares").

2.2 Thus, upon implementation of the VCP Unbundling, the Financial Services Assets to be retained by Vunani are set out below:

- Vunani Fund Managers Proprietary Limited;
- Vunani Securities Proprietary Limited;
- Mandlamart Proprietary Limited, which is the holding company of Fairheads Beneficiary Services Proprietary Limited;
- Vunani Capital;
- Vunani Capital Markets Proprietary Limited;
- Telos Proprietary Limited, which is the holding company of Oracle Life Eswatini Limited (previously Metropolitan Life Swaziland Limited);
- AME Capital Proprietary Limited the holding company of Vunani Fund Managers Proprietary Limited (previously Stanlib Investment Management Services Proprietary Limited; and
- Phakamani Impact Capital Proprietary Limited;

3 Terms of the VCP Unbundling

3.1 The MOI Amendments

In order to implement the VCP Unbundling, Vunani is required to amend its memorandum of incorporation ("MOI") to allow for the creation of a new class of preference share ("VL Preference Shares") ("MOI Amendments") through which it is intended that the economic rights and benefits of African Legend Investment (Pty) Ltd shall flow through to VCP as set out below.

African Legend Investment Proprietary Limited ("African Legend") has been identified as a private equity asset held by Vunani (the "AL Shares").

The VL Preference Shares which shall be issued by Vunani to VCP, shall confer the right upon VCP to receive, inter alia, the preference dividend ("Preference Dividend") being 100% of the following ("AL Proceeds"):

- ◆ Any distribution Vunani receives from African Legend, from time to time;
- ◆ Proceeds Vunani receives from the disposal of any or all of the AL Shares; and
- ◆ Proceeds Vunani receives as a distribution in specie from African Legend.

The rationale for the issuance of the VL Preference Shares, is that, due to uncertainties in respect of the preemptive 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.

Therefore, in order to create the rights and privileges associated with the VL Preference Shares which confers the right upon VCP to receive the Preference Dividend and implement the VCP Unbundling, the MOI

Amendments are required to be effected.

In this regard, 500 000 VL Preference Shares shall be issued to VCP ("VL Issue Shares").

3.2 The VL Option

If, after the VCP Unbundling, 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").

Vunani shall grant VCP an irrevocable right and option to subscribe for additional VL Preference Shares following receipt of the Notice (the "VL Option"), such that VCP is able to obtain additional exposure to African Legend, via the Additional AL Shares and the subsequent issue to VCP of the additional VL Preference Shares.

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.

The MOI Amendments shall include the amendments and terms required to implement the issuance of the VL Option.

3.3 The VCP Unbundling

The VCP Unbundling which is governed by the Implementation Agreement, 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 ESE, most notably the criteria that VCP prior to listing has a TNAV of at least R3 million..
Step 2	The Internal Reorganisation and	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.

Upon completion of this step, VCP remains a wholly-owned subsidiary of Vunani Capital.

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, inter alia, the Preference Dividend being 100% of

Step 3	the AL Proceeds from time to time. 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 in specie to Vunani, following which Vunani shall be the sole shareholder of the VCP Shares and therefore
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capable of distributing the VCP Shares to

Step 4	The Preference Share Subscription and VCP Share Subscription	Shareholders. 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, inter alia, 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.
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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.

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.

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.

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 in specie to the Shareholders.

4 Management Services Agreement

Vunani Capital and VCP entered into a management services agreement ("Management Services Agreement"), in terms of which VCP shall appoint Vunani Capital on an exclusive basis, after implementation of the VCP Unbundling, to provide management services for a period of five years for a management fee.

5 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.

6 Suspensive conditions

6.1 The Implementation Agreement, and therefore the implementation of the VCP Unbundling, is subject to the fulfilment or waiver of a number of suspensive conditions by no later than 28 February 2021 or such other date as agreed to by the Parties. These suspensive conditions include the following:

- 6.1.1 the board of directors of VCP duly adopting resolutions (i) approving the allotment and issue of VCP Shares to Vunani Capital and (ii) approving the terms and conditions of the transactions contemplated in the Implementation Agreement;
- 6.1.2 the shareholder of VCP having duly adopted special resolutions to the extent required in terms of section 41(3) of the Companies Act, 2008 (Act 71 of 2008) ("Companies Act") approving the allotment and issue by VCP of VCP Shares to Vunani Capital as contemplated in the Implementation Agreement;
- 6.1.3 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;
- 6.1.4 the board of directors of Vunani duly adopting resolutions:
 - 6.1.4.1 approving the allotment and issue of VL Issue Shares to VCP;
 - 6.1.4.2 approving the VCP Unbundling in accordance with section 46 of the Companies Act;
 - 6.1.4.3 approving of the granting of the VL Option; and
 - 6.1.4.4 approving the terms and conditions of the transactions contemplated in the Implementation Agreement;
- 6.1.5 the Vunani Shareholders having duly adopted an ordinary resolution approving the VCP Unbundling in accordance with section 5.85(c) of the Listings Requirements;
- 6.1.6 the Vunani Shareholders having duly adopted special resolutions:
 - 6.1.6.1 to create the VL Issue Shares as authorised shares of Vunani;
 - 6.1.6.2 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;
 - 6.1.6.3 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;
- 6.1.7 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 Companies and Intellectual Property Commission;
- 6.1.8 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;
- 6.1.9 to the extent required, SoftPawa Limited (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 Limited, and (ii) waiving in writing any rights it may have to terminate the Transaction Company Agreements in relation to Betbio Zambia Limited;
- 6.1.10 to the extent required, SoftPawa Limited consenting in writing to the Internal Reorganisation (and waiving in writing any rights it may have to terminate the SoftPawa Services Agreement);
- 6.1.11 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;
- 6.1.12 the relevant lenders consenting in writing to the cession and delegation by Vunani Capital of the Transaction Company Loans Repayable; and
- 6.1.13 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.

7 Application of JSE Listings Requirements, posting of Circular and notice of general meeting

7.1 Application of JSE Listings Requirements and posting of Circular

The VCP Unbundling has been classified as a specific payment to shareholders in terms of paragraph 5.85(c) of the Listings Requirements of JSE Limited requiring a circular ("Circular") to be posted to shareholders.

Accordingly, a Circular containing the full details of the VCP Unbundling, MOI Amendments, the Implementation Agreement, the Management Services Agreement and the financial impact of the VCP Unbundling on Vunani and incorporating a notice convening the required Vunani general meeting, will be posted to shareholders on or about Tuesday, 1 December 2020.

A copy of the Circular is available on the Company's website (<http://www.vunanilimited.co.za>) from today, 30 November 2020.

The circular is available in English only. Copies may be obtained during normal business hours from the registered office of the Company and from the offices of the Company's sponsor, Grindrod Bank Limited, from Monday, 30 November 2020 to Monday, 11 January 2021 (both days inclusive).

7.2 Notice of general meeting

Notice is hereby given that a general meeting of Vunani shareholders, which will be conducted entirely, and be accessible only through electronic communication, will be held at 10:30 on Monday, 11 January 2021, to pass, with or without modification, the ordinary and special resolutions required to approve the VCP Unbundling and the MOI Amendments.

Shareholders or their proxies who wish to participate in the general meeting via electronic communication ("Participants"), must apply to the Company's meeting scrutineers by e-mailing the application form ("Application Form") which shall be included in the circular 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 Form 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.

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 set out in the Application Form.

Each shareholder, who has complied with the requirements above, 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.

Salient Dates and times

Record date for Vunani Shareholders to be recorded in the Register in order to receive the Circular	Friday, 20 November 2020
Announcement of distribution of Circular and notice convening the General Meeting published on SENS on 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 with the Transfer Secretaries by 10h30 on	Thursday, 07 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
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	Monday, 01 February 2021
(please refer to note 5 below)	

Notes:

- 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.
- Share certificates may not be Dematerialised or re-materialised between Monday, 28 December 2020 and Thursday, 31 December 2020, both days inclusive.
- 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.
- All times indicated above and elsewhere in this Circular are in South African Standard Time.
- 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.
- 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.

Shareholders are referred to the further cautionary announcement published on 2 November 2020 in respect of the VCP Unbundling and are advised that caution is no longer required to be exercised when dealing in Vunani securities.

Sandton
30 November 2020

Corporate Adviser
Vunani Corporate Finance

Sponsor
Grindrod Bank Limited

Legal Adviser to Vunani
Webber Wentzel

Independent Reporting Accountants and Auditors
KPMG Inc.

Date: 30-11-2020 02:05:00

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